



Green
Bond
Impact
Report
2021





Contents

1. This is Kojamo	3
2. Sustainability at Kojamo	4
2.1 Our sustainability programme	4
2.2 Our Sustainability Reporting	6
3. Sustainable Finance	7
3.1 Green bond 2021	7
3.2 Green Finance Framework	7
3.3 Green Project evaluation and selection	7
3.4 Reporting and external review	8
4. Allocated Proceeds and Impact Reporting	10
4.1 Allocation of green bond proceeds to approved eligible projects and impact reporting	10
4.2 Examples of Green Assets	12
Independent Assurance Report to the Management of Kojamo plc	13



1. This is Kojamo

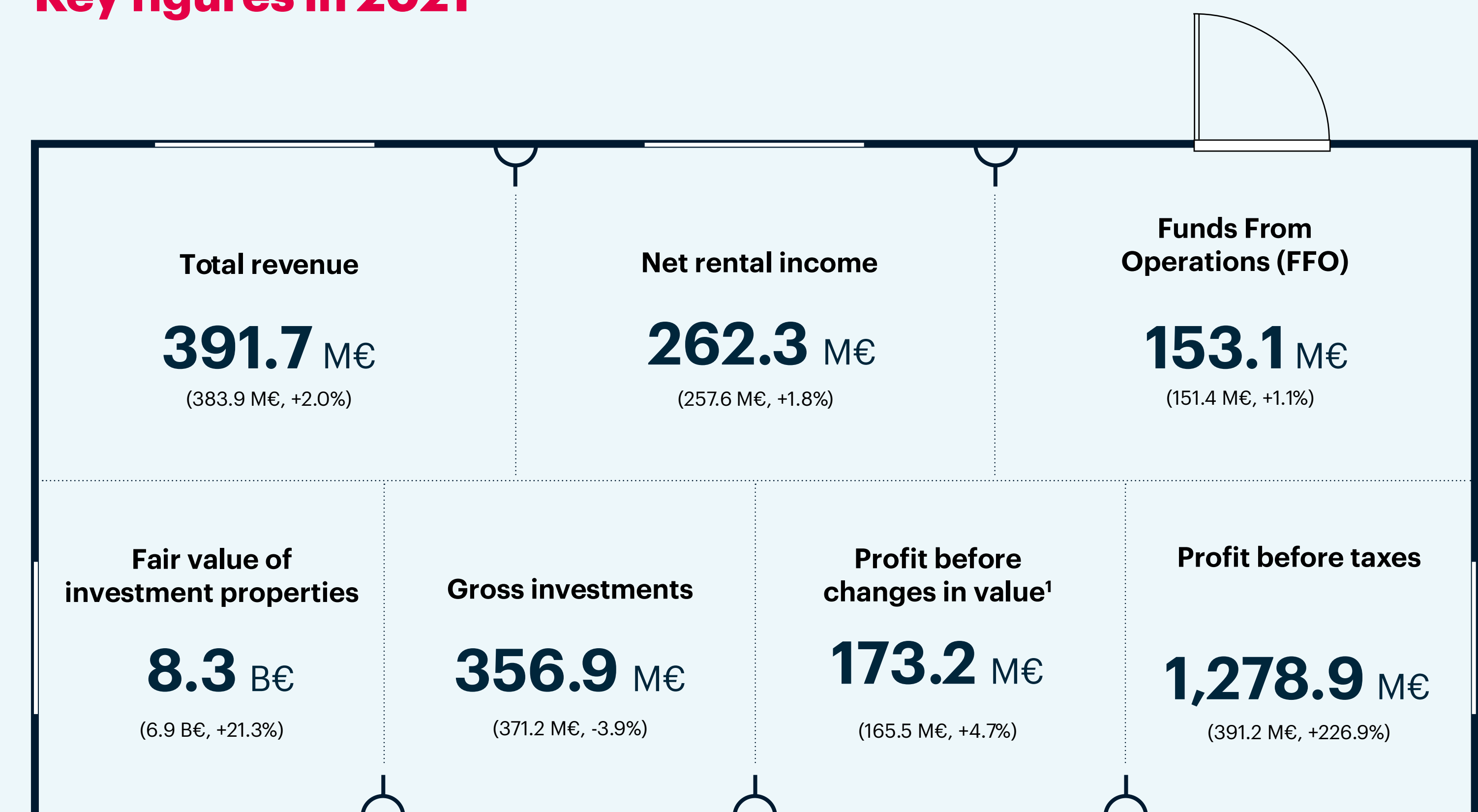
Kojamo plc (“Kojamo”) is Finland’s largest private residential real estate investor with 36,897 apartments with the fair value of the investment properties totalling EUR 8.3 billion¹. The company offers rental apartments and housing services in Finland’s biggest growth centres.

