

Second-Party Opinion

YIT Green Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the YIT Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Green and Energy-Efficient Buildings, is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7, 9 and 11.



PROJECT EVALUATION AND SELECTION YIT's sustainability experts and representatives will be responsible for the evaluation and selection of potential projects in line with the Framework's eligibility criteria. Projects will be presented to YIT's Green Finance Committee for final approval. YIT conducts environmental risk assessments to identify and manage environmental and social risks associated with eligible projects. Sustainalytics considers YIT's risk management systems to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS YIT's Green Finance Committee will be responsible for the management and allocation of proceeds. The proceeds will be tracked through a green register. YIT intends to fully allocate the proceeds within 36 months of issuance. Pending full allocation, unallocated proceeds will be temporarily placed in a liquidity reserve and managed accordingly by YIT. This is in line with market practice.



REPORTING YIT commits to report on allocation of proceeds and corresponding impacts in its Green Finance Framework Impact Report, which will be published on YIT's website on an annual basis until full allocation. Allocation reporting will include information such as amount of outstanding green finance instruments, balance of projects in the green register, total aggregated proportion of proceeds used per project category, distribution between new financing and refinancing and amount of unallocated proceeds. Sustainalytics views YIT's allocation and impact reporting as aligned with market practice.

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Report Sections

Introduction.....	2
Sustainalytics' Opinion	3

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Introduction

YIT Group¹ (“YIT” or the “Company”) is a construction and project development company headquartered in Helsinki, Finland. Founded in 1912, YIT develops and builds housing apartments, public and commercial buildings and infrastructure. The Company employs 4,300 people with offices in Finland, Sweden, Estonia, Latvia, Lithuania, Czechia, Slovakia and Poland.²

YIT has developed the YIT Green Finance Framework dated April 2024 (the “Framework”) under which YIT and its subsidiaries³ intend to issue bonds, loans, commercial papers and revolving credit facilities, and use the proceeds to finance or refinance, in whole or in part, existing and future projects expected to contribute in the decarbonization of Finland’s residential and commercial building stock. The Framework defines eligibility criteria in one area:

1. Green and Energy-Efficient Buildings

YIT engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)⁴ and the Green Loan Principles 2023 (GLP).⁵ The Framework has been published in a separate document.⁶

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁷ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.16, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of YIT’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. YIT representatives have confirmed that: (1) they understand it is the sole responsibility of YIT to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and YIT.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible

¹ YIT Group includes the parent company, YIT Corporation, and its subsidiaries.

² YIT, “Annual review”, (2023), at: https://www.yitgroup.com/siteassets/investors/annual-reports/2023/yit_annual-review_2023.pdf#page=16

³ YIT has confirmed that it will be responsible for ensuring continual alignment of all issuances with the Framework.

⁴ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

⁵ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

⁶ The YIT Green Finance Framework is available at: <https://www.yitgroup.com/en/investors/financial-information>

⁷ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that YIT has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the YIT Green Finance Framework

Sustainalytics is of the opinion that the YIT Green Finance Framework is credible, impactful and aligned with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible category, Green and Energy-Efficient Buildings, is aligned with those recognized by the GBP and the GLP.
 - YIT has communicated to Sustainalytics that it will only finance and refinance capex under the Framework and hence did not establish a look-back period, which Sustainalytics considers to be in line with market practice.
 - Under the Green and Energy-Efficient Buildings category, YIT may finance or refinance the acquisition, construction and renovation of residential and commercial buildings and building energy efficiency measures according to the following the criteria:
 - New buildings built after 31 December 2020 whose net primary energy demand (PED) is at least 10% lower than the PED resulting from the local nearly zero-energy building (NZEB)⁸ requirements.
 - Existing buildings built before 31 December 2020 with an energy performance certificate (EPC) A or in the top 15% of the most energy-efficient buildings at the national or regional level based on PED.
 - Renovations that lead to at least a 30% reduction in PED compared to pre-renovation levels. YIT has confirmed to Sustainalytics that such investments will be limited to renovation expenditures only.
 - Energy-efficiency measures in buildings, including:
 - Installation, maintenance and repair of energy efficient equipment and technologies, such as energy management systems, AI and data solutions, energy-efficient and low U-value windows, extended or improved thermal insulation, heat exchangers and ventilation, electric heat pumps or installation of photovoltaic systems and charging stations for electric vehicles.
 - Sustainalytics notes that heat pumps offer a more energy-efficient heat transfer alternative to conventional systems and that YIT will limit financing to heat pumps that have a global warming potential below 675. Nevertheless, Sustainalytics recommends YIT to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life.
 - Sustainalytics notes that EV charging stations will exclude financing of parking facilities.
 - YIT has confirmed the exclusion of energy efficiency technologies designed or intended for processes that are primarily driven or powered by fossil fuels. Further, Sustainalytics notes that the Framework excludes the financing of buildings that are used for the storage, extraction or manufacturing of fossil fuels.

