



Green
Impact
Report
2022



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1. This is Kojamo

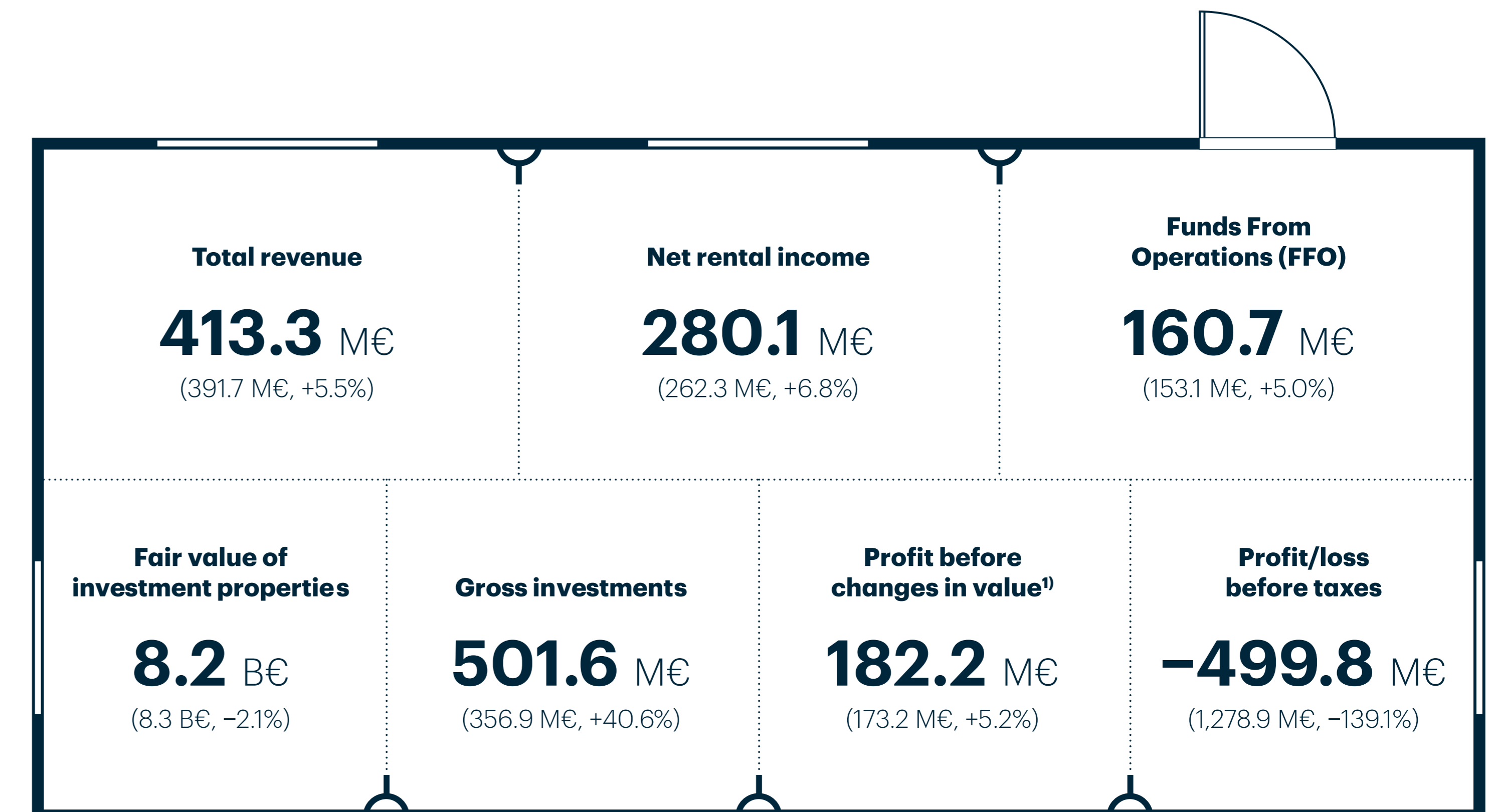
Kojamo plc (“Kojamo”) is Finland’s largest private residential real estate investor with 39,231 apartments and the fair value of the investment properties totalling EUR 8.2 billion. The company offers rental apartments and housing services in Finland’s biggest growth centres.

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 which 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 2022



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



2. Sustainability at Kojamo

2.1. Our sustainability programme

Sustainability is 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 minimizing 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.