Kojamo’s mission is to create better urban housing. Our goal is to be the property market frontrunner and the number one choice for our customers. We aim to grow by developing new properties, acquiring properties and by converting buildings used for other purposes into apartments. Lumo is our consumer brand and Lumo offers environmentally friendly housing and services for the city dweller who appreciates quality and effortlessness. We actively develop the value of our investment properties by building new properties as well as buying and developing existing property portfolio. Kojamo’s shares are listed on the official list of Nasdaq Helsinki.

Kojamo is a frontrunner in rental housing building better and more sustainable urban living. The core of our sustainability is expressed in our mission

statement: we create better urban living. Sustainability is becoming increasingly significant to our stakeholders, which directly affects our operations. Corporate responsibility and sustainable development are a strategic focus area for Kojamo and an integral aspect of our operations and corporate culture.

Key figures in 2021



¹ Changes in value = Profit/loss on fair value of investment properties

¹ As at 31 December 2021.



2. Sustainability at Kojamo

2.1. Our sustainability programme

Sustainability is part of our company DNA and a key strategic priority in our mission to create better urban housing. Our sustainability programme supports the execution of our strategy and is based on materiality analysis to ensure a focus on the most material sustainability themes for our strategy, business operations and key stakeholders. The cornerstones of our sustainability programme are to ensure long-term profitability and growth, conduct sustainable and responsible operations, and transparent communications and reporting on sustainability.

The programme contains four key sustainability focus areas, being:

- (I) Sustainable Cities;
- (II) The best customer experience;
- (III) A responsible corporate citizen; and
- (IV) The most competent personnel and a dynamic workplace

The sustainable cities focus area of the sustainability programme includes our key targets related to carbon neutrality and climate change mitigation, energy efficiency, circular economy and recycling opportunities, and minimising the lifecycle environmental impacts of properties.

Focus area of Sustainable Cities is also at the core of our Green Finance Framework.



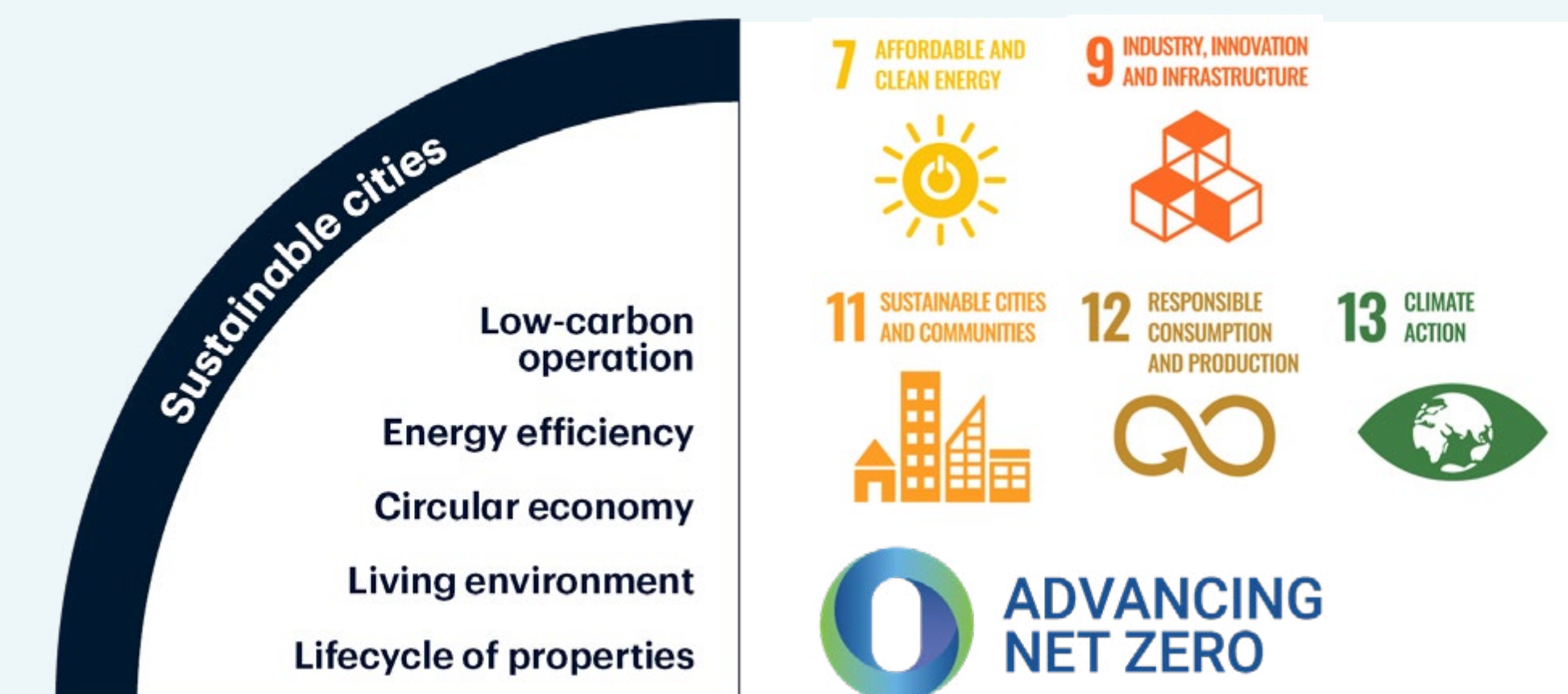
We want to create urban environments that are comfortable, safe and in line with the principles of sustainable development. We take sustainability into consideration in all of our investments, from new construction to renovation and maintenance. In our operations, we aim to improve energy efficiency, reduce the carbon footprint and promote circular economy.