⁸ European Commission, "Nearly zero-energy buildings", at : https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings_en

- Sustainalytics encourages YIT to report on estimated or achieved energy efficiency gains, where feasible.
 - Sustainalytics considers investments under this category to be aligned with market practice.
- Sustainalytics notes that YIT excludes the financing of projects involving fossil energy production, fossil fuel infrastructure, nuclear energy generation, weapons and defence, potentially environmentally harmful resource extraction, such as rare-earth elements, fossil fuels, mining, gambling and tobacco.
- Project Evaluation and Selection:
 - YIT’s sustainability experts and representatives will be responsible for the evaluation and selection of potential projects in line with the Framework’s eligibility criteria. Potential eligible projects will be then presented to the YIT Green Finance Committee (GFC) for final approval. The GFC is chaired by the Chief Executive Officer and composes of the Chief Executive Officer, Executive Vice President, Urban Development, Chief Financial Officer, Senior Vice President, Treasury and Vice President ESG.
 - YIT conducts environmental risk assessments to identify and manage environmental and social risks associated with eligible projects. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectations. For additional detail, see Section 2.
 - Based on the cross-functional oversight structure for project evaluation and selection and the presence of an environmental and social risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - YIT’s GFC will be responsible for the management and allocation of proceeds. The proceeds will be tracked through a green register.
 - YIT intends to fully allocate proceeds within 36 months of issuance. Pending full allocation, unallocated proceeds will be temporarily placed in the liquidity reserve and managed accordingly by the Company.
 - YIT has communicated to Sustainalytics that financial instruments issued under the Framework may include multi-tranche loan facilities. YIT intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
 - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - YIT commits to report on allocation of proceeds and corresponding impacts in its Green Finance Framework Impact Report on its website on an annual basis until full allocation.
 - Sustainalytics notes that for revolving credit facilities under the Framework, YIT will report on allocation until loan maturity.
 - Allocation reporting will include information such as amount of outstanding green finance instruments, balance of projects in the green register, total aggregated proportion of net proceeds used per project category, distribution between new financing and refinancing and amount of unallocated proceeds.
 - Impact reporting may provide the following impact metrics: annual calculated energy use avoided compared to the relevant building code or pre-investment situation (kWh) and annual GHG emissions avoided (tonnes of CO₂e emissions).
 - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with the Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the YIT Green Finance Framework aligns with the four core components of the GBP and GLP.

Section 2: Sustainability Strategy of YIT

Contribution to YIT's sustainability strategy

YIT incorporates ESG considerations into its business activities through its mission of “creating better living environments sustainably”.⁹ ESG is also one of the key strategic priority areas in the Company's business strategy for 2022-2025. In 2021, the Company conducted a materiality assessment identifying eight key material sustainability themes, which are relevant to its business and stakeholders. The material sustainability themes that are particularly relevant to the Framework, include: i) enabling a sustainable lifestyle for customers; ii) reducing the environmental impact of own operations; iii) occupational safety; iv) safeguarding biodiversity; and v) responsible subcontracting and procurement.¹⁰

