

# Sustainability report 2023

AVARA





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## Avara in brief

Avara is Finland’s leading residential real estate partner specialising in investment, asset management, and property management. We manage, develop, and increase the value of residential real estate assets worth approximately EUR 1.2 billion.

Our customers include the tenants of Avara rental apartments as well as professional Finnish and international real estate investors. The geographic focus of operations lies in Finland’s growth centres, where the need for rental apartments is the greatest due to the rapid progress of urbanisation.

We offer responsible and sustainable returns for professional investors who want to invest in urban housing. Our goal is to increase the value of real estate investments throughout their life cycle. We invest in the digitalisation of our business and in customer satisfaction. We are pioneers in knowledge and data based management.

Our service model is unique in Finland. It covers the entire value chain of residential real estate investment – from investing to property management. We aim for the highest customer satisfaction rate in our industry, every day.

The largest owners of the Group’s parent company Avara Oy are Elo Mutual Pension Insurance Company (34%), the company’s senior management through Erreon Oy (30%), Fennia Life Insurance Company (15%) and OP Group companies (11% combined). Avara has a total of 12 shareholders and the five largest shareholders hold more than 90% of the company’s shares.

We support the well-being and growth of society by providing apartments that suit people’s changing needs. We are a responsible residential real estate

company that operates with a long-term approach and actively develops its business. Our operations are guided by the company’s strategy and values as well as our operating principles and models.

Our aim is to be the preferred partner in residential real estate investment and asset management as well as a leading provider of rental housing. The people of Avara are highly motivated leading professionals in their respective fields and they play a key role in creating an excellent customer experience. Our operating models and methods are among the best in our industry. They produce an excellent customer experience and benefits for both our residents and investors.



Vanha talvitie 3, Helsinki



# Key events in 2023

### JANUARY

Avara signed the World Green Building Council's Net Zero Carbon Buildings commitment. With this commitment, Avara aims to achieve carbon neutrality in energy use in buildings and zero emissions from construction by 2030. The commitment concerns the Avara Amplus real estate investment company, which comprises more than 4,000 affordable rental apartments across Finland.

### FEBRUARY

The "Rakentamisen Hurraa 2022!" recognition is awarded to the entire Suvela Kirstinmäki district, which includes 179 Avara rental apartments.

### MAY

Avara participates in the Postipuiston Kotipäivä event on 28 May in Northern Pasila, Helsinki. During the day, the organisers of the event present their own locations, and the Postipuisto residential area and its special features. At the event, Avara presents its Postiljooninkatu 11 rental property and its vacant apartments.

### OCTOBER

Avara will start collaborating with Aitoenergia, and in the first phase of the collaboration, Aitoenergia's geothermal heating service is implemented in four Avara properties in the capital region. The aim of the ground source heating service is to reduce the costs of the properties and the environmental impact.

### JANUARY

Three apartment buildings comprising of 116 non-subsidised rental apartments are completed in Finnoo, Espoo. The energy solution for the properties is a geothermal district heating network that reduces emissions and energy costs. This medium-deep heat well and the local energy solution built around it is the first of its kind in Finland.

### FEBRUARY

Avara and Senate Properties announce that they have signed an agreement for the sale of land at Tulistimenkatu in Central Pasila, Helsinki. Following the acquisition, Avara is carrying out a new property development project in the area consisting of two buildings with 44 affordable rental apartments financed with short-term interest subsidy loans and 56 non-subsidised rental apartments.

### SEPTEMBER

By the end of September, 69 energy-efficient and affordable Avara rental apartments are completed on Peltisepänkuja, Herttoniemi. The new property development project, located in the immediate proximity of various services, has been implemented in accordance with the requirements of energy class A. All the apartments were rented well in advance of the completion of the property.

### DECEMBER

Avara launches a short-term interest rate subsidy rental housing project in the Ratapiha railway yard blocks of Pasila, Helsinki. The project consists of 135 apartments and 5 commercial spaces and is expected to be completed by the end of 2025.



## From the CEO



The market situation in 2023 was challenging. The rise in both market interest rates and energy costs created pressure to raise rents. However, we can be proud and happy that our long-term sustainability work in the development of properties has borne fruit in a difficult operating environment.

The increase in energy costs was kept under control as we have been investing in various energy saving measures and environmentally friendly energy solutions, such as geothermal heating, for several years. In this way, we also avoided the increased pressure to raise rents.

### **Sustainability work progressing according to plan**

2023 showed that sustainability work can be both environmentally beneficial and economically sensible. Avara's sustainability work focuses on mitigating the environmental impact, but at the same time we ensure that our sustainability activities are financially sustainable. We prioritise our sustainability actions from both an environmental and economic perspective. This has enabled us to move systematically towards our goal of carbon neutrality even in volatile times, and we have not had to sacrifice our targets despite the challenging conditions last year.

### **Improving our customer processes generated excellent feedback**

We want to listen to our customers throughout their rental journey and conduct NPS surveys for them at different stages of their residency. Last year we developed our customer processes and one of the most important goals for the year was to increase the customer satisfaction NPS. The target was achieved and the result was significantly improved compared to the previous year. The overall NPS score for customer satisfaction in 2023 was 39, the highest score in more than five years. This shows that we are on the right track to improve customer satisfaction. ▶



We have continuously improved our rental process and system, and we are committed to the quality of our rental service. We are pioneers in automating the rental process to meet the demands of today's customers for quick and easy renting. I believe that this work is also reflected in the NPS for the rental process, which was an excellent 74 when measured last year.

### The growth story continues

From a corporate responsibility perspective, it's nice to be able to say that our growth story continues as planned. In 2023, we launched two new locations in Pasila. This was an extraordinary achievement in a challenging year of construction.

Our target is a growth rate of around a thousand new homes per year, and we are sticking to this target. We continue to see growth potential through both new production and portfolio acquisitions. We operate in 29 locations across Finland and ensure that we continue to offer high-quality and new rental properties in our country. By working with local companies in different locations, we also support local businesses and offer jobs in the cities where we have properties.

Investors have been very pleased with our operations as well. This is reflected in the good NPS figures for investors from the past few years. We implement each fund's individual strategy, taking into account the return, risk and sustainability objectives of different investors.

### Avara is one of Finland's best workplaces

In spring 2023, we received great news from the Great Place to Work 2022 survey, when we heard that we were among the top 20 companies in the category of small businesses. We also received very good feedback in the employee satisfaction results for 2023, and the eNPS score reached new highs.

It's wonderful that our employees are happy even in challenging times and Avara is proven to be one of Finland's Best Workplaces™.

*Mika Savolainen*  
CEO



Peltisepänkuja 5, Helsinki



## 2023 in numbers

<p><b>Assets under management</b></p> <p><b>EUR 1.2 billion</b> (EUR 1.2 billion)</p>	<p><b>Investments<sup>1</sup></b></p> <p><b>EUR 38 million</b> (EUR 58 million)</p>	<p><b>Personnel<sup>2</sup></b></p> <p><b>28</b> Avara people (27)</p>
<p><b>Economic occupancy rate</b></p> <p><b>94%</b> (96.4%)</p>	<p><b>Apartments</b></p> <p><b>6 755</b> (6,594)</p>	<p><b>CO<sub>2</sub> intensity<sup>3</sup></b></p> <p><b>22.2 kg</b> CO<sub>2</sub>e/dwelling area m<sup>2</sup> (22.8 kg)</p>
<p><b>Customer satisfaction (NPS)</b></p> <p>Tenants <b>39</b> (28)</p> <p>Investors <b>67</b> (77)</p>	<p><b>Apartments completed or under construction</b></p> <p><b>427</b> (645)</p>	<p><b>Further information</b></p> <p>Situation as of 31 December 2023. Data for the previous year or change year-on-year in brackets.</p> <p><sup>1</sup>Includes new construction, acquisitions, repairs, and renovations of existing assets.</p> <p><sup>2</sup>From 2023, temporary and permanent part-time employees have been included in the total number of employees.</p> <p><sup>3</sup>Greenhouse gas emissions per square metre of dwelling area for all properties that were under Avara's management for the entire year.</p>



## Impactful sustainability

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# Impactful sustainability

Avara’s sustainability principles are based on a materiality analysis performed in 2018 and reviewed annually.

The analysis accounts for Avara’s strategy, the most significant impacts, opportunities, and risks of the company’s operations as well as the sustainability-related needs and expectations of key stakeholders.

The materiality assessment also takes into account long-term risks and the industry-specific opportunities Avara and its stakeholders have in terms of impacting and adapting to climate change, in particular.

The material aspects of Avara’s corporate responsibility are related to the environmentally, socially, and economically sustainable growth and development of assets, investment and property management as well as rental housing services.

## Avara’s sustainability priorities and lines of action



### Sustainable returns

We offer sustainable opportunities with attractive risk levels to make profitable long-term investments in residential real estate in Finland’s growth centres.



### Low-carbon housing

We are committed to reducing the environmental impacts of housing and increasing the efficiency of resource use through actions with measurable impacts and a long-term view.



### Well-being of people and communities

Our operations, decisions and development projects have a positive impact on the well-being of tenants, employees and local communities.



# Strategy and operating model

Avara’s aim is to be the preferred partner in residential real estate investment and asset management. We offer opportunities to invest responsibly in both non-subsidised and subsidised rental housing in Finland. We are an active property developer.

Avara aims for significant profitable growth in the business in the coming years. The strategy is based on the company’s role as a strategic partner of professional investors and on Avara’s own investment activities as a major

investment and asset management company in Finland. Avara’s businesses support and complement each other in an efficient manner, generating value for both shareholders and customers.

Avara supports its investors’ selected investment strategies and operating methods, and manages residential real estate assets with the same comprehensive approach it applies to its own assets — professionally and independently. Avara is responsible for all


management activities and development of real estate funds, including operational activities, financial management and financing as well as the preparation and execution of investment decisions.

Urbanisation and the growing popularity of rental housing are strong forces of change in the Finnish housing market. Avara responds to changing housing needs in our changing world. Our operations are focused on major growth centres where the need

for high-quality rental housing is the highest.


Our relatively new housing stock, the central locations of our apartments, and apartment types that are suitable for decreasing household sizes are a good match with market demand today and in the future. We develop services that make daily life easier and improve the housing experience. This enables us to offer the best possible residential real estate services to customers.

## Strategic objectives



**Strategic goals**

- First-rate team
- Preferred partner
- Customer loyalty



**Critical success factors**

- Asset management excellence
- Inspiring employee experience
- Best customer experience



**Objectives**

Profitable growth in all business segments

- Investment management
- Asset management
- Property management



**Financial targets**

- Increase in the value of assets under management
- Revenue growth
- EBITDA growth



# Business model

Avara’s business model covers the entire value chain of real estate investments: investment management, asset management and property management. Client accounts are managed with a comprehensive approach in line with the goals and expectations of the real estate funds and in accordance

with Avara’s strategy and operating model. The business support functions include financial management, HR, and ICT as well as risk management and compliance.

The company’s own property management business, established in 2020, is

responsible for professional and customer-oriented letting of apartments, customer service and property management. Asset and property management are supported by Avara’s own digital platform OmaAvara. Specialised professionals and appropriately targeted property management measures

— which also take advantage of digitalisation — ensure the best possible customer experience and occupancy.

**Investment management**  
Avara operates in various risk-return categories in residential real estate investments and offers real estate

## Account management



Investor and owner-customers



Tenant customers

### Investment management

- Investments and fund management
- Management of investment strategies and plans
- Real estate development
- Financing
- Transactions

### Asset management

- Business plan execution
- Letting management, ERV and pricing
- OPEX management and optimization
- CAPEX planning and project management
- Marketing management

### Property management

- In-house leasing operation through Avara’s own digital platform
- Technical property management, i.e. local service
- Administrative property management

Finance

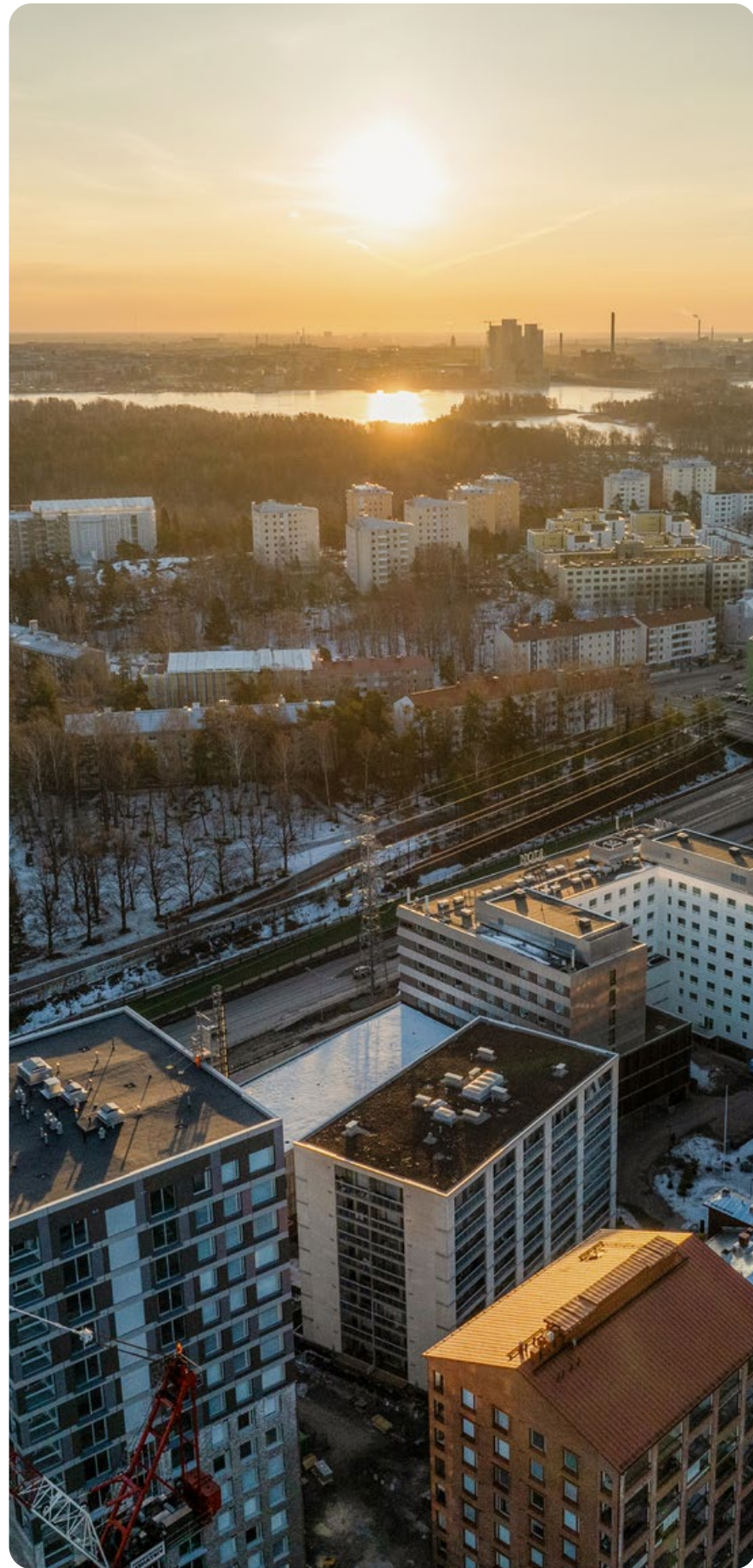
HR

ICT

Risk management and compliance

Avara’s strategic goals and management

Avara’s business principles, operating models and values



Peltisepänkuja 5, Helsinki

investors the opportunity to participate in diverse closed real estate funds as well as separately managed joint ventures. The aim is to provide investors with convenient, sustainable, and profitable solutions for investing in residential real estate in Finland that suit each investor’s investment profile.

