

 kojamo



Green Impact Report

2023



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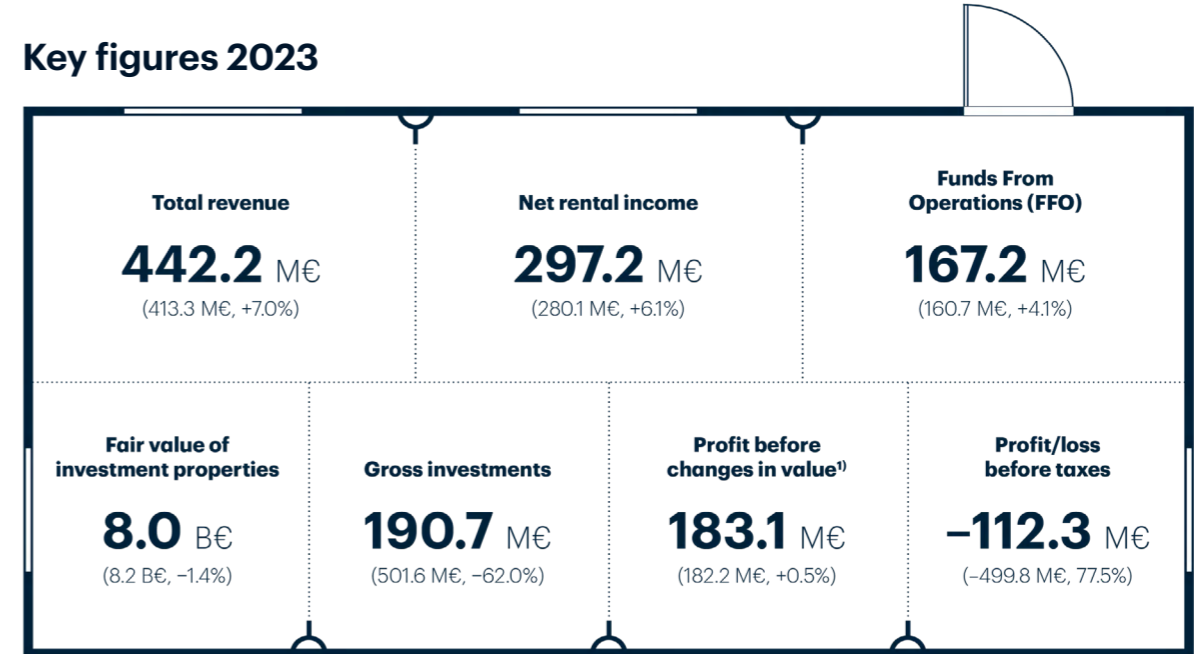
1. This is Kojamo

Kojamo plc (“Kojamo”) is the largest private residential real estate investment company in Finland as well as one of the biggest investors. We own 40,619 apartments in the seven largest growth centres in Finland, with the fair value of the investment properties totalling EUR 8.0 billion. The company was established in 1969, and its head office is located in Helsinki. Kojamo’s shares are listed on the official list of Nasdaq Helsinki Ltd.

Kojamo's mission is to create better urban living. We want to be the property market frontrunner and the number one choice for our customers. We provide sustainable rental housing and related services under the Lumo brand for the city dweller who appreciates quality and effortlessness. We can create growth through investments in new development, by buying entire properties or portfolios, and by converting existing properties into residential use. The company’s strategic focus areas are: delivering the best customer experience; strong growth; operational excellence; responsibility and sustainable development; the most competent personnel and a dynamic place to work; and renewal through digital solutions.

Corporate responsibility and sustainable development form one of our strategic focus areas. The core of our sustainability is expressed in our mission statement: we create better urban living. Sustainability is an integral part of Kojamo’s operations, corporate culture and the work of everyone at Kojamo.