In 2022, YIT developed a carbon roadmap for 2022-2030 with the aim to become carbon neutral in own operations. The carbon roadmap focuses on measures in four areas, of which the following three are particularly relevant : i) sustainable living environments and products; ii) carbon neutrality in own operations; and iii) design management and supply chain engagement .¹¹ In 2023, YIT had its 2030 emissions reduction targets validated by the SBTi, namely: i) a 90% reduction in scope 1 and 2 emissions from own operations as compared to a 2019 baseline, and ii) a 30% reduction in scope 3 emissions as compared to a 2019 baseline.¹² In 2023, YIT achieved a 18% reduction in its scope 1 and 2 emissions and a 31% reduction in scope 3 emissions, in comparison with the previous year.¹³ The Company aims to transition to renewable energy on construction sites and build energy-efficient buildings.¹⁴ Further, the Company also aims to achieve environmental certifications for its properties and develop low-carbon and smart energy solutions.¹⁵ In this light, the Company targets to build residential buildings in Finland in line with the criteria for EPC A.^{16,17} In relation to responsible subcontracting and procurement, the Company has created a roadmap for carbon reduction, to reduce scope 3 GHG emissions and improve the transparency in the value chain around material purchasing.¹⁸

Sustainalytics is of the opinion that the YIT Green Finance Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: land use and biodiversity associated with large-scale infrastructure development; emissions, effluents and waste generated in construction; occupational health and safety; and community relations.

Sustainalytics is of the opinion that YIT is able to manage or mitigate potential risks through the implementation of the following:

- YIT integrates ESG aspects into its investment and project evaluation process. The Company carries out an environmental risk assessment in the planning phase and formulates a risk management plan accordingly for each project. YIT also lists all the mandatory ESG measures each housing project must undertake before receiving permission for construction. These include: the use of low-carbon materials, environmental certifications targets and carbon emissions calculation. Additionally, through the Company's whistleblowing system any transgressions by YIT or its subcontractors with respect to E&S issues can be reported.¹⁹ Further, YIT has also implemented an Environmental Management System certified under ISO 14001²⁰ which aims to provide organizations with a long-term environmental management framework, integrating social and economic needs.²¹

⁹ YIT, “Annual Review”, (2023), at: https://www.yitgroup.com/siteassets/investors/annual-reports/2023/yit_annual-review_2023.pdf#page=16

¹⁰ Ibid.

¹¹ YIT, “Climate Change Mitigation”, at: <https://www.yitgroup.com/en/sustainability/environment/climate-change-mitigation>

¹² Ibid.

¹³ YIT, “Annual Review”, (2023), at: https://www.yitgroup.com/siteassets/investors/annual-reports/2023/yit_annual-review_2023.pdf#page=16

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ YIT, “Annual Review”, (2023), at: https://www.yitgroup.com/siteassets/investors/annual-reports/2023/yit_annual-review_2023.pdf#page=16

¹⁸ As communicated to Sustainalytics by YIT.

¹⁹ As communicated to Sustainalytics by YIT.

²⁰ ISO, “ISO 14004:2015 Environmental Management System”, at: <https://www.iso.org/standard/60857.html>

²¹ YIT, “Annual Review”, (2023), at: https://www.yitgroup.com/siteassets/investors/annual-reports/2023/yit_annual-review_2023.pdf#page=16