The services of investment management cover the entire life cycle of an investment: planning and implementing an investment strategy, finding investments in line with the strategy, analysing and executing transactions, the property development of new residential real estate investments, the structuring of investments and raising of capital as well as financing from Finnish and international markets.

Avara’s own property development, which produces excellent returns, is a key part of investment management. At the end of 2023, Avara had 245 apartments under construction. In the coming years, the company aims to increase the number of its

own development projects, which will increase the significance of plot acquisition.

**Asset management**

The operational management of asset management includes maintenance and repairs of assets and apartments under management as well as efficient management of real estate operations. Our asset management services implement investment strategies proactively, actively, and transparently.

Avara takes care of a real estate investment’s profitability, management, and development comprehensively and in accordance with the investment strategy. Avara provides extensive reports on the development of your investment’s value and returns, and forecast future development analytically, from the perspectives of different dimensions and alternatives. Avara has long-term experience of managing real estate investments as well as solid skills and achievements in both asset management and the active develop-

ment of properties’ profitability. We manage assets with knowledge based on extensive analyses and by making use of our strong experience in the industry.

In maintenance and repair activities, Avara operates locally and nationally in close cooperation with selected service providers in the real estate sector. Avara’s local expertise sets it apart from other asset managers in the field. Real estate is a local asset category in which the highest returns can be achieved through a combination of national and local expertise, partners and operating models. Customer understanding is based on active listening and use of information in all areas of the client relationship.

**Property management**

Avara’s property management services support asset management and the creation of good customer experiences in housing. The services cover the life-cycle management of properties, the property management, leas-

ing operations and customer services, technical property management, and the project management of capex projects.

The service model of our property management is based on efficient, digitalised processes and the best data driven understanding of properties and customer. Our nationally local operating model combines the scaling benefits of centralised service production and procurement and the local technical management of properties and customer services.

The property management operations previously purchased from partners changed into operations run by Avara itself as of the beginning of 2020. As one of Avara’s own businesses, property management is efficiently and productively integrated with asset management.



# Business principles and risk management

**Avara's** operations are guided by the company's strategy, values, and confirmed principles, which include Avara's Code of Conduct, business principles and governance, principles for the prevention of conflicts of interest, remuneration policy, internal control and risk management principles, privacy and data security policy, procurement guidelines, fair rental practices and fair housing management practices or the housing manager's code of conduct (Isännöinnin eettiset ohjeet).

The company's governance complies with the sustainable and diligent principles approved by the company's Board of Directors as well as with the company's internal control and risk management principles. The principles define Avara's decision-making procedures

and organisational structure, which specify the reporting relationships, the division of duties, and the responsibilities of the governing bodies. The company's principles and policies ensure that its management is carried out in accordance with its owners' objectives, the company's values and the requirements arising from investors, legislation and other regulations.

The company's business is based on effective and reliable internal control procedures that apply to all employees. Internal control and risk management are part of Avara's day-to-day operations and matters pertaining to these topics are regularly discussed in the meetings of the management team. If any deficiencies are observed, the necessary action will be taken without delay. The management team regularly monitors corrective action related to deficiencies in its meetings.

**Risk management and compliance**  
Avara's risk management is based on the company's Code of Conduct and

confirmed risk management principles. The company has a permanent risk management function, and risk management has been organised in such a way to ensure independence and expertise. The purpose of the risk management function is to identify threats that could influence the achievement of strategic, operational or business objectives in cooperation with business functions. The risk management function supports business risk management and measures, manages, and continuously monitors the company's risks and reports on them.

Avara carries out an annual risk assessment with the aim of identifying the risks related to Avara's business and assessing their impact, probability, and the measures to take to manage and mitigate the risks. The risk management function reports on material risks and risk management to the Board of Directors on a semi-annual basis in accordance with the Board's annual clock. Avara reports to investors on risks as part of its investor reporting.

The key risks identified by Avara include market and industry risk, strategic business risks, sustainability risks, operational risks, liquidity risk, credit risk and counterparty risk. Market and industry risk include risks related to investment targets, valuation risk, rent risk, interest rate risk, leveraged investment risk and financing risk. Operational risks include compliance and regulatory risks, outsourcing risk, key personnel risk, and liability risks in relation to professional liabilities.

Avara's compliance function promotes regulatory compliance through proactive legal counselling and monitors that Avara operates in compliance with regulations, contracts, internal procedures, principles and policies.

**WhistleBlowing channel**  
In 2023, Avara launched a public WhistleBlowing channel that is accessible to all. The channel is part of misconduct prevention and an important risk management tool.

Through the WhistleBlowing reporting channel, anyone has the opportunity to inform Avara of their suspicions of possible misconduct or violations of Avara's Code of Conduct.

All reports will be handled confidentially and by independent and impartial persons responsible for protecting the privacy of the reporter and the subject of the report.

The WhistleBlowing reporting channel is designed in such a way that no electronic identification information is collected about the whistleblower. More information: [www.avara.fi/en/privacy-notice-whistleb](http://www.avara.fi/en/privacy-notice-whistleb).

**Complaints handling**  
With regard to property and property asset management, clear guidelines and processes have been drawn up for the handling of complaints from tenants and service providers. The handling of tenant complaints is monitored via the CRM system.



# Materiality assessment on sustainability management and reporting

**Avara** identified and analysed its key themes of corporate responsibility for the first time in early 2018. The themes were defined by means of a materiality analysis in accordance with the Global Reporting Initiative (GRI) Standard. The materiality analysis took into account the most significant impacts of Avara’s operations and the expectations of Avara’s key stakeholders with regard to sustainability.

The key stakeholders are Avara’s customers (tenants, investors, and

property owners), its personnel, municipalities and cities, construction and property maintenance companies, the suppliers of services and materials as well as the company’s shareholders. Avara’s management confirms priorities and considers whether there is a need to make any changes or updates to them on an annual basis.

For the 2022 sustainability reporting, the content of Avara’s sustainability reporting was reviewed from the point of view of compliance with the GRI

standards, and the GRI content index was updated. In the 2023 sustainability reporting, GRI content was enriched and added further. The reported information is comparable with Avara’s previous corporate responsibility reports, except where otherwise mentioned. The conformity of the information with the GRI standards is presented in the GRI content index. Avara applies the Global Reporting Initiative’s GRI Standards 2021 reporting guidelines to the content and principles of sustainability reporting.

**Avara’s sustainability report for 2023 is prepared in accordance with the Global Reporting Initiative (GRI) standards.**

## Material themes of Avara’s corporate responsibility



### Economic responsibility

- Profitability and solvency
- Increasing the value of investors’ assets
- Reliable and responsible operating methods
- Partner selection



### Social responsibility

- Comfortable and safe residential environments
- Listening to customers
- Employee well-being
- Diversity, equality and non-discrimination
- Social impact
- Prevention of marginalisation and segregation



### Environmental responsibility

- Energy and water consumption
- Carbon footprint
- Building life cycle
- Waste and recycling



## Avara is committed to the UN Principles for Responsible Investment

In 2019, Avara Oy became a signatory to the UN Principles for Responsible Investment (UN PRI). These principles have developed on a global level as the starting point for the best practices of responsible investing, and they also guide Avara’s responsible investing processes.

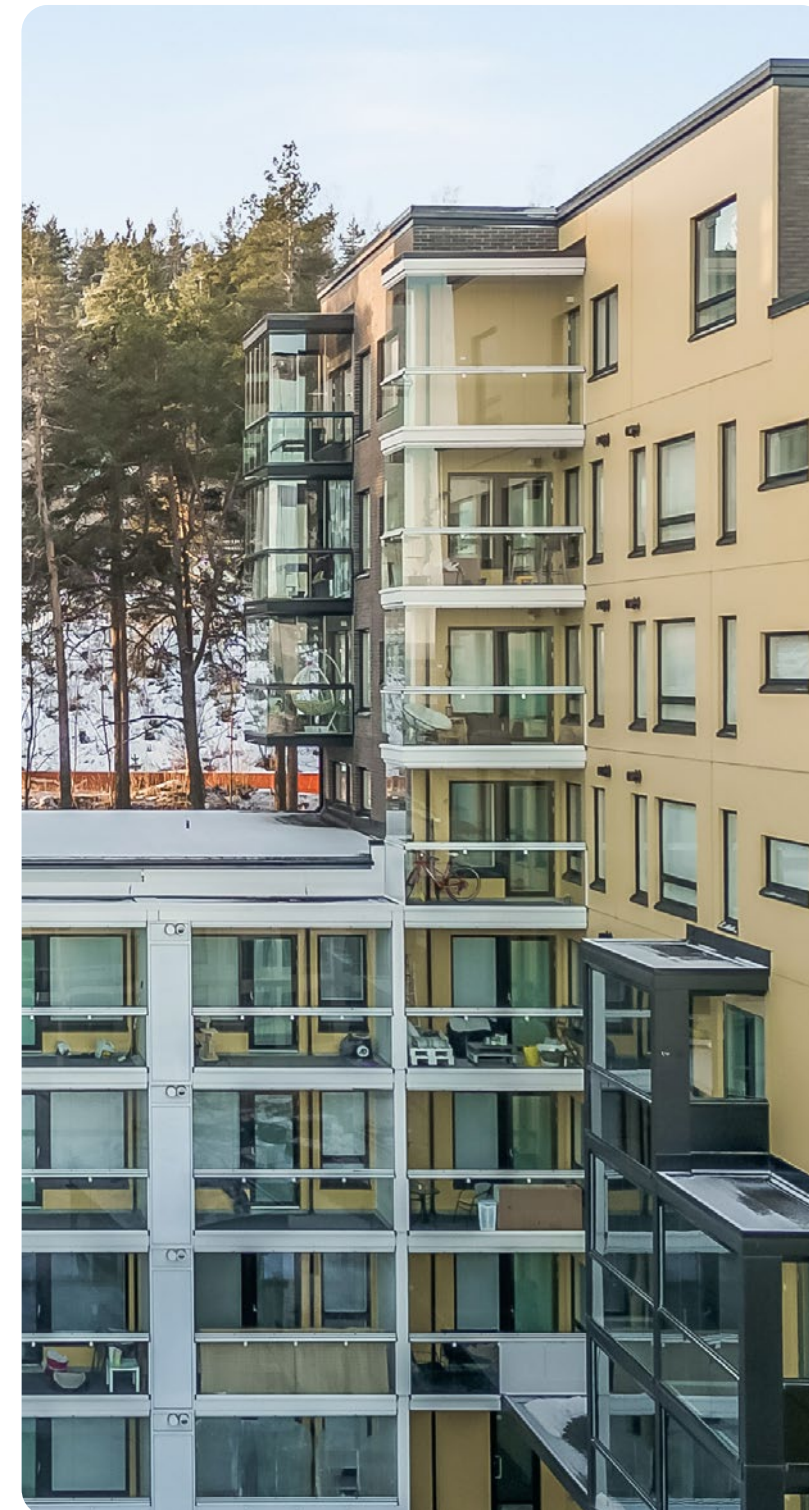
As a signatory to the UN Principles for Responsible Investment, Avara is committed to supporting responsible ownership practices as well as promoting the practical implementation of the principles and cooperation in the real estate investment industry. Avara is also committed to reporting on its actions and progress with regard to responsible investment.

The principles of responsible investment are incorporated to all investments Avara manages and all investments are made in accordance with the reference framework. The level of commitment and the impact of the decisions are monitored and reported annually in accordance with the PRI principles.

Signatory of:



Read more: [www.unpri.com](http://www.unpri.com)



Tikkukuja 1, Tampere

## Avara Asuinkiinteistörahasto I fund has nine BREEAM In-Use certificates

The Avara Asuinkiinteistörahasto I fund is certified by the BREEAM In-Use environmental rating system for residential buildings. The fund comprises a total of nine residential properties across Finland, and all properties are certified. More than half of the properties have reached the level Excellent. The sustainability of the fund is further developed through the results of the certification and the prepared carbon neutrality roadmap.

The fund has set a target of carbon neutral energy use by 2025. In addition, the aim is to minimise other indirect emissions. In 2021, more than 70% of the fund’s emissions came from the energy use of the property portfolio. The properties in the portfolio are new and energy-efficient, so the focus of emissions reduction is on renewable energy.

### BREEAM In-Use

BREEAM In-Use is an internationally distinguished environmental certification system for the environmental efficiency and sustainability of real estate. Besides environmental aspects, the certification process assesses the property in terms of health and well-being. The assessment is based on a scale of 0–6 starts, “Unclassified” – “Outstanding”. The majority of properties in Finland have been ranked as “Good” or “Very Good”.

Source: Ecoreal



## Green Building Council Finland, Net Zero Carbon Buildings Commitment and #BuildingLife project

Since early 2022, Avara has been a member of Green Building Council Finland and a sponsor of the #BuildingLife project. In 2023, Avara signed the World Green Building Council's Net Zero Carbon Buildings Commitment.

With the Net Zero Carbon Buildings Commitment, Avara aims to achieve carbon neutrality in real estate energy use and zero emissions from construction by 2030. The commitment concerns the Avara Amplus real estate fund, which comprises more than 4,000 affordable rental apartments across Finland.