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 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 2022, carbon neutral district heating was used at 86 properties. We promote sustainability related services such as ecological driving through our car sharing services offered to residents of Lumo homes.



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

Themes	Targets
Low-carbon operation	Our target is to achieve carbon-neutral energy consumption for our property portfolio by 2030. The property electricity used by our property portfolio is 100% carbon-neutral.
Life-cycle of properties	Starting from 2020, we calculate the full life-cycle carbon footprint for chosen new construction projects.
Energy efficiency	We will increase the efficiency of our energy consumption by 7.5% by 2025, using 2016 as the baseline (VAETS energy efficiency agreement). We will reduce energy consumption by 3% annually, measured by the heat index. All of our own new property development projects that entered planning phase in 2021 will be executed with an E-value of ≤ 80 . All of our major renovation projects will achieve a relative improvement in energy efficiency of at least 30%. We will reduce water consumption by 5% by 2030, using 2019 as the baseline. We will control and optimise the indoor temperatures of our property portfolio using e.g. AI solutions, based on actual temperatures and weather forecasts.
Circular economy	We will improve the waste recycling rate of our properties to 55% by the end of 2023. In both new property development and renovation, we aim to sort and recycle more than 70% of the waste generated during construction by the end of 2023.
Sustainable development of the living environment	We invest in growth centres, in locations with good public transport connections and services.
The environmental responsibility of our own operations	All of our offices are WWF Green Office certified. As part of our Green Office activities, we reduce the environmental impacts caused by the work environment of our personnel.

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.

For 2022, we received a result of 72 points out of 100 in our third GRESB Sustainability Assessment. The score decreased by five points compared to the previous year. We exceeded the average score (68) of our comparison group (Europe, Listed Residential Multi-Family) and were placed third in the group. With this result, we earned our third Green Star designation and two stars out of five.

Read more about our sustainability work in our [Annual Report 2022](#)



Niittykummuntie 12 B, E, Espoo



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 our sustainability targets underline our commitment to promoting sustainability.

Last year we took several important steps on the sustainable finance front. In March 2022, Kojamo plc signed EUR 100 million revolving credit facility with Swedbank AB (publ), which is tied to our sustainability KPIs. In March 2022, we completed the issuance of EUR 300 million senior unsecured green bond. In December 2022 we signed a new EUR 50 million sustainability linked credit agreement with Danske Bank A/S, Finland Branch.

3.1 Green bonds

Kojamo has issued two green bonds totalling EUR 650 million. In May 2021, Kojamo plc issued its first green bond of EUR 350 million. 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.

In March 2022, Kojamo plc completed the issuance of EUR 300 million senior unsecured green bond. The maturity of the euro-denominated Notes is 4 years, and the maturity date is 31 March 2026. The Notes carry a fixed annual coupon of 2.0 per cent. Both bonds were issued under Kojamo plc's EUR 2,500,000,000 EMTN programme.

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 developing energy efficient buildings and improving energy efficiency of existing buildings. In addition, applicable projects increase the production of renewable energy, promote clean transportation or improve 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. Green Finance Committee (GFC) has been established to oversee the selection process.

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 assurance report can be found at the end of this Green Bond Impact Report 2022.



Green project category	Description	Types of projects	SDG	Key performance indicators of eligible projects (KPIs)
<p>Green and energy efficient buildings</p>	<p>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 re-financing of the construction, acquisition, expansion, or upgrade/modification of buildings that meet the defined criteria.</p>	<p>New buildings and existing buildings</p> <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 		<p>New buildings</p> <ul style="list-style-type: none"> • Energy performance Certificate (EPC) levels (A, B) • Energy performance reference values (E-values) <p>Existing buildings</p> <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 both green bonds 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 bonds were allocated to the category of Green and energy efficient buildings.

The pool on eligible green projects will be continuously monitored and new potential projects will be identified to be financed with future new green bonds.



