

Avara Vuokrakodit I Ky

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Avara Vuokrakodit I Ky

Legal entity identifier: N/a

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 83 % of sustainable investments <ul style="list-style-type: none"> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Investment assets promote sustainable lifecycle economy and energy efficiency. The carbon footprint of housing and the real estate portfolio is one of the most significant sustainability priorities of the fund, in addition to sustainable returns and the well-being of people and communities. As an environmental feature, the fund's properties curb the pace of climate change by building energy-efficient properties. From 2022 onwards, the minimum requirement in new projects is an A-energy class. In each new project, the possibility of using a renewable energy source is explored, thus reducing CO2 emissions from energy use. A significant part of the electricity consumed by the properties is certified green electricity, where the electricity is produced by a zero-emission energy source, such as wind, solar or hydropower. To reduce energy consumption during the life cycle of

properties, an AI-based energy consumption monitoring is used in the buildings, which is used to analyze and optimize consumption. AI-based heating control, energy-efficient homes and the use of renewable energy sources lighten the climate burden of housing and also save costs. All new buildings have water-saving plumbing fixtures.

The fund's new projects are built in the immediate vicinity of good services, advanced infrastructure and public transport connections. The fund offers affordable short-term subsidized rental apartments in growth centers. Emission-free mobility is also supported by the locations of the properties near local services so that moving by bicycle or on foot is effortless. In many of the fund's buildings, residents have the opportunity to use a shared electric car.

The fund's properties are equipped with waste collection containers in accordance with regulations. Environmental load is also reduced by offering waste recycling opportunities. Each of the fund's properties have waste recovery and recycling opportunities for paper, cardboard, glass, metal and plastic.

Avara's own new construction design guide has been utilized in the construction of the buildings, which strongly guides the design and material choices of new buildings from the perspective of lifecycle thinking and sustainable development. With the constantly evaluated design guide, residential buildings and yard areas are built safe and healthy in all conditions. In terms of new construction and basic renovations, methods for reducing the consumption of resources required by construction are further developed in the fund's assets. Biodiversity is taken into account in new buildings so that sufficient space is reserved for vegetation and plantings in the yard area.

The fund adheres to ethically accepted procedures and the company's values in its operations and operates transparently in accordance with the law and regulations. We promote responsible practices in the real estate investment industry in cooperation with our partners. We require our partners and suppliers to properly manage social obligations and transparent operations.

● ***How did the sustainability indicators perform?***

Sustainability indicators related to the fund's environment have been used as energy efficiency class, use of renewable energy, intensity of energy consumption, and a sustainability indicator measuring waste recycling and sorting. The fund has A or B energy class properties for 100% of the market value of the fund's properties (20% of the properties have A energy class). The fund has required A energy class in construction from 2022. All sites use certified green electricity as real estate electricity. All the fund's assets will switch to low-emission renewable energy use.

83% of the fund's assets are invested in energy-efficient real estates. 100% of the fund's investments have facilities intended for waste sorting and they are covered by the agreement on waste recovery or recycling. Each property has waste collection and recycling options for paper, cardboard, glass, metal and plastic.

The fund's energy consumption intensity is 138Kwh/m²/year. The fund does not have real estate investments related to the recovery, storage, transportation or production of fossil fuels.

● ***...and compared to previous periods?***

This is the fund's first reporting period.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The fund does not have a sustainable investment goal, but its investment assets have promoted characteristics related to the environment and society. The fund's sustainable investments are investment assets according to the EU's sustainability classification system, where the environmental goal is the mitigation of climate change. 83% of the fund's properties are energy-efficient properties that reduce the need for energy use. In addition, in terms of energy use, we will switch to the use of renewable and low-emission energy sources. An investment asset can comply with the sustainability classification when the energy class of its energy certificate is at the level required by the regulation and it meets the criteria according to Article 3. 83% of the fund's assets can be classified as sustainable investments according to the classification system.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The fund's sustainable investments are investment assets according to the EU's sustainability classification system, where the environmental goal is the mitigation of climate change. In the assessment of the sustainability of the investment asset, it is also assessed that the investment asset does not cause significant harm to other environmental goals according to the sustainability classification system. We take into account harmful sustainability factors in the investment process as part of our investment activities, while evaluating and monitoring sustainability risks. As part of the Due Diligence report included in the investment process, we always evaluate and prioritize the sustainability risks of each investment asset and the harmful sustainability factors identified in each case separately.