As a sponsor of the #BuildingLife project action plan, Avara is committed to striving for a carbon-neutral built environment by 2035 in accordance with the joint objectives of the real estate and building sector. Moreover, with the #BuildingLife action programme, Avara has undertaken to prepare an action programme to achieve carbon neutrality in its business.

#BuildingLife\* is a joint project of ten European Green Building Councils, highlighting the built environment as a key factor in the battle against climate change. An action programme presenting the direction and processes with which companies will reduce their own emissions and the emission of their value chain in general will be prepared in each country. In Finland, the companies supporting the action programme commit to its objectives and taking measures so that Finland's real estate and construction industry emissions will reach a carbon neutral state by 2035.

*\*Read more: [figbc.fi/projektit/buildinglife](https://figbc.fi/projektit/buildinglife).*



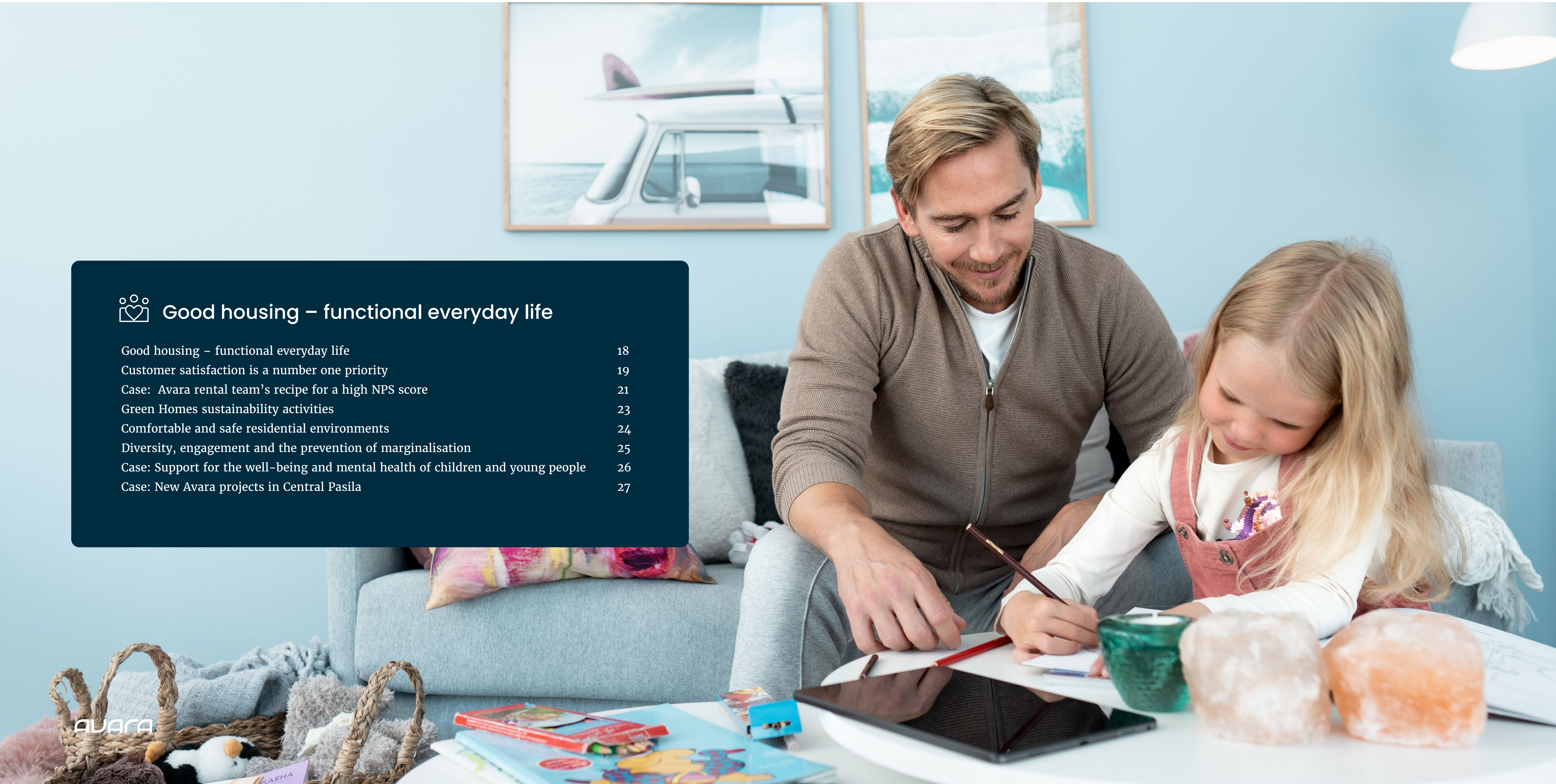
Toini Muonan katu 3, Helsinki





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## Good housing – functional everyday life

We want everyone to feel that their home is the best place in the world.

Every day, we ensure that our tenants have what they need to be safe and comfortable in their daily life, including functional and pleasant apartments, properties and outdoor areas.





# Customer satisfaction is a number one priority

# 39

Customer satisfaction NPS<sup>1</sup>

# 74

Letting NPS

# 7,585

tenants

(parties to leases on 31 December 2023.)

**A good home** is the sum of many individual factors. Avara listens with a sensitive ear to its customers' experiences and feedback, and tries to gain as good an understanding as possible of tenants' needs and expectations. Existing and new services are developed continuously on the basis of customer feedback, and development targets are taken care of in a friendly and determined manner.

Avara aims for the best customer satisfaction in the industry by improving particularly the level of multi-channel customer services during leasing and housing. Changing the property management operations previously purchased from partners into operations run by Avara itself was a significant step in this direction.

### NPS measurement covers a tenancy's entire lifecycle

Avara monitors the satisfaction of its tenants and their perceptions of the company with the help of NPS. The NPS index was measured at four differ-

ent points during a tenancy's life cycle throughout the year:

- Letting NPS
- Moving-in NPS
- NPS during tenancy
- Moving-out NPS

The overall NPS of customer satisfaction is the arithmetic mean of the four NPS measurements taken at different stages of tenancy.

Avara's NPS is also used as the goal for the company's property management partner. The company reacts to NPS results rapidly when necessary. In the event that any score given in the feedback surveys is 6 or lower (on a scale of 0–10), Avara's customer service receives a notification of a low score. The customer service function then processes the feedback as an urgent customer complaint, evaluates the case and logs the corrective actions taken.

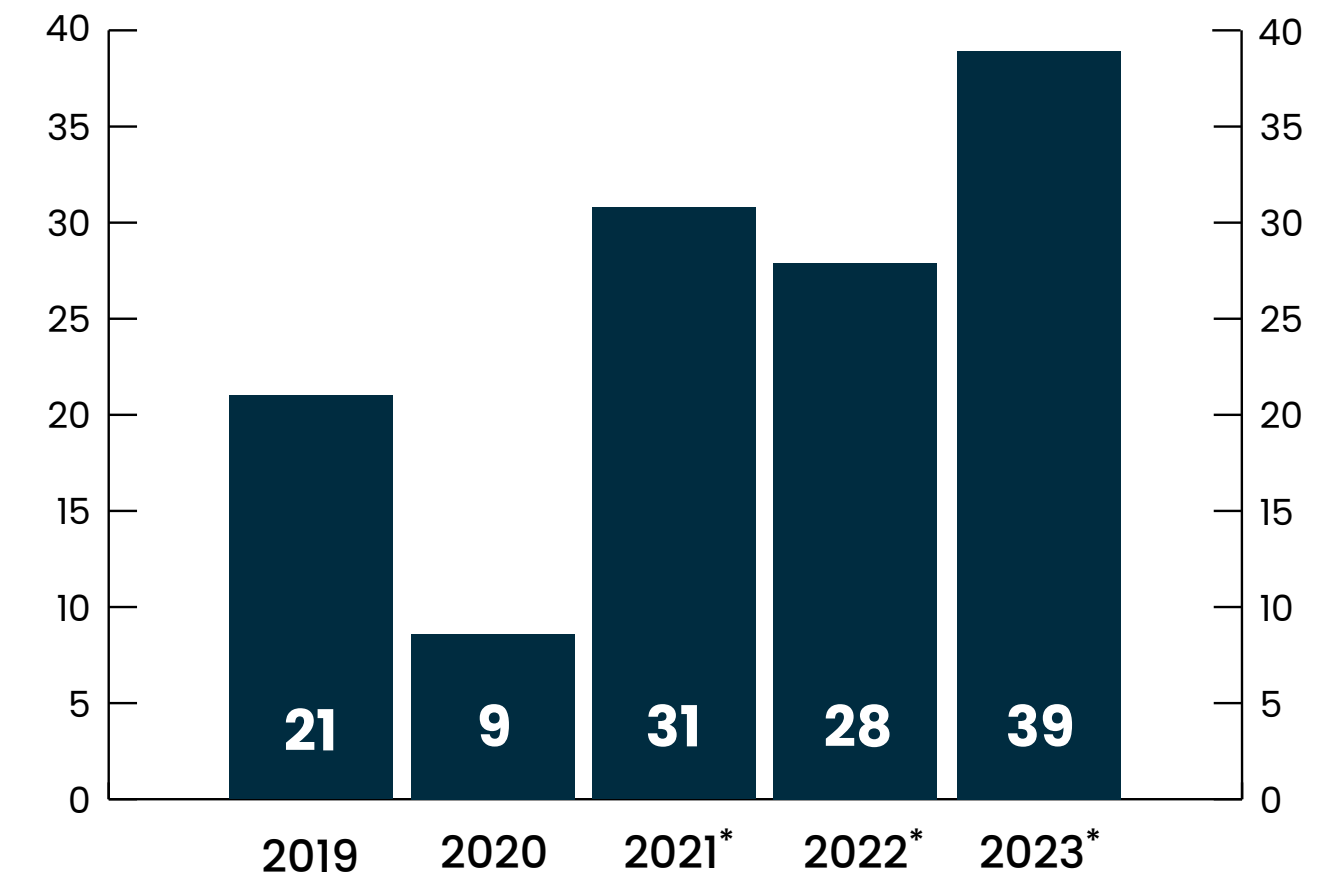
### Customer satisfaction NPS increasing well

In 2023, one of Avara's most important goals was to significantly improve cus-

tomers' satisfaction compared to 2022. The target was achieved and the NPS score increased by 11 points. The 2023 NPS score was 39, the highest score in more than five years.

Customer surveys and feedback play a significant role in identifying problems so that the causes can be assessed and corrective action can begin as efficiently and quickly as possible. It is

### Development of customer satisfaction (NPS<sup>1</sup>)



<sup>1</sup>The NPS score is measured in four phases of the customer journey. The overall NPS is the average of these four measurements. The Net Promoter Score measures how likely a user is to recommend a service on a scale of 0–10. The index is calculated by deducting the portion of the detractors (0–6) from the portion of the promoters (scores 9–10).

\*From 2021 onwards, the measurement has included the NPS for leasing, which is measured one week after signing the contract. The leasing NPS is used for monitoring the success of Avara's Rent Now service and Avara's own rental service.



important that customer satisfaction continues to improve towards our long-term targets.

**Tenant feedback led to the tendering of a cleaning partner**

Over the past few years, Avara received a lot of feedback from tenants through customer surveys and complaints about the level of cleaning at the properties. This situation led to a call for tenders for the cleaning service provider during autumn 2023 and the selection of new service providers from the beginning of 2024. In connection with the change of partners, it was also decided to increase cleaning efficiency by increasing the number of cleaning cycles. The aim of changing cleaning partners and improving cleaning efficiency is to ensure the comfort of and satisfaction with Avara’s residential buildings.

**Housing application process NPS score 53**

In December 2022, a new NPS measurement point was added to Avara’s housing application process, where the

survey is carried out immediately after the application has been submitted. For December 2022, the NPS score of the surveys was 42. During 2023, the NPS score increased to 53 for the entire year.

**Development of Avara’s customer surveys and measurements**

Avara has implemented a development plan for applicant and tenant surveys and measurements, the implementation of which is planned to be

completed during 2024. The aim is to harmonise and clarify the tenant surveys and improve the overall management of the surveys from the points of view of the systems, customer experience and analysis.

**Multi-channel service & communication**

Avara maintains active communication and good dialogue with its tenants. Avara can be contacted via customer service by email and telephone.

Avara’s customers have access to the electronic OmaAvara service, which is designed to serve both housing applicants and tenants at all stages of the customer journey.

The functionality and user experience of OmaAvara is constantly being developed, with the aim of making the digital customer service experience as clear, easy to use and smooth as possible.

The tenants’ service experience and communication are also enhanced by:

- Avara’s website features a continuously updated FAQ section to make it easier for the tenants to find information and use the services.
- Tenants regularly receive information through electronic newsletters. In addition, Avara property managers can send electronic property-specific bulletins through Avara’s customer account management system.
- Avara’s customer service uses an electronic ticketing system. After a service event, the customer is sent a feedback survey and the quality of customer service is developed based on the responses to it.
- Avara’s tenants can submit failure notifications electronically on Avara’s website or via OmaAvara.
- The housing guidelines available to tenants are updated annually, and all tips relating to smooth rental housing and Avara’s services are collected in them.





## Case: Avara rental team’s recipe for a high NPS score

Listening to and understanding the customer, as well as flexibility and speed. These are the cornerstones of customer service that Avara’s six-person rental team sees as prerequisites for a high NPS score. The whole team agrees that the NPS survey scores both help to improve customer service and boost confidence in one’s work.

**Hanna Smedjebacka**, leader of the Avara rental team, says that the answers to the NPS survey are discussed with team members in weekly meetings. In addition to the actual NPS question, the questionnaire sent to customers immediately after signing the tenancy agreement includes background questions to find out their reasons for giving a particular NPS score. It is these answers to the background questions that interest the team.

“Of course, we always contact the customer immediately, if we receive an NPS score below six. Our system notifies us instantly, so we can react quickly,” she says.