Kerkkäkatu 4, Jyväskylä

Green assets funded 31 December 2022

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)
Existing buildings (completed)							
As Oy Kerkkäkatu 4	Jyväskylä	completed 2017	93	B	82	29,0	3,0
As Oy Helsingin Keinulaudantie 2c	Helsinki	completed 2019	79	B	82	32,0	5,1
As Oy Tampereen Lentokonetehtaankatu 5	Tampere	completed 2019	74	B	81	33,1	5,1
As Oy Hämeenlinnan Linnaniemenkatu 1	Hämeenlinna	completed 2019	74	B/B	78/80	33,8	1,2
As Oy Jyväskylän Kyllikinkatu 5	Jyväskylä	completed 2019	44	B	77	28,1	3,0
As Oy Turun Hippoksentie 31 G	Turku	completed 2020	56	B	80	20,9	1,7
As Oy Helsingin Bahamankatu 8	Helsinki	completed 2020	82	A	75	21,9	3,6
As Oy Helsingin Karibiankuja 4	Helsinki	completed 2020	74	B	81	29,8	4,2
As Oy Helsingin Keinulaudantie 2b	Helsinki	completed 2020	65	A	72	31,2	4,6
As Oy Espoon Kirkkojärventie 10 C	Espoo	completed 2020	47	B	76	27,0	2,9
As Oy Järvenpään Pajalantie 23 F	Järvenpää	completed 2020	41	B	82	27,3	3,1
As Oy Espoon Kirkkojärventie 10 D	Espoo	completed 2021	45	B	80	24,3	2,5
As Oy Helsingin Fregatti Dygdenin kuja 5	Helsinki	completed 2021	71	B	81	19,9	3,2
As Oy Espoon Niittykatu 15	Espoo	completed 2021	56	B	82	23,4	2,0
As Oy Helsingin Höyrykatu 8	Helsinki	completed 2021	71	B	82	30,1	4,6
As Oy Helsingin Vinsentinaukio 4	Helsinki	completed 2021	64	B	80	28,9	4,6

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

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)
Existing buildings (completed)							
As Oy Helsingin Keinulaudantie 2a	Helsinki	completed 2021	134	B	77	29,5	4,8
As Oy Espoon Runoratsunkatu 11	Espoo	completed 2021	130	B	81	26,2	2,8
As Oy Espoon Uuno Kailaan katu 4	Espoo	completed 2021	137	B	78	35,3	3,8
As Oy Ylismäentie 12 A-B	Espoo	completed 2021	83	B	81	30,0	3,0
As Oy Ylismäentie 12 C-D	Espoo	completed 2021	147	B	81	27,1	2,6
As Oy Ylismäentie 12 E	Espoo	completed 2021	57	B	81	28,4	3,0
As Oy Ylismäentie 12 F	Espoo	completed 2021	43	B	82	30,6	3,1
As Oy Espoon Forsmestarinpiha 2	Espoo	completed 2021	106	B/B/B	80/81/82	27,9	2,9
As Oy Helsingin Lapinmäentie 10	Helsinki	completed 2021	57	B	78	22,1	3,7
As Oy Helsingin Lumo One	Helsinki	completed 2022	291	B	77		
As Oy Espoon Henttaan Puistokatu 16	Espoo	completed 2022	72	A	75		
As Oy Helsingin Vanhaistentie 1 d	Helsinki	completed 2022	54	B	80		
As Oy Espoon Niittykummuntie 12 B	Espoo	completed 2022	70	B	80		
As Oy Espoon Niittykatu 8	Espoo	completed 2022	116	B/B/B	80/80/79		
As Oy Espoon Niittykummuntie 12 E	Espoo	completed 2022	24	B	80		
As Oy Espoon Piispanristi	Espoo	completed 2022	95	B	78		
As Oy Vantaan Liesikuja 8	Vantaa	completed 2022	75	B	77		
As Oy Helsingin Tenderinlenkki 6	Helsinki	completed 2022	101	B	77		

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

4.2 Examples of green assets

Existing buildings



**As Oy Espoon
Henttaan puistokatu 16**

Existing buildings



**As Oy Espoon
Forstmestarinpiha 2**

Existing buildings



**As Oy Espoon
Piispanristi 2**

Completion year	Completed 2022	Completed 2021	Completed 2022
Location	Espoo	Espoo	Espoo
Number of apartments	72	106	95
Energy Performance Certificate (EPC)	A	B/B/B	B
E-value (kWh/m²)	75	80/81/82	78
Energy intensity* (kWh/m³)		27.9	
CO₂ emissions intensity* (kg CO₂e/m³)		2.9	

*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 2022 dated on April 2023 (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

International 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 ISQM 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, 21 April 2023

KPMG Oy Ab

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