The key sustainability objectives of the Sustainable Cities focus area include the following:

- We are committed to owning only assets that are net zero carbon in operation by the end of 2030
- We will enhance the efficiency of our energy consumption by 7.5% during the period of 2017-2025, using 2016 as the baseline
- We will annually reduce the portfolio energy intensity by 3% (kWh/m³)
- Starting from 2021, new own development projects will be implemented with an energy performance level (E-value) equivalent or below 80 kWh/m²
- Starting from 2021, all major renovation projects will achieve a relative improvement in energy efficiency by at least 30%
- We will reduce the portfolio water consumption by 5% by the end of 2030 (compared to 2019 level)
- We will improve the portfolio waste recycling rate to 55% by the end of 2023
- We will achieve waste sorting and recycling rate above 70% in both new development and major renovation projects by the end of 2023
- All our own offices are WWF Green Office certified

We are committed to preventing and reducing the environmental impacts of our operations, throughout the life cycle of our property portfolio. We work towards increasing the energy and material efficiency and to more circular economy adapted models.

We are committed to using carbon neutral property electricity in our whole property portfolio. In addition, we are using carbon neutral district heating in part of our properties. In 2021, carbon neutral district heating was used at 79 properties. We promote sustainability related services such as ecological driving through our car sharing services offered to residents of Lumo homes.





2.2 Our sustainability reporting

In our sustainability reporting we transparently disclose our sustainability related KPI data and the progress related to the sustainability programme. Our annual reporting is conducted in accordance with the GRI Standards and EPRA (European Public Real Estate Association) Sustainability Best Practises Recommendations Guidelines (EPRA sBPR). We also disclose our sustainability performance annually to Global Real Estate Sustainability Benchmark (GRESB), the most important international sustainability benchmark in our industry.

Three stars in GRESB

For 2020 reporting, we received a good result of 77 points out of 100 in our second GRESB Sustainability Assessment. The score improved by seven points compared to the previous year. Our score exceeded the average result of all of the participants in the assessment (73). We also exceeded the average score (72) of our comparison group (Europe, Listed Residential) and were placed second in the group. With this result, we earned our second Green Star designation and three stars out of five.

Read more about our sustainability work in our [Annual Report 2021](#).





3. Sustainable Finance

Since publishing of our sustainability programme in December 2020, we have worked on integrating our sustainability targets into company's financing arrangements. Linking financing with achieving our sustainability targets underlines our commitment to promoting sustainability.

Last year we took several important steps on the sustainable finance front. In January 2021, we signed our first EUR 75 million revolving credit facility, which is tied to our sustainability KPIs. In March 2021, we signed another EUR 100 million sustainability linked revolving credit facility. In May 2021, we issued our first green bond of EUR 350 million.

3.1 Green bond 2021

In May 2021, Kojamo plc issued its first green bond of EUR 350 million under its EMTN programme of EUR 2,500,000,000. The maturity of the senior unsecured bond is 8 years and the maturity date is 28 May 2029. The annual fixed coupon of the bond is 0.875 per cent.