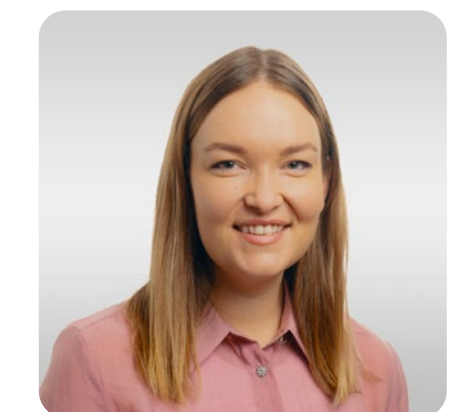
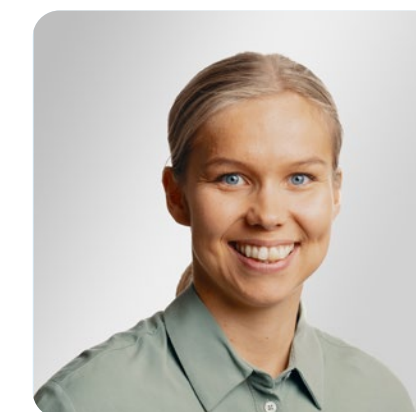
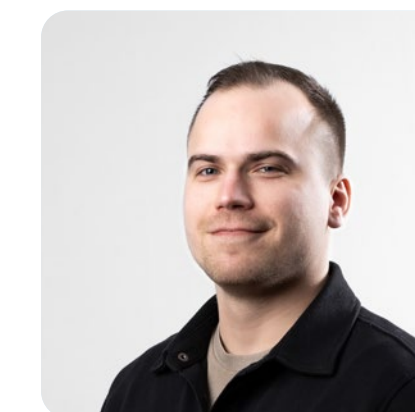
Rental team members consider the survey and its results to be an important indicator of the success of their work.

“I think this is a good and slightly softer way to find out how you are succeeding in your work. Digital tools are so good nowadays that you rarely meet customers face-to-face anymore. This is precisely why it is important to get feedback from them and to hear where we have succeeded and where we have failed,” says Leasing Specialist **Pirkko Auvikainen**.

Similar thoughts are held by Senior Leasing Specialist **Nina Saajasto**. She believes that the answers to the survey can help her improve her work.

“I have a passion for doing things a little better. Praise received in the survey gives us confidence in our work and tells that we are doing things right. Justified criticism, on the other hand, can give us new ideas for development, so it is always important to discuss it together.”

The renting NPS is used for monitoring the success of Avara’s apartment application process, Rent Now service and Avara’s in-house rental service. For 2023, the renting NPS was an astonishing 74.



Avara rental team is comprised of Hanna Smedjebacka (top left), Nina Saajasto, Pirkko Auvikainen, Olli-Pekka Hyvölä, Tytti Saloniemi and Johanna Veijanen



**Customers should feel that they are listened to and understood**

The rental team considers good customer service to be a matter of honour. The team understands that customers have different needs and expectations when it comes to housing, and strives to find a home for everyone.

Hanna Smedjebacka sums it up: “We do not just provide customers with apartments, we find them homes.”

According to Leasing Specialist Johanna Veijanen, good customer service is personal and adaptive.

“We are not customer service robots. Instead, we want to understand what kind of service the customer wants. Customers should feel that we listen to them and understand their needs. We have succeeded when we find the best possible home for each customer. For that, we have to solve the housing needs of each customer individually.”

Colleague Olli-Pekka Hyvölä considers providing professional answers to customers’ questions to be an important factor for the success of customer service.

“Not knowing the answers is a source of frustration for the customer. That is why it is our job to provide well informed and timely answers to our customers’ questions. Each question needs to be resolved quickly on a case-by-case basis,” he says.

Tytti Saloniemi’s motto is “get things done.”

“In my opinion, good customer service means that you sort things out quickly – and get them right the first time around. This also involves that if you don’t know the answer to a question, you say so and find out the answer asap,” she explains.

While the whole team is happy and proud of the high NPS score they have achieved, they see the need for continuous improvement in customer service.

“OmaAvara and Rent Now are good examples of our services. Having multiple channels makes it easier to find a suitable home and to contact us. Customer demands are growing and we need to keep up. We evolve by listening to our customers and supporting each other,” the team reflects.





# Green Homes sustainability activities

Avara is involved in the Green Homes sustainability initiative, which focuses on rental housing.

The tenants of Green homes regularly receive information about housing-related climate emissions.

Avara and six other professional real estate companies launched the Green homes sustainability programme focusing on rental housing together with Kiinteistönomistajat ja rakennuttajat Rakli ry in 2022. 122 Avara properties with a total of more than

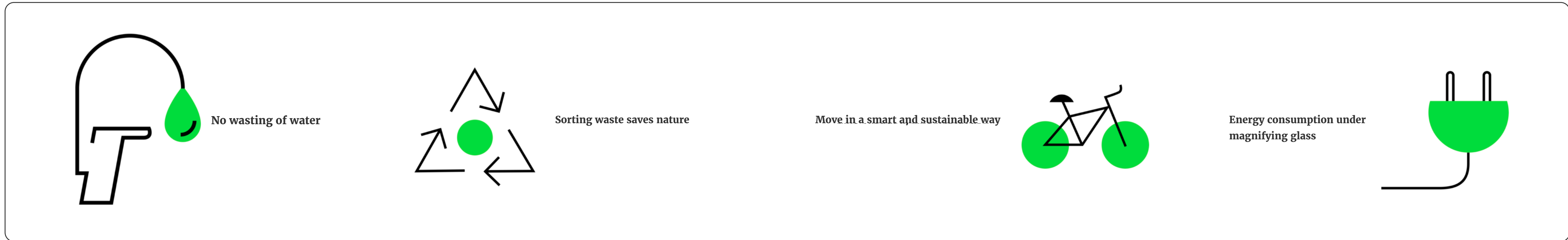
4,000 rental apartments have joined the Green Homes programme. A commitment to the energy efficiency agreement for rental housing (VAETS) has been made with regard to the Green homes properties, and measures to improve energy efficiency will

be reported on annually. In addition, the aim is to achieve the World Green Building Council’s Net Zero Carbon Buildings Commitment by 2030.

### Tenant communication at the core of everything

The Green Home tenants regularly receive information about housing-related climate emissions. Green homes’ own media publishes information and tips on climate-friendly living, which

are shared and highlighted in Avara’s own tenant communication. In 2023, a Green Homes climate receipt was created for the buildings involved in Avara’s Green Homes activity, through which tenants could access the emission data of their own building.



The illustration material is from the Green Homes web page: [greenhomes.fi/ilmastoystavallinen-asuminen](https://greenhomes.fi/ilmastoystavallinen-asuminen)



# Comfortable and safe residential environments

**33.1**  
Avara's Playcare index score

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**30.6**  
Peer group average

**Safe** and comfortable residential environments have a strong impact on the perceived quality of homes and their environments. The quality of outdoor areas and playgrounds is monitored regularly, and the property maintenance function carries out the required maintenance measures and repairs.

**Avara's all-time high index score**  
We have ambitious targets for safety and the outdoor areas and playgrounds of our properties are subject to annual safety inspections by Lappset Oy. The necessary renewal and renovation measures, based on condition assessments, are entered in the long-term plans of the buildings at the same time.

Lappset Playcare inspections involve an expert assessment of the safety, overall condition and play value of the outdoor areas and playgrounds of residential properties. In 2023, Avara's overall index score was again above the average of the study's reference group (30.6), rising to 33.1. It was also Avara's

all-time high total index score. The highest possible score is 40.0.

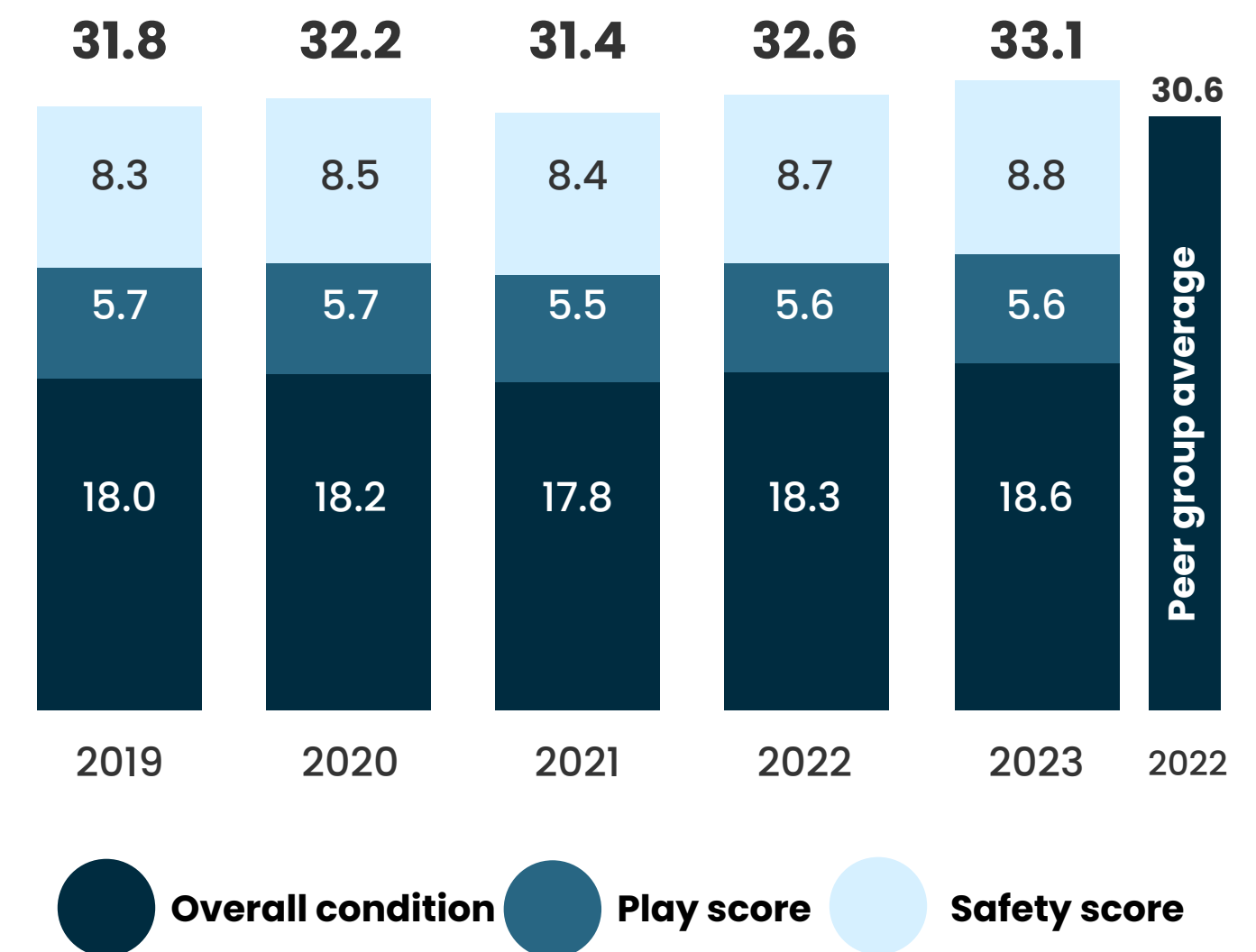
Active and timely property management increases the comfort and safety of housing. Avara pays attention to its selection of property maintenance partners and long-term local partners in accordance with the company's procurement principles. Local circumstances are given special attention in property maintenance contracts. Due to increased rainfall and variations in temperature, special attention has been paid in property maintenance in recent years to aspects such as preventing hazards related to snow accumulated on rooftops and preventing slipping.

Green areas are systematically managed by using annual maintenance contracts. In case of complaints, the property maintenance partners take the necessary action in accordance with previously agreed and jointly defined complaint handling processes.

## Customer feedback is essential to the development of the residential environment

Tenant feedback plays an important role in the development of comfortable and safe residential environments. When a tenant reports abnormal conditions at an Avara property, the process described in Avara's condition complaint process description is followed. Avara's property management partners are to ensure that the required investigations and corrective measures are carried out in the apartment and the conditions and measures taken are reported to Avara.

### Development of Playcare index score







# Diversity, engagement and the prevention of marginalisation

**A home** provides a focal point for their life management and connection to the local community. At Avara, we aim to provide tenants with various opportunities for community-oriented living and enhance people's opportunities to live in a home that suits their needs during different stages of their life.

In newly developed residential properties, Avara strives to increase community spirit by taking potential future needs into consideration in a timely manner. This can mean, for example, investing in the design and construction of shared indoor and outdoor facilities for tenants as well as services for daily life that support the tenants collectively, such as shared-use vehicles.

## **Engagement and participation**

A strong community spirit is highlighted in non-profit communities where tenant management and shared activities are part of daily life. Avara offers solutions and support for increasing cohesion and the sense of community in collaboration with tenants. For example, Avara encourages tenants to organise and network among themselves through area-specific and building-specific tenant committees and social media groups.

Tenants in affordable housing can participate and cooperate in building-specific tenant committees. Tenant committees promote dialogue between tenants and Avara. Tenants get the opportunity to familiarise themselves with annual budgets and financial statements, the rental levels of their

building relative to other buildings as well as the property's long-term maintenance plan and its implementation. The tenant committee is requested to issue a statement on the budget and the financial statements.

The tenants' views and expectations are taken into consideration as much as possible in the annual planning of maintenance and repairs. For example, the tenants can highlight development ideas as well as proposals for renovations and annual repairs regarding their building. Tenants can also participate in the development of their building by participating in various forms of collective activities. Local collective activities are always tenant-led and Avara supports them in various ways.

## **Consistently good tenant activity**

In 2021, the COVID-19 pandemic caused challenges to organising tenant activities, with the regional restrictions on public gatherings affecting tenant meetings. During that year, digital meeting methods were used in organising tenant meetings for the first time. Lessons were learned from the challenging year of COVID-19, and hybrid meetings became the general

practice. The possibility of attending remotely has proven to work well and increase tenant attendance.

Since 2022, tenants have been informed of the possibilities and methods of influence of tenant committees through electronic newsletters. The letters are scheduled to be sent just before the meeting invitations, aiming



Seven electric cars for hire are available to the tenants.



to increase interest and the number of participants.

In 2022, the number of tenants attending the meetings was 341 and in 2023, 287. The number of participants has been many times higher compared to the years of COVID-19. The number of tenant committees and contact persons has also increased when compared to previous years.

**Annual Tenant Day cruise**

As part of Avara Amplus tenant activities, the members of the tenant committees attended the annual Tenant Day cruise in September. A group of ten Avara tenants and two Avara representatives set sail for Stockholm. Tenant committee members and tenants from Jyväskylä, Espoo, Lahti and Kotka were among the travellers.

Similarly to previous years, the active discussion concerned good operating models for implementing and maintaining tenant administration. The themes of the tenant cruise included energy renovations, housing policy issues, the Act on Joint Management of Rental Buildings and Green Homes activities.

**Promoting affordable housing**

In Avara’s subsidised portfolios, rents are determined based on the absorption principle. It means that the rent is, at most, the amount needed on top of other income to cover the costs of the rental building community’s apartments and other facilities that serve housing-related purposes as well as management costs in accordance with good property maintenance.