- YIT has developed biodiversity principles aiming to protect species and biodiversity in all its projects during the planning and construction phases. The biodiversity principles intend to avoid construction in ecologically sensitive areas, reduce waste and harmful compound use, minimize disturbances to nature and prevent the spread of invasive species. The Company also encourages its suppliers and sub-contractors to implement biodiversity-friendly practices to minimize their impacts.²²
- To address issues related to waste management, the Company carries out sorting of construction and demolition waste on site, reduction through construction materials reuse or recycling and supporting efficient use of resources.²³ YIT complies with the applicable national laws related to construction and demolition waste management.²⁴ The Company's Supplier Code of Conduct requires its suppliers and sub-contractors to minimize and monitor waste generated and prevent emissions, vibration, noise and odours.²⁵ The Company's Environmental Principles also focus on reduction of waste generated from YIT's business activities.²⁶
- To address risks related to occupational health and safety, YIT has developed an occupational health and safety management system (OHSMS) in line with ISO 45001:2018.^{27,28} The Company also has detailed occupational safety and health requirements to be followed by their own personnel, sub-contractors and suppliers at YIT's work sites.²⁹ Those include preparing a work specific safety plan³⁰ for every work phase, adequate work safety training to each personnel on site and use of personal protective equipment.³¹ The Company also requires the appointed sub-contractors and suppliers to comply with applicable occupational safety laws and regulations.³²
- Regarding community relations, YIT consistently communicates about the various phases of the projects to the local communities and people. For example, in areas where several construction projects are on-going for a longer period and projects wherein some residents have moved in while parts of the developed area are still under construction. The city planning procedures and the building permit process offer opportunities for citizens to provide their comments in the local community meetings. Further, the Company has also established communication procedures in projects and a digital service platform through which their customers can raise concerns regarding on-going projects.³³
- Sustainalytics notes that the eligible projects financed under the Framework will be primarily located in Finland with potential projects in Estonia, Latvia, Lithuania, Czechia, Slovakia and Poland, that are recognized as Designated Countries under the Equator Principles, indicating the presence of robust environmental and social governance systems, legislation and institutional capacity for protecting the environment and communities, including stakeholder engagement.³⁴

Sustainalytics is of the opinion that YIT has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP and GLP. Sustainalytics has focused on where the impact is specifically relevant in the local context.

²² YIT shared its Biodiversity Principles with Sustainalytics confidentially.

²³ YIT, "Annual Review", (2023), at: https://www.yitgroup.com/siteassets/investors/annual-reports/2023/yit_annual-review_2023.pdf#page=16

²⁴ As communicated to Sustainalytics by YIT.

²⁵ YIT, "Supplier Code of Conduct", at: <https://www.yitgroup.com/siteassets/sustainability/documents/yit-supplier-code-of-conduct-10-2020.pdf>

²⁶ YIT, "Environmental Principles", at: <https://www.yitgroup.com/siteassets/sustainability/documents/yit-corporation-environmental-principles-17.1.2019.pdf>

²⁷ YIT, "Annual Review", (2023), at: https://www.yitgroup.com/siteassets/investors/annual-reports/2023/yit_annual-review_2023.pdf#page=16

²⁸ ISO, "ISO 45001:2018 – Occupational health and safety management systems", at: <https://www.iso.org/standard/63787.html>

²⁹ YIT, "General Occupational Safety and Health Requirements at YIT Worksites", at:

<https://www.yitgroup.com/contentassets/51c0def6392f4de3bf60c4aaefc4cd06/general-occupational-safety-and-health-requirements-at-yit-worksites.pdf>

³⁰ YIT, "Work Specific Safety Plan (WSSP)", at: <https://www.yitgroup.com/siteassets/partners/hankinta/tyoturvallisuus/work-specific-safety-plan-wssp-1.10.2021.pdf>

³¹ YIT, "Occupational safety at our construction sites", at: <https://www.yitgroup.com/en/forsuppliers/safetyprinciples>

³² YIT, "Responsible subcontracting and procurement", at: <https://www.yitgroup.com/en/sustainability/good-governance/responsible-subcontracting-and-procurement>

³³ As communicated to Sustainalytics by YIT.

³⁴ Equator Principles, "About the Equator Principles", at: <https://equator-principles.com/about-the-equator-principles/>

Importance of financing green and energy-efficient buildings

The buildings sector is the largest consumer of energy in the EU, accounting for approximately 40% of total energy consumption in the bloc.³⁵ In 2021, the buildings sector was responsible for 36% of energy-related GHG emissions in the EU, with heating, cooling and domestic hot water usage representing 80% of total energy usage.³⁶ The EU has committed to reducing GHG emissions by 55% by 2030 compared to 1990.³⁷ To achieve its target, the EU has to reduce GHG emissions from buildings by 60%, final energy consumption by 14% and energy consumption from heating and cooling by 18% by 2030 compared to 2015.³⁸ Given that more than 85% of the EU's building stock was built before 2001, renovations to improve the energy efficiency of buildings are expected to play a significant role in decarbonizing the sector.³⁹ Renovating existing buildings could lead to an estimated 5-6% reduction in the EU's total energy consumption and lower its total GHG emissions by 5%.⁴⁰