The net proceeds were used to finance or refinance the construction of energy efficient buildings in accordance with the Green Finance Framework.

3.2 Green Finance Framework

The Green Finance Framework sets up the criteria for investments that can be financed or refinanced with green bonds, green loans or other green debt instruments (Green Debt). The Framework will be applied to the company's investment projects that promote the transition towards sustainable and low-carbon economy, focusing on energy efficient buildings and improving their energy efficiency, as well as to projects increasing the production of renewable energy, promoting clean transportation or improving waste management. A full list of green project categories and their description can be found in the Green Finance Framework.

The Framework is aligned with the Green Bond Principles published in June 2018 by the International Capital Market Association (ICMA) and the Green Loan Principles published by the European Loan Market Association (LMA). CICERO Shades of Green has provided a second party opinion on the Framework, which is publicly available at our website.

3.3 Green Project evaluation and selection

Green Projects comply with the eligibility criteria defined under the Green Project Categories section. Kojamo has designed and implemented a process

to ensure that only projects aligned with the criteria are selected as Eligible Assets and Projects for potential Green Debt issuances. To oversee this a Green Finance Committee (GFC) has been established.

The GFC comprise members from top management, treasury, sustainability and investment management.

A decision to allocate net proceeds will require a consensus decision by the GFC and Kojamo's sustainability manager has veto power in the decision. The decisions made by the GFC are documented and filed. All Green Financing instruments are managed at a portfolio level and Kojamo ensures that the total amount of Eligible Green Assets exceeds the amount of outstanding Green Debt instruments.

3.4 Reporting and external review





Our Green Bond Impact Report includes the following information:

- A summary of green bond developments
- The outstanding amount of green bonds issued
- The proportion of green bond net proceeds used to finance new Green Projects (defined as Green Projects completed after the Green Debt was issued) and the proportion of green bond net proceeds used to refinance Green Projects (defined as Green Projects completed before the Green Debt was issued)

- The impact report section discloses the environmental impact of the Green projects financed under the Framework. The impact assessment is based on the Key Performance Indicators (KPIs) presented in the table on page 9.

An independent assurance provider has verified our selection process for the financing of Eligible Assets and the allocation of the proceeds of the green bond, as well as that such processes are in accordance with Kojamo's Green Finance Framework. The verification report is attached to this Green Bond Impact Report 2021.



Green project category	Description	Types of projects	SDG	Key performance indicators of eligible projects (KPIs)
Green and energy efficient buildings	Kojamo promotes the increase of energy efficiency of its property portfolio by investing in the improvement of energy efficiency of existing buildings, and by investing in the development of new energy efficient buildings. Energy efficiency has a key role in our target of owning only assets that are net zero carbon in operation by 2030. Green and energy efficient buildings category covers the financing or refinancing of the construction, acquisition, expansion, or upgrade/modification of buildings that meet the defined criteria.	New buildings and existing buildings <ul style="list-style-type: none"> Construction of new buildings for which the design was initiated from 1 January 2021 onwards, with an Energy Performance Certificate (EPC) of class A or B and an energy performance value (E-value) equivalent or below 80 kWh/m² Construction of new buildings for which the design was initiated before 1 January 2021, with an EPC of class A or B and E-value equivalent or below 82 kWh/m² Existing buildings with an EPC of class A or B, the E-value equivalent or below 82 kWh/m² 	   	New buildings <ul style="list-style-type: none"> Energy performance Certificate (EPC) levels (A, B) Energy performance reference values (E-values) Existing buildings <ul style="list-style-type: none"> Energy performance Certificate (EPC) levels (A, B) Energy performance reference values (E-values) Annual energy intensity (kWh/m³) Annual CO₂ -emission intensity (kg CO₂e/m³) Annual water consumption intensity (l/m³)