Tenant selection criteria are applied in some of Avara’s non-profit housing stock. The tenant selection criteria are in line with the recommendations of the Housing Finance and Development Centre of Finland ARA. Tenant selection is based on social suitability and economic need, which are assessed on the basis of the applicant’s need for an apartment, assets and income.

In accordance with ARA’s recommendations, the applicant’s need for an apartment, assets and income influence their eligibility for an apartment. The apartments are leased to those who need them the most. Priority is given to homeless people and others who have the most urgent need for housing, people with the least assets and people with the lowest incomes. At the same time, efforts are made to achieve diverse tenant structures in rental housing and maintain socially balanced residential areas.

Source: ARA <https://www.ara.fi/fi-FI/ARAasuntokanta/ARAvuokrausunnot/Asukasvalinta>

**Case**

**Support for the well-being and mental health of children and young people**

As part of our sustainability work, we want to promote the well-being of children and young people. In 2023, we implemented this goal through two support campaigns. As in the last two years, we launched a campaign to support sports clubs and teams. We also made a separate donation to Mieli ry’s mental health work for children and young people.

**Avara supports well-being campaign**

The Avara supports well-being campaign was conducted for the third time in spring 2023, and it offered children’s and young people’s sports clubs and teams an opportunity to apply for grants to maintain club and team activities. The support was distributed to ten different teams and clubs and amounted to a total of EUR 10,000, i.e., EUR 1,000 per team or club.

**Avara stair challenge raised EUR 5,258 for Mieli ry**

Avara implemented the Avara stair challenge for the first time in 2023. The idea behind the stair challenge is to raise money for a chosen charity each year by taking the stairs instead of the lift to the Avara offices located on the eighth floor. The amount of the charity fund is determined by the number of times the stairs are climbed.

During the year, Avara employees and their guests climbed the stairs to the office a total of 2,629 times. This makes a total of 21,032 floors and 396,979 steps. The stair challenge achieved a donation of EUR 5,258 to Mieli ry’s mental health work for children and young people.

Tenant activity in 2018-2023						
	2023	2022	2021	2020	2019	2018
Number of tenant committees	69	73	62	51	55	62
Number of tenant meeting participants	287	341	87	92	121	191



## Case: New Avara projects in Central Pasila

Avara is implementing a total of three new developments in two different blocks in Central Pasila, Helsinki. A total of 179 affordable ARA rental apartments with short interest subsidies and 56 non-subsidised rental apartments will be built in the Ratapiha railway yard blocks.

During 2023, the construction of 235 new Avara apartments was commenced in the Ratapiha railway yard blocks. Two new developments will be built on Tullistimenkatu, comprising 56 non-subsidised rental apartments and 44 affordable subsidised rental apartments funded with a 10 year interest subsidy loan. At the corner of Veturitie and Höyrykatu, 135 ARA rental apartments and 5 commercial premises will be built. The new apartments are expected to be completed during 2025.

### Energy-efficient rental apartments in rapidly growing Central Pasila

Construction of the Ratapiha railway yard blocks began in 2018, and by 2030, the area is expected to provide housing for over 3,000 residents. Avara's new property development projects are located close to excellent transport connections

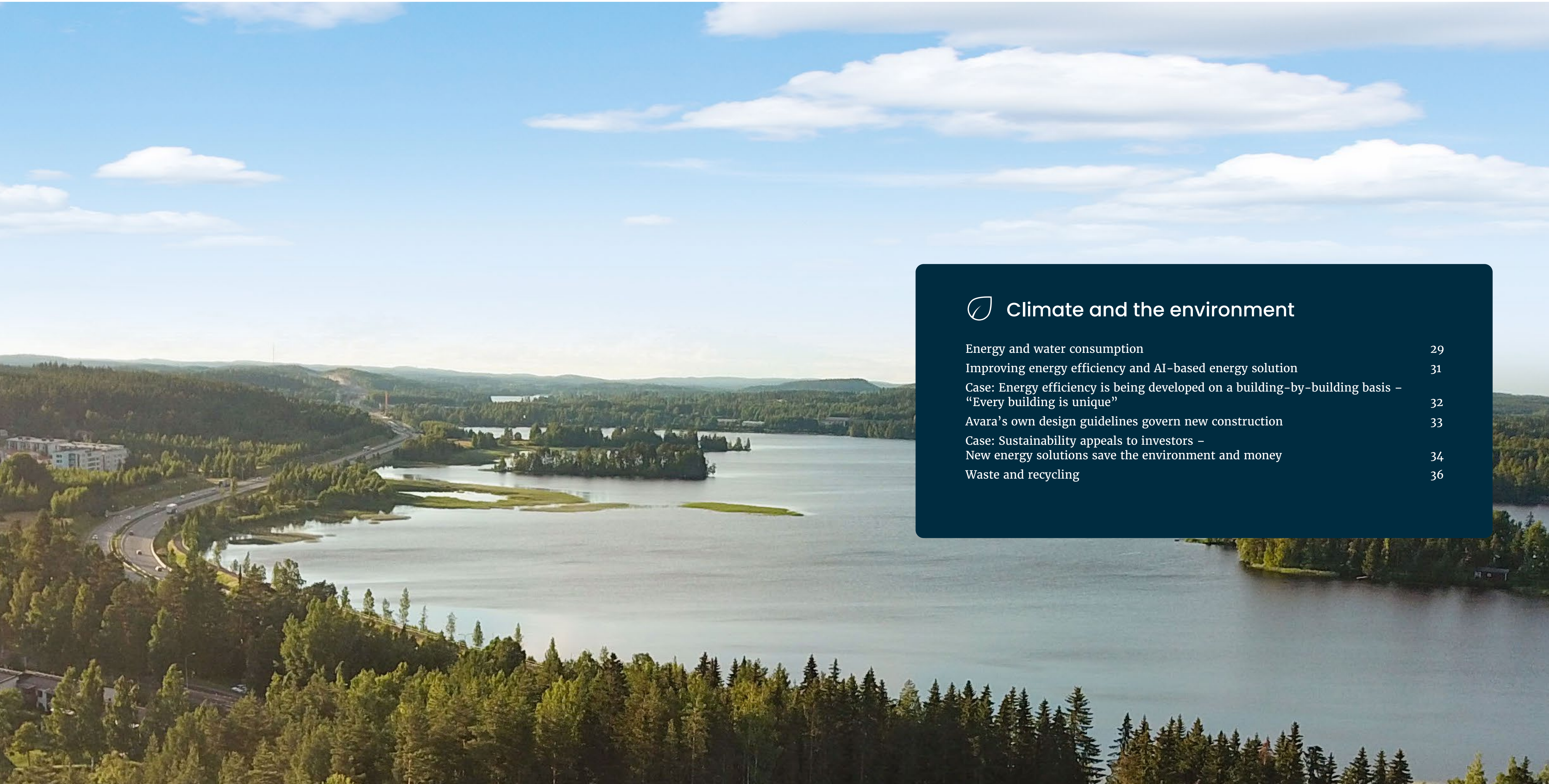
and services north of the Mall of Tripla. The properties will include energy class A rental apartments, ranging in size from compact studios to larger four-room apartments.

### The new property development projects complement Avara's two different apartment portfolios

Of the rental apartments to be built in the new developments, 179 will complement the housing portfolio of the Avara Vuokrakodit I Ky fund, which invests in affordable housing. The remaining 56 apartments will become a part of the Avara Residential Fund II, which invests in non-subsidised housing in Finland's growth centres. Key investors of both funds include several professional institutional investors.



A new project to be completed in the corner of Veturitie and Höyrykatu. Photo: Arkkitehtitoimisto Kanttia 2 (architect's illustration)



## Climate and the environment

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# Energy and water consumption

The carbon footprint of housing and properties is a key corporate responsibility theme at Avara. Avara has reduced its relative energy consumption for several years now.

Smart heating control, energy-efficient new construction and the use of renewable energy sources reduce the climate impact of housing while also saving costs.

Energy consumption has reduced steadily at Avara’s properties over a longer period of time. Starting from 2017, new properties and increasingly efficient consumption have contributed to the reduced specific consumption of energy. We use energy and water consumption monitoring at all our properties. This enables us to monitor and analyse consumption in a comprehensive manner. Advanced control systems allow for optimising consumption and rapid responses to any deviations.

The data can be used to efficiently allocate changes and repairs that save energy and water in a manner that reduces costs and conserves the environment. We aim to create pleasant and healthy housing conditions as ecologically as possible by promoting smart energy and water consumption.

In addition to energy management and monitoring, energy efficiency is improved with the help of repairs, replacements, and adjustments. In addition to continuous maintenance and optimisation, Avara has renewed its lighting systems and increased the use of motion sensors and LED lighting in stairwells and exterior lighting.

### Water consumption and water supply

All properties within the scope of Avara’s management services have joined the municipal water and wastewater supply sector by means of a water connection agreement. The water and sewage utilities of cities and municipalities are responsible for water supply, i.e., water procurement, domestic water and wastewater management and wastewater treatment. Individual water quality checks are carried out at the properties as required.

The majority of water consumption is consumed by tenants in their homes. The majority of apartments have water-saving water fittings, and the fittings are maintained as well as, if necessary, renewed approximately every 7 years. The aim of these measures is to prevent the increase in water consumption.

### Amplus Holding aims for 7.5% energy savings by 2025

The real estate investment company Amplus Holding is included in the national Rental Property Action Plan under the Property and Building Sector Energy Efficiency Agreement (VAETS II). The goal is to achieve energy savings of 7.5 per cent during the period 2017–2025.

Relative specific consumption figures in 2016–2023

Water consumption  
**0.0%**

Heating consumption  
**-20.6%**

Electricity consumption  
**11.9%**

Energy  
**-16.0%**



**Emissions (Scope 1–Scope 3)**  
Emissions data to be reported from 2023

	2023
<b>Scope 1. Direct greenhouse gas emissions, t CO2-e</b>	<b>127</b>
Natural gas	23
Oil	104
<b>Scope 2. Indirect greenhouse gas emissions<sup>1</sup>, procurement-based, t CO2-e</b>	<b>5,678</b>
Purchased electricity	439
Purchased district heating	5,239
<b>Scope 2. Indirect greenhouse gas emissions<sup>1</sup>, location-based, t CO2-e</b>	<b>5,888</b>
Purchased electricity	649
Purchased district heating	5,239
<b>Scope 3. Other indirect greenhouse gas emissions<sup>2</sup>, t CO2-e</b>	<b>3,633</b>
Waste	113
Administration and marketing	274
Indemnity insurances	30
Property maintenance and cleaning	352
Use and maintenance	744
Buildings and repair services	1,887
Water consumption and wastewater	233
<b>Total emissions, t CO2-e</b>	<b>9,438</b>
<b>Greenhouse gas emission intensity<sup>3</sup>, kg CO2-e/m2</b>	<b>27.65</b>

**Energy and water consumption since 2016: Total consumption**

\*Includes the consumption of the Avara Star real estate fund for months 1–10.

	2023	2022*	2021	2020	2019	2018	2017	2016	Change in 2016–2023
Electricity, MWh/y	7,035	8,379	7,625	6,754	6,946	7,120	6,925	7,358	-4.4%
Heat**, MWh/y	48,231	64,675	71,670	61,691	63,986	64,191	65,190	66,331	-27.3%
Energy***, MWh/y	55,266	73,054	79,295	68,446	70,932	71,311	72,115	73,689	-25.0%
Water****, ML	509.9	659.1	673.9	620.5	584.9	587.4	578.9	587.0	-13.1%

\*\*Absolute annual heat consumption for all year-round owned consumption-monitored properties, adjusted by the estimated consumption for properties bought and sold during the year and for properties not monitored (average specific consumption multiplied by the average area of owned dwellings during the year).

\*\*\*Total annual heat and electricity consumption.

\*\*\*\*Absolute annual water consumption for all sites on dedicated consumption monitoring throughout the year, adjusted by the estimated consumption of properties bought and sold during the year and of properties not monitored. The properties covered by Avara’s management service are not located in water stress areas. The properties covered by Avara’s management service do not store water. The consumption figures are based on direct measurements.

**Energy and water consumption since 2016: Specific consumption**

\*For calculation purposes, excludes the consumption of the Avara Star real estate fund, because the management of the fund did not continue for the entire calendar year.

	2023	2022*	2021	2020	2019	2018	2017	2016	Change in 2016–2023
Electricity, kWh/rm3/y	4.7	4.4	4.0	3.7	3.9	4.0	4.0	4.2	11.9%
Heat, kWh/rm3/y	32.1	34.9	37.3	37.6	37.8	37.2	39.2	40.3	-20.6%
Energy**, kWh/rm3/y	37.4	39.3	41.3	41.4	41.7	41.2	43.2	44.5	-16.0%
Water (m3/rm3/y)	339.6	344.4	351.8	342.6	328.1	332.9	335.1	339.7	0.0%

\*\*Including electricity and heating. Annual purchased energy per cubic metre for all properties that have been in rental operation throughout the year and heat consumption per cubic metre for all properties that have been in rental operation throughout the year. The figure has been weather-adjusted to make the years comparable.

<sup>1</sup>In accordance with the GHG Protocol, a location-based emission figure for electricity consumption has been reported. The aggregated emission figures use a procurement-based figure. The location-based figure is the figure calculated using country-specific emission factors and the procurement-based figure is the figure calculated using electricity supplier-specific emission factors.

<sup>2</sup>Water consumption and wastewater: Consumption figures are based on measured figures. OpenCO2.net. Waste and waste collection: Statistics Finland, waste statistics 2022. According to this, waste was generated in 2022: 521 kg/person. In the property portfolios, the amount of waste generated has been estimated on this basis. According to Statistics Finland, 43.7% of municipal waste was reused and 56.3% was used for energy recovery. Emission factor OpenCO2.net. Administration and marketing, indemnity insurances, building and repair services, operation and maintenance, property maintenance and cleaning: The starting data are based on figures in euros. Source of emission factors OpenCO2.net

<sup>3</sup>Scope 1. Direct emissions, tCO2e=Natural gas and Oil / Scope 2: Indirect emissions, procurement-based, tCO2e= Purchased electricity and district heating / Scope 3: Other indirect emissions, tCO2e=waste, administration and marketing, indemnity insurance, property maintenance and cleaning, operation and maintenance, buildings and repair services, water consumption and wastewater.



# Improving energy efficiency and AI-based energy solution

Investing in energy management is of primary importance in the mitigation of climate change and in slowing down the increase of maintenance costs. At Avara, energy management refers to the comprehensive management of the real estate portfolio by using building-specific and even apartment-specific data. Improving energy efficiency and increasing the use of renewable energy sources are key means by which to reduce Avara’s carbon footprint.