In 2022, buildings and construction accounted for one-third of Finland's total GHG emissions.⁴¹ Nearly 80% of the buildings in the country were built before 2000 and lack heat recovery systems.⁴² In this sense, space heating was the second-largest consumer of energy in Finland in 2021.⁴³ In this scenario, Finland's Ministry of Economic Affairs and Employment established a long-term renovation strategy in 2020 to increase the renovation rate of buildings and retrofits and reduce CO₂ emissions from buildings by 90% between 2020 and 2050.⁴⁴ These initiatives are expected to reduce emissions from Finland's buildings sector by 20% in the same period.⁴⁵ In terms of new constructions, buildings in Finland are required to be nearly zero energy, in line with the Energy Performance Buildings Directive.⁴⁶ In addition, Finland has committed to achieving carbon neutrality by 2035.⁴⁷

Based on the above, Sustainalytics is of the opinion that YIT's financing of green and energy-efficient buildings in Finland will contribute to the country's decarbonization efforts and support the EU in achieving its climate targets.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the YIT Green Finance Framework are expected to help advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Green and Energy-Efficient Buildings	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all

³⁵ European Parliament, "Report on maximizing the energy efficiency potential of the EU building stock", (2020), at: https://www.europarl.europa.eu/doceo/document/A-9-2020-0134_EN.html

³⁶ European Commission, "Factsheet - Energy Performance of Buildings", (2021), at: https://ec.europa.eu/commission/presscorner/detail/en/fs_21_6691

³⁷ European Commission, "Stepping Up Europe's 2030 climate ambition", (2020), at: <https://www.europarl.europa.eu/legislative-train/carriage/2030-climate-target-plan/report?sid=7901>

³⁸ European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", (2020), at: https://eurlex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

³⁹ Ibid.

⁴⁰ European Commission, "In focus: Energy efficiency in buildings", (2020), at: https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17_en#:~:text=Renovating%20existing%20buildings%20could%20reduce,0.4%25%20to%201.2%25.

⁴¹ Finland Ministry of Economic Affairs and Employment, "Carbon neutral Finland 2035 – national climate and energy strategy", (2022), at: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/164323/TEM_2022_55.pdf?sequence=4&isAllowed=y

⁴² Hirvonen, J. et al. (2021), "Emissions and power demand in optimal energy retrofit scenarios of the Finnish buildings stock by 2050", Sustainable Cities and Society, at: <https://www.sciencedirect.com/science/article/pii/S2210670721001840>

⁴³ Motiva, "Final Consumption of Energy", at: https://www.motiva.fi/en/solutions/energy_use_in_finland/final_consumption_of_energy

⁴⁴ Finland Ministry of Economic Affairs and Employment, "Long-term renovation strategy 2020-2050: Finland", (2020), at: https://energy.ec.europa.eu/document/download/58721db6-4127-4a14-9d59-b6ea055a58db_en?filename=fi_2020_ltrs_en.pdf

⁴⁵ Ibid.

⁴⁶ Finland Ministry of the Environment, "Medium-term Climate Change Policy Plan", (2022), at: <https://ym.fi/en/medium-term-climate-change-policy-plan>

⁴⁷ Finland Ministry of Finance, "Net-zero Government Initiative (NZGI) Finland", at: <https://www.sustainability.gov/pdfs/finland-nzgi-roadmap.pdf>

		countries taking action in accordance with their respective capabilities
	11. Sustainable cities and communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

Conclusion

YIT has developed the YIT Green Finance Framework under which it may issue bonds, loans, commercial papers and revolving credit facilities and use the proceeds to finance or refinance green and energy-efficient buildings. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

The YIT Green Finance Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the YIT Green Finance Framework is aligned with the overall sustainability strategy of YIT and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 7, 9 and 11. Additionally, Sustainalytics is of the opinion that YIT has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that YIT is well positioned to issue green bonds and that the YIT Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

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