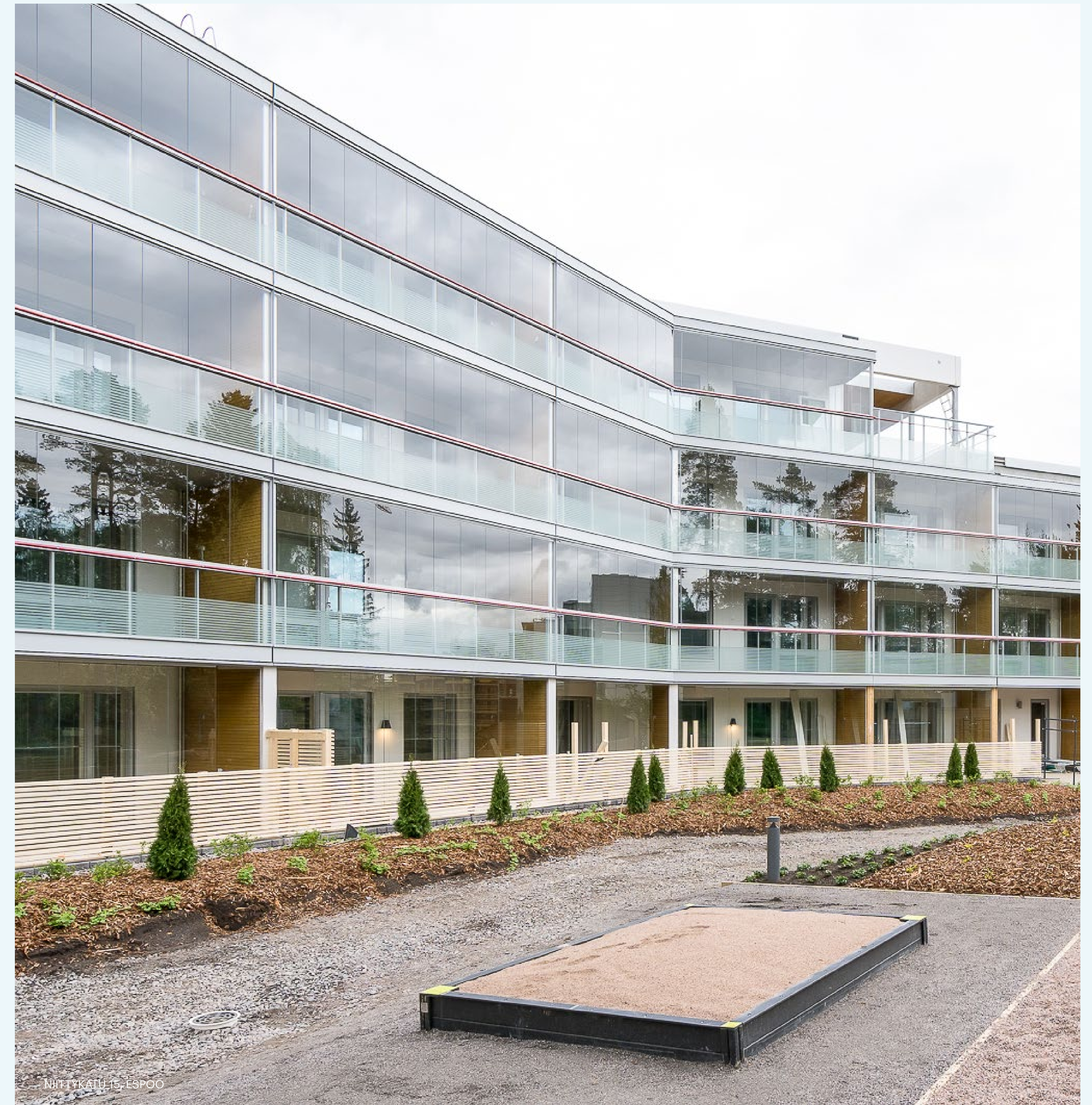


4. Allocated Proceeds and Impact Reporting

4.1 Allocation of green bond proceeds

The proceeds of EUR 350 million green bond issued in May 2021 were allocated in accordance with the criteria and decision making process for eligible projects defined in Kojamo's Green Finance Framework. Kojamo's Green Finance Committee approved the eligible projects. All the proceeds from the green bond were allocated to the Green and energy efficient buildings -category.

The pool on eligible green projects will be continuously monitored and new potential projects will be identified to be financed with new green bonds. After the closing of this reporting period, Kojamo has issued its second EUR 300 million green bond in March 2022.