### AI-based energy solution creates optimum conditions and saves energy

The indoor air conditions and comfort of most of Avara’s apartments are ensured by the use of artificial intelligence. Leanheat is an energy efficiency system based on advanced analytics. It manages the conditions of apartments while saving costs and reducing neg-

ative climate impacts. It optimises the heating of apartments and the heating intake of entire buildings through the use of data generated by temperature and humidity sensors inside the apartments.

The data provided by the sensors is combined with information on the building’s characteristics, temporal variation in warm water consumption, local weather forecasts, and the local energy company’s production and pricing models to keep heating as inexpensive and low in emissions as possible at all times. The data obtained from humidity and temperature sensors also helps reduce maintenance costs. Deploying Leanheat technology in its properties as early as in 2014, Avara was a pioneer in the use of artificial intelligence. In the first year, a total

of nine buildings and 240 apartments were connected to the system. Based on the excellent experiences obtained early on, the use of the service has been gradually expanded. Today, its use covers 83 per cent of Avara’s housing stock (situation on 31 December 2023). The savings generated by Avara’s AI-based energy management vary from one property to the next, but the savings in the use of heating energy have been as high as 20%.

### Emissions halved since 2016

Emissions from the Avara property portfolio have halved since 2016, with the biggest change being achieved during 2023. The reason for the halving of emissions is the use of Leanheat technology as well as planned measures and investments in property development.

In 2023, the largest investments were made in the conversion of the heating

form to geothermal heat in those properties where the energy source was natural gas or oil.

### 88% of electricity was renewable in 2023

Avara started purchasing certified green electricity for its properties in 2018. At the annual level, 88 per cent of the electricity purchased for the buildings’ common areas and outdoor lighting was certified Nordic hydropower.

Carbon footprint of properties since 2016

	2023	2022	2021	2020	2019	2018	2017	2016	Change in 2016-2023
CO2 emissions (tCO <sub>2</sub> /year)	6,150	11,790	10,968	9,715	10,782	13,387	12,890	13,186	-53.4%
Specific emissions* (kgCO <sub>2</sub> /m <sup>2</sup> of residential space/year)	18.0	22.8**	24.5	23.0	25.6	30.8	31.0	31.7	-43.2%
Proportion of certified green electricity 31 December	88%	87%**	84%	89%	86%	28%	-	-	-

\*Emissions from heat, electricity, water and waste generated by tenants. Emissions from properties in consumption monitoring are adjusted to the average annual properties owned in a similar way to total heat, electricity and water consumption. \*\*Does not include the consumption of the Avara Star real estate fund for accounting reasons, as the fund was not managed for the whole calendar year.



## Case: Energy efficiency is being developed on a building-by-building basis – “Every building is unique”

Avara has invested in improving the energy efficiency of its properties for years. For example, the Leanheat AI energy efficiency system, based on advanced analytics, has been in use at Avara for ten years.

According to Ted Weckman, responsible for construction technology in Avara’s real estate portfolio, Avara is constantly looking for new solutions to improve energy efficiency and reduce CO2 emissions.

–Every one of our properties is unique and we want to find the best and most cost-effective solutions for them on a case-by-case basis. Improving the energy efficiency of properties is a long-term project, where constantly evolving technology and data will help us move forward, he says.

The Leanheat system, which has been in use for 10 years, has provided Avara with a lot of valuable data for development work. A keen eye is also being kept on the latest innovations in the field.

According to Ted Weckman, ventilation control technology, in particular, is being developed at the moment.

–Better and better sensors can detect when food is being prepared or when people are taking a shower in their apartments. Based on this information, ventilation can be controlled automatically when it’s needed, so that it works in the right place and at the right time, he says.

In homes, this means better living comfort by avoiding unnecessary draughts. In addition, optimisation saves energy, especially in older buildings.

### **Eco-friendly heating: geothermal and solar power**

The environmental friendliness of Avara’s properties has been improved with solutions such as geothermal heating. According to Ted Weckman, geothermal systems are considered for all properties where they are viable and suitable. Geothermal solutions reduce both the climate burden and costs. Solar power is also considered on a case-by-case basis.

–The price trend for panels has been favourable, making property-specific solar power plants possible. They are feasible in prop-

erties where the electricity consumption profile supports the use of solar power. In practice, this means properties with a lot of daytime electricity use, he says.

In any case, Avara has made preparations for the introduction of solar power in connection with the installation of geothermal heating. According to Ted Weckman, piping for solar power plants has been laid when excavation work has been carried out in the yards for geothermal installations.

–In this way, if at some point we decide to increase the use of solar energy, the infrastructure will be there, and we won’t have to dig again.



Asset Manager (Building Technology) Ted Weckman





## Avara's own design guidelines govern new construction

The most significant share of the energy efficiency and carbon footprint of buildings is determined by design choices and construction methods. Avara maintains and continuously updates its own design guidelines for new construction. The guidelines steer the design and material choices of newly developed properties with a strong emphasis on the perspectives of life cycle thinking and sustainable development.

The design guidelines are reviewed at least once a year, taking into account the latest experiences and information on life cycle planning, materials, and their optimisation. The valid guidelines and the appendices thereto include requirements concerning structural engineering implementations as well as HVAC and electrical engineer-

ing solutions. A supervision agreement that includes a supervision plan is concluded with the supervisors of new property developments and building technology supervisors.

Avara uses the design guidelines to define its design principles and technical specifications for newly developed properties in order to ensure that the residential buildings and their outdoor areas are safe and healthy for their users in all circumstances. The design guidelines also stipulate that a safety coordinator and moisture control coordinator are designated for each project in the design phase. The practices outlined in the design guidelines are based on Avara's extensive long-term experience of the design, material choices and maintenance of properties. Avara aims to realise architecturally sustainable

and impressive buildings with indoor material solutions that meet the criteria for long-term sustainability.

### New buildings in energy class A

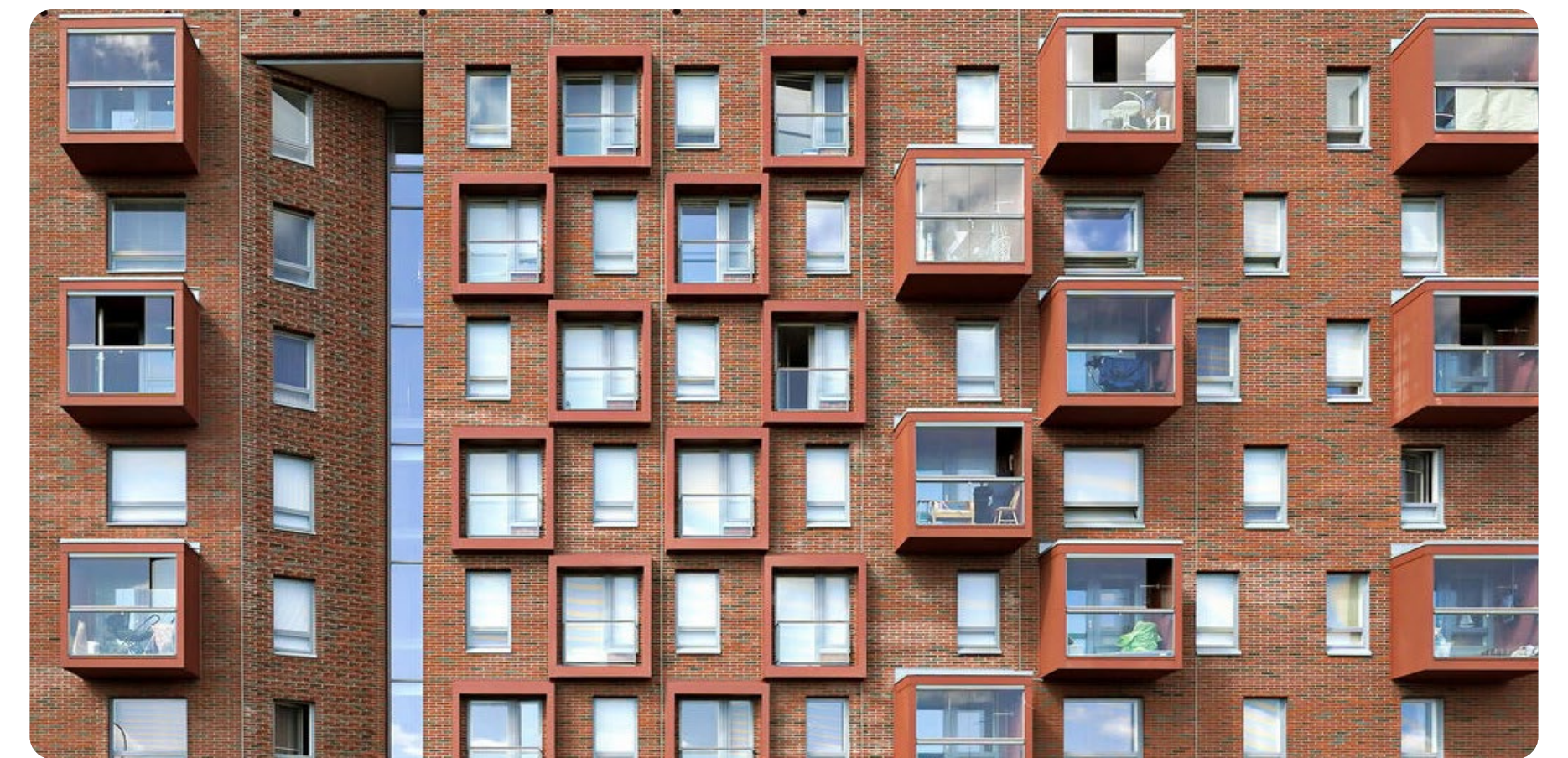
Avara decided in 2021 that all new future residential buildings will be energy class A buildings. In Finland, the regulations require building residential high-rise buildings of energy class B at the minimum, which allows for a maximum E rating of 90 kWh/m<sup>2</sup>/year. For an energy class A, the maximum permitted E rating is 75 kWh/m<sup>2</sup>/year. The E rating indicates how much energy the building consumes in a year for each heated square metre of the building.

In practice, achieving energy class A means that increasing attention is paid to the optimisation of the ventilation and heating of the building, airtight-

ness, more insulating windows and water consumption. In addition, solar panels are fitted on the roofs of the buildings, if necessary.

In a building, the consumption of hot water accounts for a significant part

of the building's energy consumption, and therefore Avara has begun to use water-conserving taps and shower heads. The taps mix an appropriate ratio of air to the shower water, making the shower feel the same as it would with higher water consumption.



Retkeilijänkatu 13-15, Helsinki



## Case: Sustainability appeals to investors – New energy solutions save the environment and money

The Avara homes on Peijinkatu, Espoo, are the first in Finland to be heated with geothermal heat utilising medium-deep heat wells. The heating system of the Avara Residential Fund II property uses geothermal energy, which is climate neutral and does not produce any greenhouse gas emissions. The building, which was completed in 2023, also uses renewable electricity as an energy source for heat production, so that the apartments are heated completely emission-free.

“It’s been fantastic to be able to create a pioneering property,” says Portfolio Manager Teemu Putkinen.

He explains that investors are also very interested in these types of properties.

“The importance of sustainability in investments is constantly growing. We are committed to making responsible investments in our funds, and we must also be able to meet investors’ sustainability requirements,” he continues.

According to Teemu Putkinen, investors appreciate Avara’s long-standing sustainability work.

“Our alternative fund Avara Residential Fund II has been operating since 2019 and focuses on sustainable real estate investments. Investors know us as a bold player who dares to try new solutions. We appreciate this, and it’s great to be among the first to develop sustainable solutions,” Teemu Putkinen says.

Avara’s CIO Harri Retkin agrees and points out that Avara wants to manage investors’ assets responsibly.

“This means that our properties are not only environmentally responsible but also very productive. From a sustainability perspective, we are always thinking about how we can make our invest- ▶



CIO and CFO Harri Retkin



Portfolio Manager Teemu Putkinen



ments more profitable for investors and at the same time conserve the planet’s resources.”

### Actively looking for new solutions

Teemu Putkinen explains that investors have also visited Peijinkatu to get to know the property’s geothermal solution. It is based on geothermal heat wells from the company Qheat. The wells reach up to 1.5 kilometres deep, where the temperature of the Earth’s crust is around 30 degrees Celsius. The combined energy production of the three heat wells is approximately 1,940 megawatt hours per year. In total, the energy is sufficient to heat the block’s six residential buildings.

“This new type of heating system attracted a record number of investors, when we gave them the opportunity to visit the site,” says Putkinen.

Geothermal wells produce energy more efficiently than traditional geothermal energy. In practice, this means significant savings in heating costs for homes.

“Because the heating costs are low, the payback time for the heating system is also short,” says Harri Retkin.

However, this type of geothermal heat is not a substitute for traditional geothermal heat, as it is smarter to build it in new areas. Since a completely new block was built on Peijinkatu, geothermal heating was a sensible solution for this particular location.

“This site is a good example of how Avara is actively seeking sustainable and climate-friendly projects. We want to take active measures and find the best solutions,” says Harri Retkin.

New environmentally friendly applications are constantly coming in and their developers contact Avara.

“We are constantly listening to ideas and researching pilots. We learned a lot from the solution implemented for Peijinkatu. The lessons learned can be used in future projects,” says Teemu Putkinen.



Three Avara properties on Peijinkatu are located in the middle of the picture in the foreground



# Waste and recycling

**REDUCING** the volume of waste generated is the most effective way of reducing the negative environmental impact caused by waste. The second-most important aspect is effective recycling.

Waste from properties covered by Avara management services is household waste produced by tenants. Discharge and treatment of waste is handled by regional or local municipalities.

The waste management of Avara’s properties is carried out in accord-

**5,337** tonnes of waste\*

**43%** sorted waste\*

**55%** recovered waste\*

\*The waste volumes have been calculated on the basis of the waste statistics published by Statistics Finland and related to the number of inhabitants of the properties covered by the Avara management service. Waste from Avara’s own operations is low and is not included in the calculation. The most recent data from Statistics Finland is for 2022.

ance with the provisions of the Waste Act and the waste collection points are equipped with appropriate collection containers. Avara provides tenants with as many recycling facilities as possible, provided by the local waste management company.

In customer communications, Avara emphasises preventing the creation

of waste and promoting recycling. The general sorting and recycling instructions and the sorting instructions posted in the waste collection rooms provide assistance to the tenants in their daily life.