In the construction of investment properties, the life-cycle economy is taken into account, and in the energy category, the best energy efficiency category is sought. The properties are built in the immediate vicinity of public transportation and services, reducing the CO2 emissions of movement. One of the goals of new construction is to curb climate change by building more energy-efficient buildings than before and by utilizing renewable energy sources. Water-saving solutions that are taken into account in the use of water resources reduce water consumption. Waste water from the buildings is led to the municipal wastewater treatment plant, and rain and storm water in accordance with building regulations. In addition to the life cycle economy of buildings, we invest in the collection and recycling of waste during the use of buildings. Every location in the fund has waste collection and recycling options for paper, cardboard, glass, metal and plastic. In connection with new construction, we will take into account nature's biological diversity in the future by taking care of sufficient vegetation and other green areas.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The fund takes into account the exposure of real estate assets to the risk related to fossil fuels and the exposure to energy-inefficient real estate assets as mandatory sustainability indicators describing harmfulness. As other indicators describing harmfulness, the fund considers the intensity of energy consumption, indicators measuring waste recovery and recycling, and CO2 emissions directed at real estate assets.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The fund's investment assets are limited liability housing companies or limited real estate companies owned 100% by the fund. Avara has signed the UN's Principles for Responsible Investment (PRI) and is thus committed to supporting responsible ownership practices, promoting the responsible investment principles and cooperation in the real estate investment industry.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The fund takes into account the exposure of real estate assets to the risk related to fossil fuels and the exposure to energy-inefficient real estate assets as mandatory sustainability indicators describing harmfulness. As other indicators describing harmfulness, the fund considers the intensity of energy consumption, indicators measuring waste recovery and recycling, and CO2 emissions directed at real estate assets. The fund reports data on PAI indicators are available separately on the website.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1.1-31.12.2023

Largest investments	Sector	% Assets	Country
AsOy Vantaan Varikkokaarre 7	Residential	27%	Finland
AsOy Helsingin Peltisepänkuja 5	Residential	20%	Finland
AsOy Tuusulan Puustellinniitynkaari 2	Residential	17%	Finland
AsOy Helsingin Vantaan Topaasipolku 4	Residential	15%	Finland



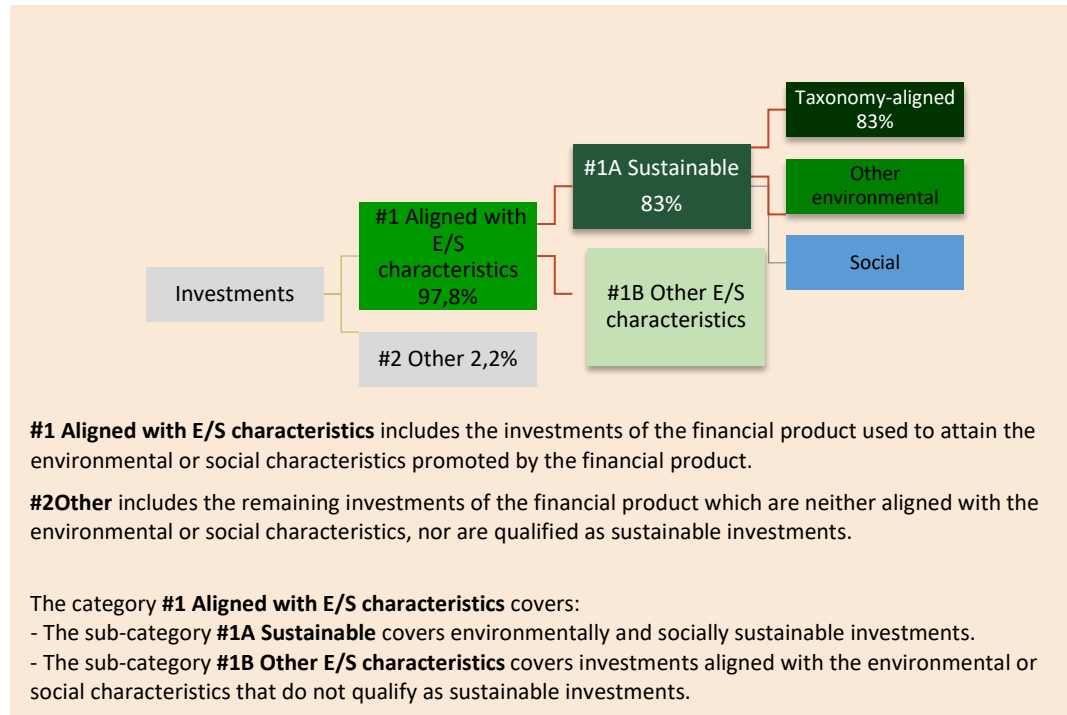
What was the proportion of sustainability-related investments?