Green assets funded 31 December 2021

Property name	Location	Project status	Number of apartments	Energy Performance Certificate (EPC)	E-value (kWh/m ²)	Energy intensity* (kWh/m ³)	CO ₂ emissions intensity* (kg CO ₂ e/m ³)
New buildings (under construction)							
As Oy Helsingin Lumo One	Helsinki	under construction	291	B	77		
Existing buildings (completed)							
As Oy Helsingin Keinulaudantie 2c	Helsinki	completed 2019	79	B	82	34,20	5,58
As Oy Tampereen Lentokonetehtaankatu 5	Tampere	completed 2019	74	B	81	35,29	5,44
As Oy Hämeenlinnan Linnaniemenkatu 1	Hämeenlinna	completed 2019	74	B/B	78/80	33,14	1,99
As Oy Jyväskylän Kyllikinkatu 5	Jyväskylä	completed 2019	44	B	77	30,33	3,70
As Oy Turun Hippoksentie 31 G	Turku	completed 2020	56	B	80	23,52	1,71
As Oy Helsingin Bahamankatu 8	Helsinki	completed 2020	82	A	75	26,45	4,43
As Oy Helsingin Karibiankuja 4	Helsinki	completed 2020	74	B	81	33,35	4,79
As Oy Helsingin Keinulaudantie 2b	Helsinki	completed 2020	65	A	72	33,13	5,10
As Oy Espoon Kirkkojärventie 10 C	Espoo	completed 2020	47	B	76	28,28	5,70
As Oy Järvenpään Pajalantie 23 F	Järvenpää	completed 2020	41	B	82	26,98	2,52
As Oy Espoon Kirkkojärventie 10 D	Espoo	completed 2021	45	B	80		
As Oy Helsingin Fregatti Dygdenin kuja 5	Helsinki	completed 2021	71	B	81		
As Oy Espoon Niittykatu 15	Espoo	completed 2021	56	B	82		
As Oy Helsingin Höyrykatu 8	Helsinki	completed 2021	71	B	82		
As Oy Helsingin Vinsentinaukio 4	Helsinki	completed 2021	64	B	80		
As Oy Helsingin Keinulaudantie 2a	Helsinki	completed 2021	134	B	77		
As Oy Espoon Runoratsunkatu 11	Espoo	completed 2021	130	B	81		
As Oy Espoon Uuno Kailaan katu 4	Espoo	completed 2021	137	B	78		

*Only for existing buildings that have been in operation full calendar year

4.2 Examples of green assets



New buildings
Lumo One
Työpajankatu 17 A, Helsinki



Existing buildings
Hippoksentie 31, Turku



Existing buildings
Keinulaudantie 2b, Helsinki

Completion year	Will be completed in 2022	Completed 2020	Completed 2020
Location	Helsinki	Turku	Helsinki
Number of apartments	291	56	65
Energy Performance Certificate (EPC)	B	B	A
E-value (kWh/m²)	77	80	72
Energy intensity* (kWh/m³)		23.52	33.13
CO₂ emissions intensity* (kg CO₂e/m³)		1.71	5.10

*Only for existing buildings that have been in operation full calendar year

Independent Assurance Report to the Management of Kojamo plc

We have been engaged by the Management of Kojamo plc (hereafter “Kojamo”) to provide limited assurance on the selection process for the financing of Eligible Assets and the allocation of proceeds of any Green Debt in accordance with Kojamo’s Green Finance Framework, as presented in Kojamo’s Green Impact Report dated May 2022 (hereafter “Report”).

Management’s responsibilities

The Management of Kojamo is responsible for the preparation and presentation of the Report in accordance with the reporting criteria, i.e. Kojamo’s Green Finance Framework. The Management is also responsible for producing a Report that is free from material misstatement.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. The scope of our assignment is the selection process for the financing of Eligible Assets and the allocation of proceeds of any Green Debt in accordance with Kojamo’s Green Finance Framework

Our assignment is limited to the historical information presented in the Report and does not encompass earlier periods or future-oriented tasks. We conducted our assurance engagement on the Report in accordance with In-

ternational Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board IAASB. This Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

KPMG Oy Ab applies International Standard on Quality Control ISQC 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants IESBA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement on the Report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. In the engagement, we have performed the following procedures, among others:

- Interviewed relevant staff responsible for providing the Report;
- Assessed the application of Kojamo’s Green Finance Framework reporting principles in the presentation of the Report;
- Assessed data management processes, information systems and working methods used to gather and consolidate the Report;
- Reviewed the presented Report and assessed its quality and reporting boundary definitions and;
- Assessed the Report’s data accuracy and completeness through a review of the original documents and systems on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the information subject to the assurance engagement is not prepared, in all material respects, in accordance with Kojamo’s Green Finance Framework.

Helsinki, 9 May 2022

KPMG Oy Ab

Esa Kailiala
Partner, APA

Tomas Otterström
Partner, Advisory



Kojamo plc

Mannerheimintie 168a

PO-BOX 40, FI-00301 Helsinki

tel. +358 20 508 3300

firstname.lastname@kojamo.fi

www.kojamo.fi/en/