Plastic collection has been introduced at several properties and it will be increasingly offered at new properties

where the waste collection rooms allow it. In new construction, the recycling opportunities inside the apartments themselves are taken into account right from the design phase.

In the Helsinki region, the Kuljetusrinki service comes by to collect recyclable items left outside the waste collection containers to be reused.



Retkeilijänkatu 13-15, Helsinki



## Responsible real estate investment

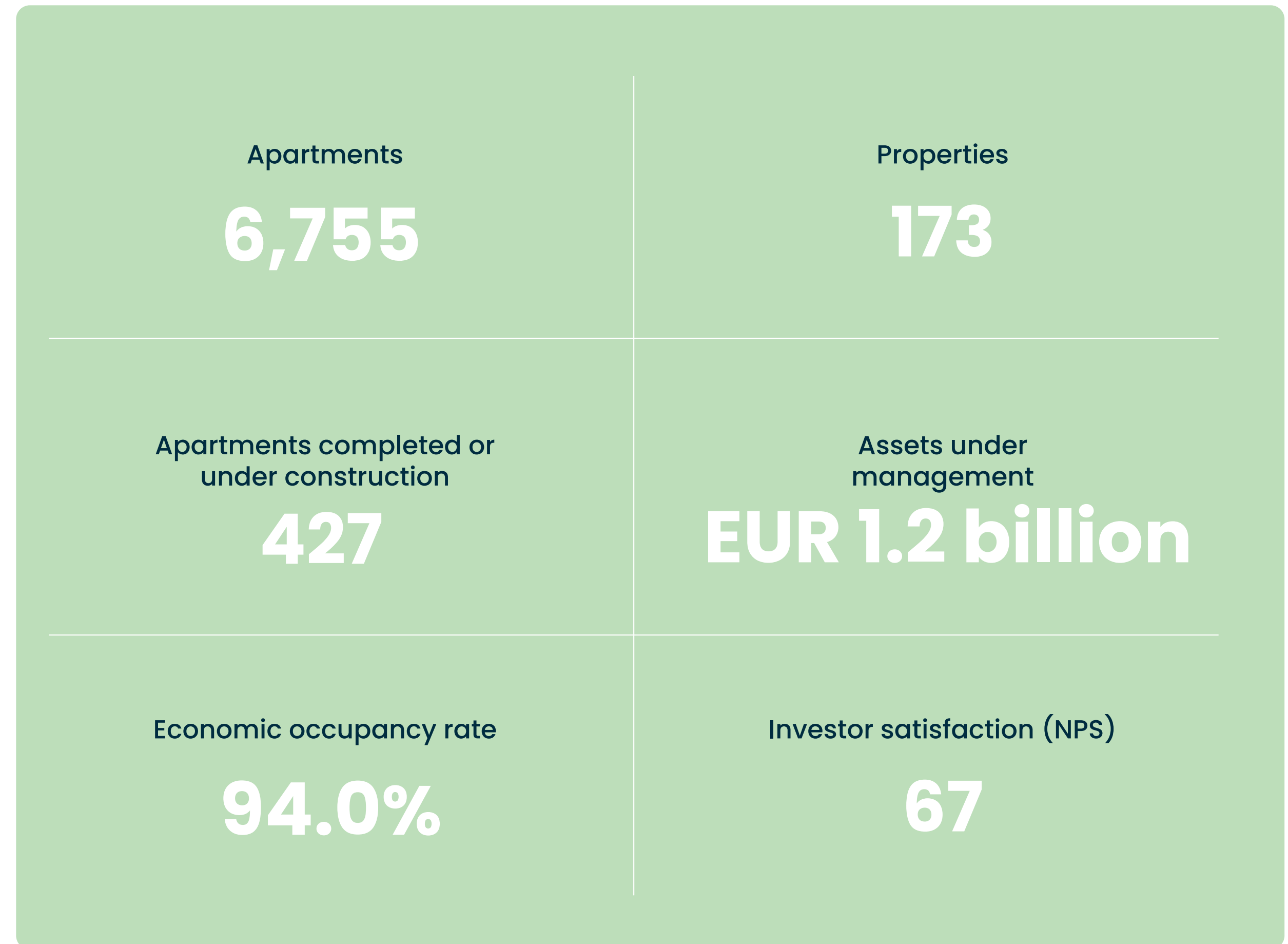
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## Responsible real estate investment

Measured by the assets under management and number of apartments managed, Avara is among Finland’s largest players in the field of residential investment.

Avara provides domestic and international investors with opportunities to make profitable investments in rental apartments that account for the environment, sustainable development, tenant well-being and safety and other social factors.





# Profitability and solvency

Avara has a solid financial position, liquidity, solvency and profitability by having major Finnish professional as its owners. This is significant in the management of the current real estate funds as well as in the new property development projects.

Avara’s revenue is generated from real estate investment and asset and property management services performed to the real estate funds managed by Avara.



Suokatu 30, Kuopio

### Revenue and operating profit in 2018-2023 The Avara Group

	2023	2022	2021	2020	2019	2018
<b>Revenue, EUR thousand</b>	7,107	8,059	9,795	9,655	4,477	4,025
<b>Operating profit, EUR thousand</b>	1,065	666	4,772	50	411	768
<b>Operating profit, %</b>	15.0	8.3	48.7	0.5	9.2	19.1

### Direct economic value generated and distributed\* The Avara Group and the portfolios managed by it

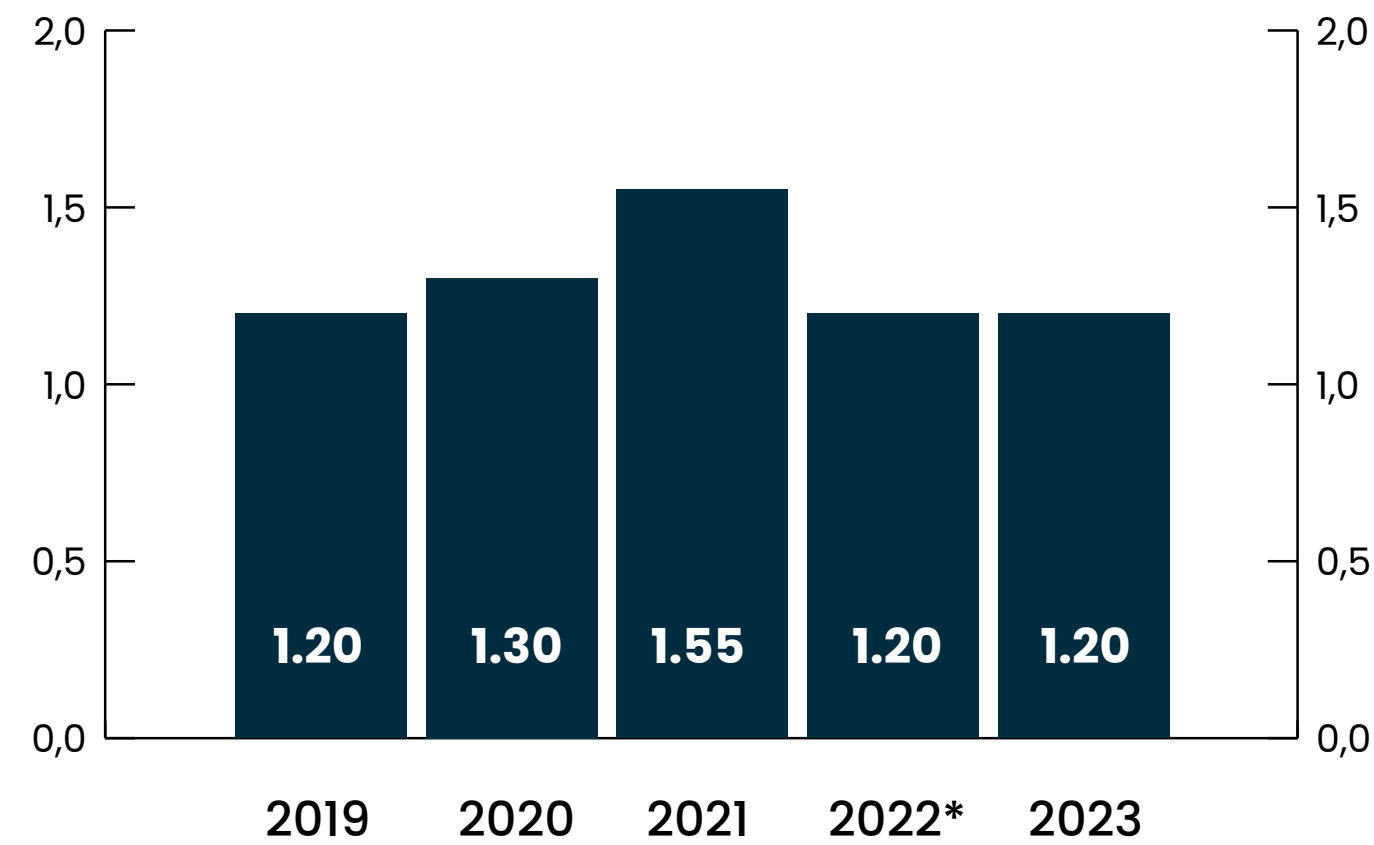
	2023	2022	2021
<b>Revenue, EUR million</b>	73.354	70.483	70.391
<b>Operating profit, EUR million</b>	9.838	17.291	20.316
<b>Investments, EUR million</b>	38.3	58.2	142.0
<b>Investments in growth centres, percent</b>	100	100	100
<b>Direct and indirect taxes, EUR million</b>	11.1	12.2	12.3
<b>Wages and salaries, EUR million</b>	2.926	3.111	7.129
<b>Community investments, EUR thousand</b>	16	16	-

\*Financial added value is directed and distributed only to Finland.