Key figures 2023



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

2. Sustainability at Kojamo

2.1. Our sustainability programme

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 focus areas of our sustainability programme are:

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

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



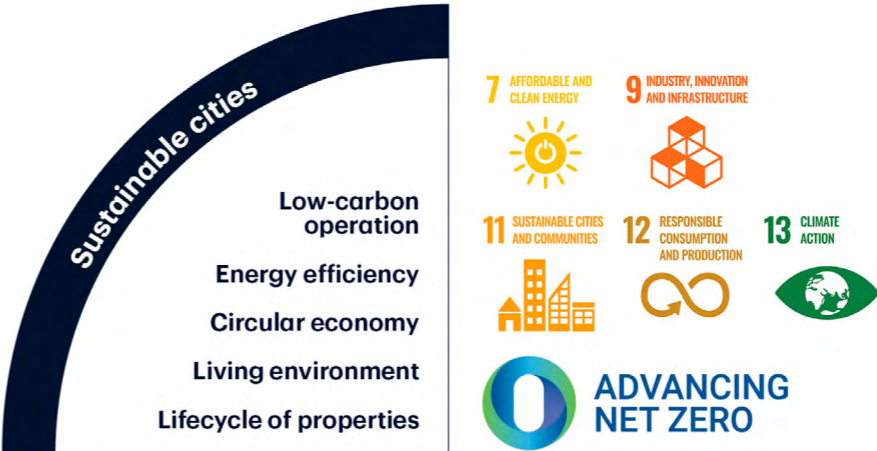
The key sustainability objectives of the Sustainable Cities focus area include the following:

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 are 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.

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 as well as increasing more circular economy adapted models.

We are committed to using carbon-neutral property electricity in our entire property portfolio. In addition, carbon-neutral district heating was used already at 144 properties in 2023. Sustainability is also promoted with related services such as ecological driving through our car sharing services offered to residents of Lumo homes.

In September 2023, Kojamo signed a demand response agreement with Vantaa Energy further accelerating the carbon-neutrality goal of the sustainability programme. With this agreement, Kojamo adopted a zero-emission district heating in over half of its Vantaa properties. This has reduced the total emissions of Kojamo’s entire property portfolio by as much as 16.9% compared to previous year.





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 sustainability reporting is conducted with reference to 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. In 2023 we participated in the assessment for the fourth time and received our best result ever. We received 78 points out of 100, exceeding the average result, and a Green Star designation with three stars out of five.

Read more about our sustainability work in our [Annual Report 2023](#).



As Oy Helsingin Höyrykatu 8, Helsinki

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 underlines our commitment to promoting sustainability. In 2023 we made two new sustainability-linked financing agreements.

In May 2023, Kojamo plc signed a EUR 425 million syndicated term loan facility agreement linked to its sustainability targets together with six relationship banks. The loan is secured and has a maturity of three years with two one-year extension options. In October 2023, Kojamo plc signed another EUR 425 million syndicated credit agreement linked to its sustainability targets together with five relationship banks. The loan is secured and has a maturity of three years with two one-year extension options.

3.1 Green bonds

As of 31 December 2023, Kojamo had two outstanding 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 issued the second green bond of EUR 300 million. The maturity of the senior unsecured bond is 4 years, and the maturity date is 31 March 2026. The fixed annual coupon of the bond is 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.

Kojamo did not issue new green bonds in 2023.

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. In 2024, Kojamo has updated the Green Finance Framework and the Second Party Opinion.

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.

In 2021 and 2022, an independent assurance provider has verified our selection process for the financing of Eligible Assets and the allocation of the proceeds of the green bonds, as well as that such processes are in accordance with Kojamo's Green Finance Framework. In 2023, no new green bonds were issued and the proceeds of the two bonds had already been fully allocated. Therefore, no limited assurance has been made for the Green Impact Report 2023.





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 refinancing 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 of eligible green projects will be continuously monitored and new potential projects will be identified to be financed with future new green bonds.