● What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



● In which economic sectors were the investments made?

The fund invests its assets in subsidized residential real estates.



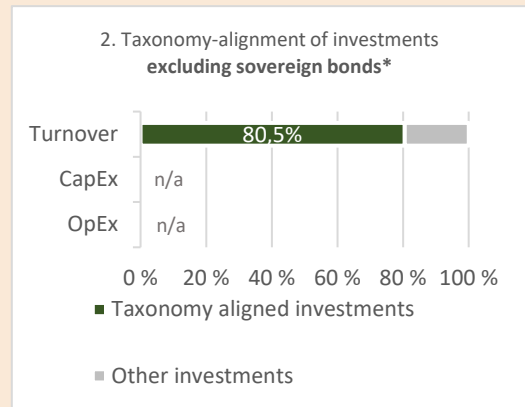
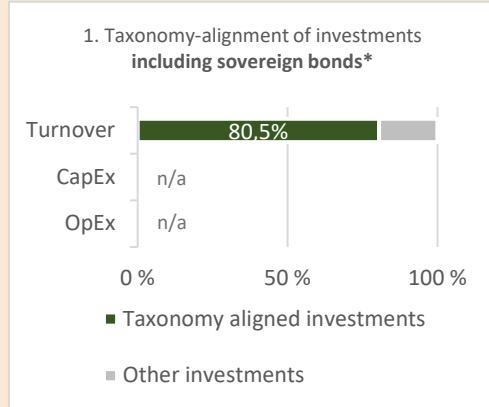
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund's investments have promoted environmental and social issues. Investment assets are considered sustainable investments if they cover EU's sustainability classification system, where the environmental goal is the mitigation of climate change. The investment property complies with the sustainability classification when its energy efficiency class is at the level required by the regulation, and it meets the requirements according to Article 3. 83% of the fund's assets can be classified as sustainable investments. Similarly, using the turnover of sustainable investments in relation to the turnover of the entire fund, the share of sustainable investments is 80.5%. From the fund's point of view, it is not essential to present taxonomy compliance in relation to capital expenditure or operating expenditure. The third party has not checked the compliance of the fund's taxonomy, i.e. whether the investments meet the requirements laid down in Article 3 of the EU Sustainability Classification System Regulation (EU) 2020/852.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The fund has no investments in transition activities or enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods**

The fund does not have comparative information on investments according to the taxonomy from previous years. The first taxonomy compliance assessment is from 2023.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The fund considers as sustainable investments those assets that comply with EU regulations and whose environmental goal is the mitigation of climate change. The fund does not have such sustainable assets that do not comply with the EU taxonomy.




What was the share of socially sustainable investments?

The fund considers as sustainable investments those assets that comply with EU regulations and whose environmental goal is the mitigation of climate change. The fund does not have such sustainable assets that do not comply with the EU taxonomy.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Assets in the "Other" category are the fund's cash assets, which are intended for the operational requirements of the fund.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

We have made progress in our goal of becoming carbon neutral in terms of energy use. We have explored new opportunities for the use of new energy saving and production methods. We implemented new ways to increase resident satisfaction and create a safe and comfortable living environment.



How did this financial product perform compared to the reference benchmark?

-No reference benchmark indexes in use-

- *How does the reference benchmark differ from a broad market index?*
- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*
- *How did this financial product perform compared with the reference benchmark?*
- *How did this financial product perform compared with the broad market index?*

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.