As Oy Vantaan Liesikuja 8, Vantaa

Green assets funded 31 December 2023

May 2021 Green bond EUR 350 million								Allocated amount total (EUR million)
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)*	
Refinanced properties								
As Oy Helsingin Keinulaudantie 2c	Helsinki	completed 2019	79	B	82	35,1	6,76	
As Oy Tampereen Lentokonetehdaskatu 5	Tampere	completed 2019	74	B	81	33,5	3,92	
As Oy Hämeenlinnan Linnaniemenkatu 1	Hämeenlinna	completed 2019	74	B/B	78/80	31,0	0,84	
As Oy Jyväskylän Kyllikinkatu 5	Jyväskylä	completed 2019	44	B	77	27,3	3,22	
As Oy Turun Hippoksentie 31 G	Turku	completed 2020	56	B	80	21,6	1,38	
As Oy Helsingin Bahamankatu 8	Helsinki	completed 2020	82	A	75	22,2	4,29	
As Oy Helsingin Karibiankuja 4	Helsinki	completed 2020	74	B	81	28,2	4,66	
As Oy Helsingin Keinulaudantie 2b	Helsinki	completed 2020	65	A	72	33,4	5,71	
As Oy Espoon Kirkkojärventie 10 C	Espoo	completed 2020	47	B	76	26,6	3,55	
As Oy Järvenpään Pajalantie 23 F	Järvenpää	completed 2020	41	B	82	28,4	1,11	
As Oy Espoon Kirkkojärventie 10 D	Espoo	completed 2021	45	B	80	25,5	3,27	
Refinanced total								114,0
Financed properties								
As Oy Helsingin Fregatti Dygdenin kuja 5	Helsinki	completed 2021	71	B	81	19,9	3,77	
As Oy Espoon Niittykatu 15	Espoo	completed 2021	56	B	82	23,7	2,66	
As Oy Helsingin Höyrykatu 8	Helsinki	completed 2021	71	B	82	30,1	5,60	
As Oy Helsingin Vinsentinaukio 4	Helsinki	completed 2021	64	B	80	28,4	5,46	
As Oy Helsingin Keinulaudantie 2a	Helsinki	completed 2021	134	B	77	29,9	5,86	
As Oy Espoon Runoratsunkatu 11	Espoo	completed 2021	130	B	81	25,7	3,41	
As Oy Espoon Uuno Kailaan katu 4	Espoo	completed 2021	137	B	78	34,4	4,57	
As Oy Helsingin Lumo One	Helsinki	completed 2022	291	B	77	27,6	4,39	
Financed total								236,0
Total proceeds allocated to the category of green and energy efficient buildings								350,0

*CO₂ emissions intensity and energy intensity are based on weather normalized heating consumption



March 2022 Green bond EUR 300 million								
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)*	Allocated amount total (EUR million)
Refinanced properties								
As Oy Espoon Forsmestarinpiha 2	Espoo	completed 2021	106	B/B/B	80/81/82	27,3	3,52	
As Oy Helsingin Lapinmäentie 10	Helsinki	completed 2021	57	B	78	20,9	4,11	
As Oy Espoon Henttaan Puistokatu 16	Espoo	completed 2022	72	A	75	18,5	2,57	
As Oy Helsingin Vanhaistentie 1 d	Helsinki	completed 2022	54	B	80	24,7	4,65	
As Oy Espoon Niittykummuntie 12 B	Espoo	completed 2022	70	B	80	31,1	4,07	
Refinanced total								96,0
Financed properties								
Kerkkäkatu 4	Jyväskylä	completed 2017	93	B	82	23,9	2,77	
Ylismäentie 12 A-B	Espoo	completed 2021	83	B	81	31,2	3,87	
Ylismäentie 12 C-D	Espoo	completed 2021	147	B	81	26,9	3,23	
Ylismäentie 12 E	Espoo	completed 2021	57	B	81	27,5	3,45	
Ylismäentie 12 F	Espoo	completed 2021	43	B	82	28,9	3,48	
As Oy Espoon Niittykatu 8	Espoo	completed 2022	116	B/B/B	80/80/79	27,7	3,53	
As Oy Espoon Niittykummuntie 12 E	Espoo	completed 2022	24	B	80	26,0	3,58	
As Oy Espoon Piispanristi	Espoo	completed 2022	95	B	78	29,5	4,03	
As Oy Vantaan Liesikuja 8	Vantaa	completed 2022	75	B	77	27,9	3,90	
As Oy Helsingin Tenderinlenkki 6	Helsinki	completed 2022	101	B	77	30,8	5,82	
Financed total								204,0
Total proceeds allocated to the category of green and energy efficient buildings								300,0

*CO₂ emissions intensity and energy intensity are based on weather normalized heating consumption



4.2 Examples of green assets

Financed properties



As Oy Espoon Niittykatu 8

Financed properties



As Oy Espoon Uuno Kailaan katu 4

Financed properties



As Oy Helsingin Tenderinlenkki 6

	As Oy Espoon Niittykatu 8	As Oy Espoon Uuno Kailaan katu 4	As Oy Helsingin Tenderinlenkki 6
Completion year	Completed 2022	Completed 2021	Completed 2022
Location	Espoo	Espoo	Helsinki
Number of apartments	116	137	101
Energy Performance Certificate (EPC)	B/B/B	B	B
E-value (kWh/m²)	80/80/79	78	77
Energy intensity* (kWh/m³)	27,7	34,4	30,8
CO2 emissions intensity* (kg CO2e/m³)	3,53	4,57	5,82



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