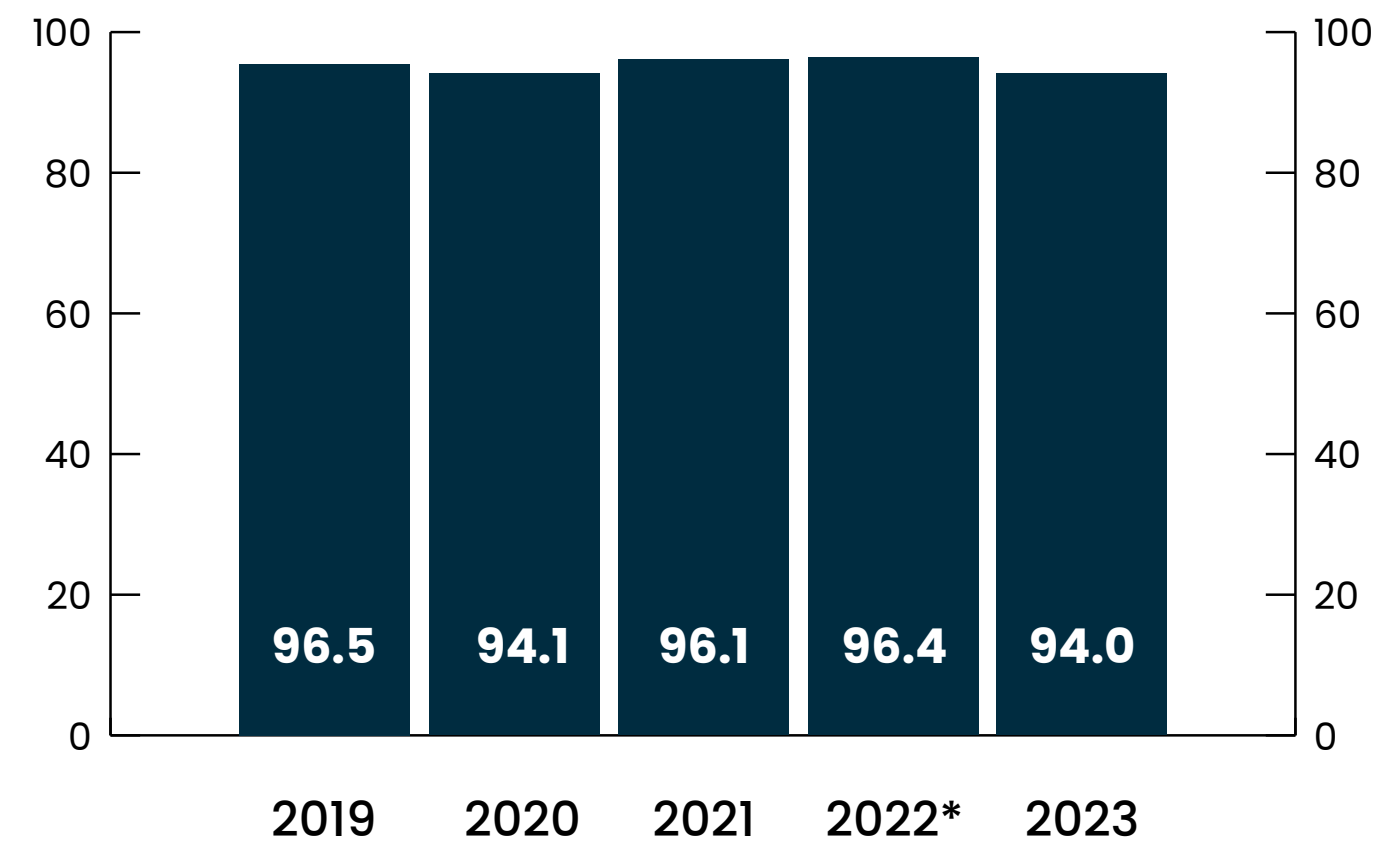


## AUM, occupancy and number of apartments in 2019–2023 (situation as at 31 December 2023)

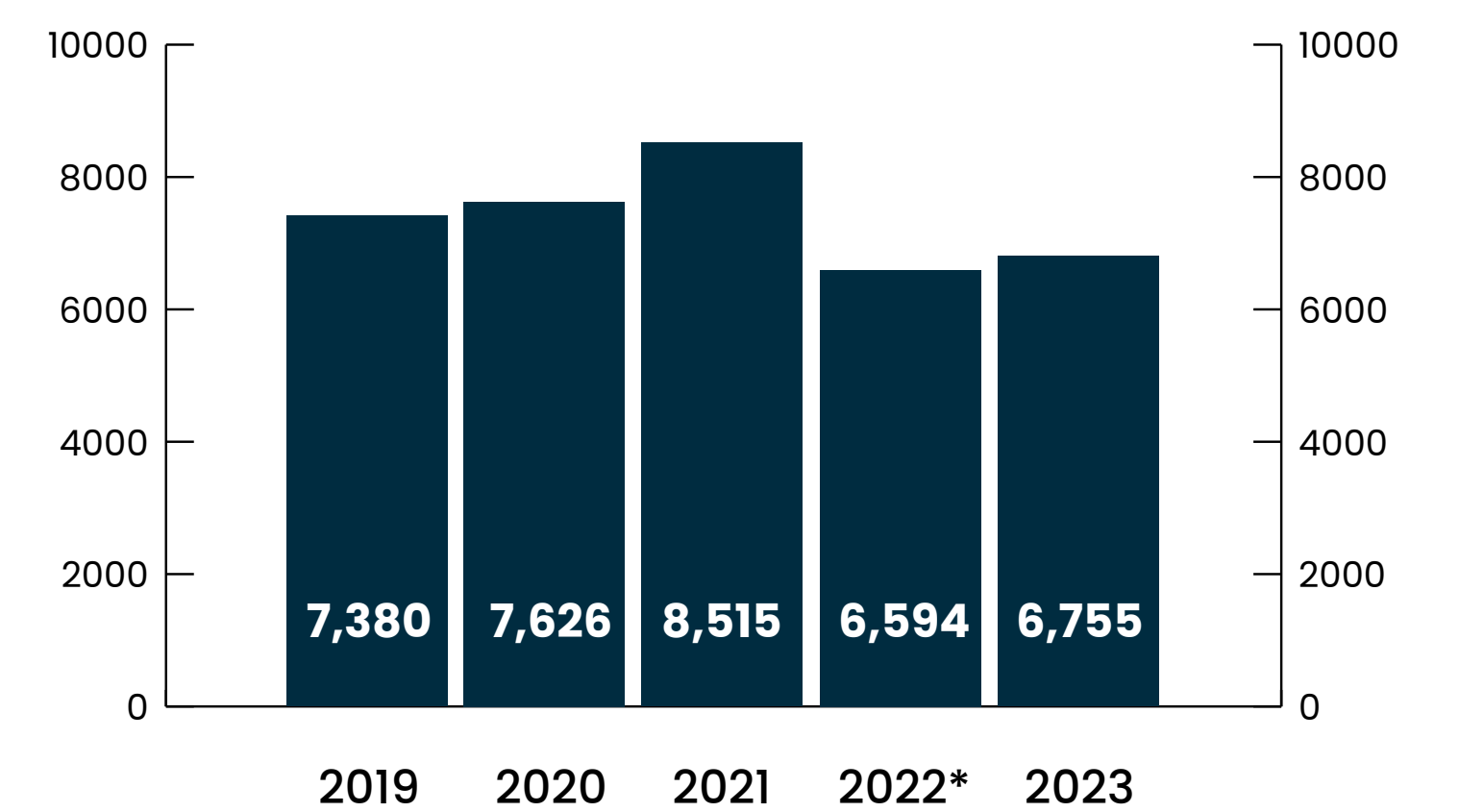
### Assets under management (AUM), EUR billion



### Economic occupancy, %



### Number of apartments



\*Avara and Starwood Capital Group sold a 2,200-apartment residential fund in autumn 2022. The sale can be seen as a decrease in the value of assets under management and number of apartments in 2022.





# Real estate funds and owners

Residential real estate funds and real estate investment companies managed by Avara 31 December 2023		
Fund/Company name	Profile	Investment phase
<b>Alternative investment funds (AIFs) that invest in real estate</b>		
Avara Residential Fund I	Non-subsidised rental apartments	<ul style="list-style-type: none"> <li>The investment phase has ended</li> <li>684 apartments completed</li> </ul>
Avara Residential Fund II	Non-subsidised rental apartments	<ul style="list-style-type: none"> <li>Target size 1,000 apartments</li> <li>905 apartments completed</li> <li>52 apartments under construction</li> </ul>
Avara Vuokrakodit I	Affordable 10-year interest subsidised rental apartments	<ul style="list-style-type: none"> <li>Target size 700 apartments</li> <li>458 apartments completed</li> <li>193 apartments under construction</li> </ul>
<b>Real estate investment companies</b>		
Amplus Holding	Affordable rental apartments financed by interest subsidy loans and Arava loans	<ul style="list-style-type: none"> <li>The company is fully invested and in the processing and development phase.</li> <li>Comprises 4,308 apartments</li> </ul>
Tammi-Kodit Ky	Non-subsidised rental apartments	<ul style="list-style-type: none"> <li>The company is fully invested and in the processing and development phase.</li> <li>Comprises 400 apartments</li> </ul>

**The focus** of Avara’s residential real estates is on large growth centres where rising demand driven by urbanisation creates the greatest need for rental apartments. The new residential developments are located in areas with good transport connections and services and the types of apartments are well in line with the market demand.

**Responsible and profitable asset management**  
The focus of our funds and real estate investment companies is on rental housing located and constructed in the growth centres in Finland. Urbanisation and changes in housing needs are actively monitored and accounted for in the development of current funds and the planning of new ones. Market knowledge and local presence help us identify the right investments and act fast.

Our goal is to offer competitive returns to investors and opportunities for promoting responsible investment in the Finnish housing market. We provide the opportunity to invest in alternative investment funds (AIF) which invest in residential

properties and in separately managed real estate funds.

## Alternative investment funds

Alternative investment funds (AIFs) are closed-end funds that invest in residential real estate. The AIFs are managed by Avara Rahastot Oy, which acts as an authorised AIF manager pursuant to the Act on Alternative Investment Funds Managers. The supervisory authority is the Finnish Financial Supervisory Authority.

## Avara Asuinkiinteistörahasto I

The fund is a closed-ends private equity fund investing in non-subsidised rental housing in Finland’s growth centres. Its strategy is to generate stable cash flow and returns with Avara’s own project development and by investing in the projects of construction companies. The fund’s investment commitments total EUR 45 million, enabling investments of approximately EUR 115 million with a moderate leverage ratio. The fund is fully invested. ▶



**Avara Residential Fund II**

The fund is a closed-end private equity fund investing in non-subsidised housing and particularly rental housing in Finland’s growth centres. Its strategy is to generate stable cash flow and returns by investing in Avara’s own property development, value creation from standing, existing assets, and by

investing in projects of construction companies. The fund’s investment commitments exceed EUR 70 million, enabling investments of more than EUR 200 million.

**Avara Vuokrakodit I**

The fund is a closed-end private equity fund investing in affordable rental

housing, constructed with short-term interest subsidy loans in Finland’s biggest growth centres. The new properties are largely based on Avara’s own property development. The fund’s investment commitments exceed EUR 27 million, enabling investments of approximately EUR 200 million.

**Real estate investment companies**

The real estate investment companies we manage are companies that invest in rental apartments, and Avara Oy is responsible for their investment and asset management services.

**Amplus Holding**

The real estate investment company consists of affordable, subsidised rental apartments financed with 40-year interest subsidy loans and Arava loans. The company is a non-profit owner of affordable rental housing that is subject to oversight by the Housing Finance and Development Centre of Finland ARA.

**Tammi-Kodit**

Tammi-Kodit is a closed real estate investment company that invests in non-subsidised rental apartments. The strategy is to develop the portfolio by liquidating apartments from select sites when the apartments are vacated and maintain the properties to be kept in rental use with a high quality.



Vanha Talvitie 3, Helsinki

**Financial indicators for the real estate funds, 31 December 2023**

	2023	2022	2021	2020	2019	2018
Fair value of assets under management (AUM <sup>1</sup> )	EUR 1.2 billion	EUR 1.2 billion	EUR 1.5 billion	EUR 1.3 billion	EUR 1.2 billion	EUR 1.2 billion
Number of properties	173	171	239	239	248	246
Number of apartments	6,755	6,594	8,515	7,626	7,380	7,411
Share of subsidised housing apartments	70%	71%	54%	59%	60%	61%
Number of leases	6,199	6,656	8,203	7,167	7,010	7,221
Economic occupancy	94%	96,4%	96.1%	94.1%	96.5%	97.0%

<sup>1</sup> AUM: Assets Under Management

**Sizes of the real estate funds managed by Avara, 31 December 2023<sup>1</sup>**

	2023	2022	2021	2020	2019	2018
Amplus Holding	128	128	128	132	146	146
Tammi-Kodit	11	12	12	15	24	24
Avara Residential Fund I	9	9	9	9	5	3
Avara Residential Fund II	16	14	13	6	0	0
Avara Vuokrakodit I	9	8	6	5	0	0
<b>Total number of properties</b>	<b>173</b>	<b>171<sup>2</sup></b>	<b>239</b>	<b>239</b>	<b>248</b>	<b>246</b>

<sup>1</sup>In 2022, the figures for 2020–2022 were revised and the calculation method was harmonised further. There was variation between previous years in how partly-owned properties and properties under construction had been taken into consideration in the calculation. The figures reported in this table are comparable, and refer to properties in which the holding exceeds 50%. Properties under construction have been included in the total for the real estate base.

<sup>2</sup>Avara and Starwood Capital Group sold a 2,200-apartment residential portfolio in autumn 2022. The sale can be seen as a decrease in the number of properties in 2022.

**Distribution of properties between the funds, 31 December 2023**

173 properties



Amplus Holding  
74 %

Tammi-Kodit  
6 %

Avara Vuokrakodit I  
9 %

Avara Residential Fund II  
9 %

Avara Asuinkiinteistörahasto I  
5 %



Returns on real estate investments						
	2023	2022	2021	2020	2019	2018
<b>Non-subsidised housing</b>						
Net rental income	3.9%	3.5%	4.2%	4.6%	5.0%	5.4%
Gains on fair value measurement	-8.4%	-2.4%	2.6%	4.3%	4.8%	1.6%
Total returns	-4.5%	1.1%	6.8%	8.9%	9.8%	7.0%
<b>Interest-subsidised housing</b>						
Net rental income	4.4%	4.5%	4.3%	4.7%	4.4%	4.6%

Cash flow from real estate assets (EUR million)						
	2023	2022	2021	2020	2019	2018
Cash inflows	117.2	149	229.2	114.3	90.4	123.8
Cash outflows	122.4	348	98.4	77	116.6	124.2
Operating expenses	21.3	21.4	25.2	39.3	40.9	33.5
Property development investments	24.9	49.1	61.2	138.0	14.9	19.8
Property capex	8.0	4.7	3.2	7.0	3.1	2.2
Apartment capex	8.4	11.9	8.2	6.9	3.1	2.2



Suezinkatu 14, Helsinki



### Breakdown of the value of real estate assets, 31 December 2023

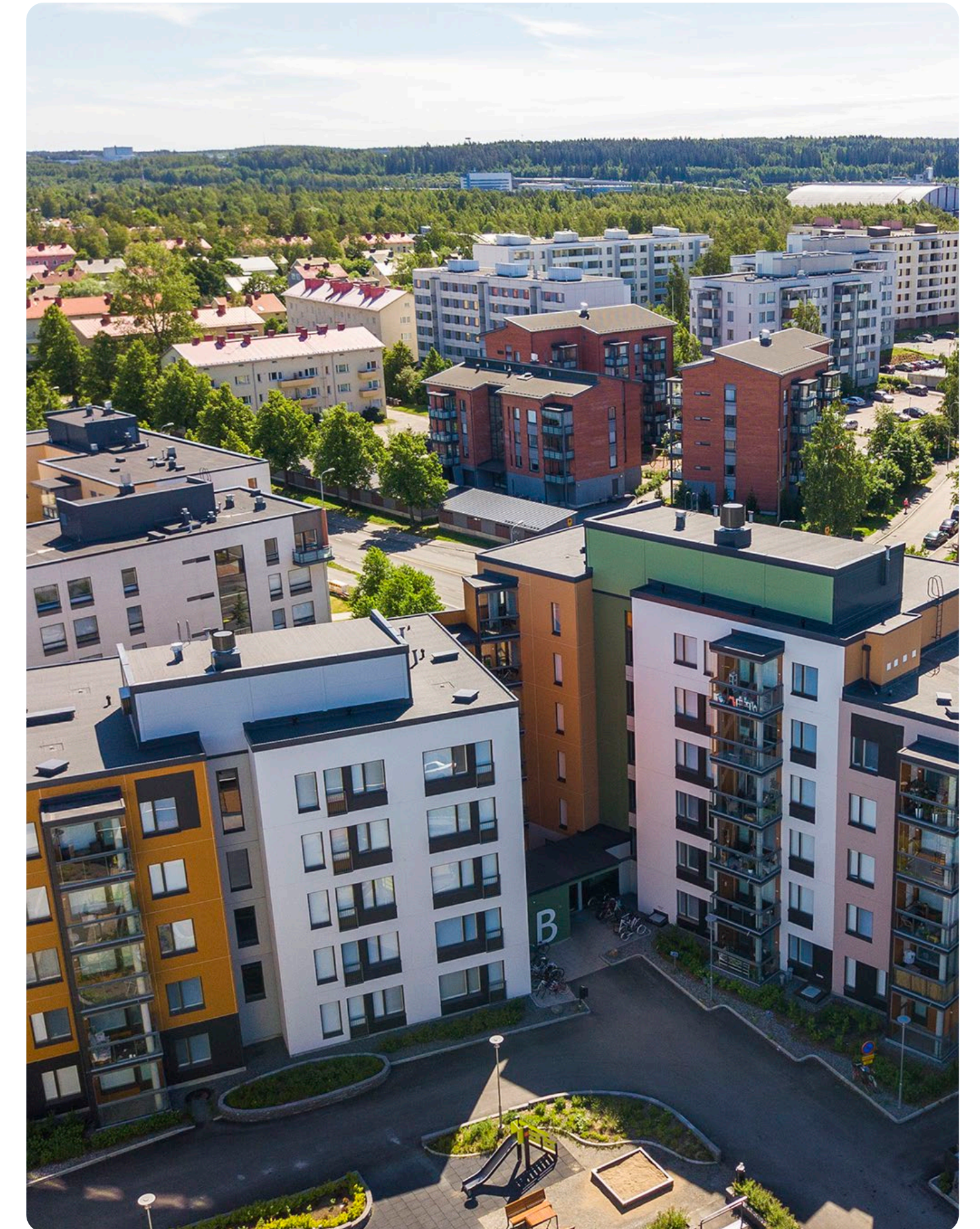


- Helsinki region 55%
- Jyväskylä region 9%
- Kuopio region 6%
- Tampere region 9%
- Oulu region 6%
- Lahti region 4%
- Turku region 1%
- Others 10%

### Geographic distribution of apartments under construction and in the planning stage, 31 December 2023



- Helsinki region 100%
- Other growth centres 0%



Tuiskunkatu 2, Tampere



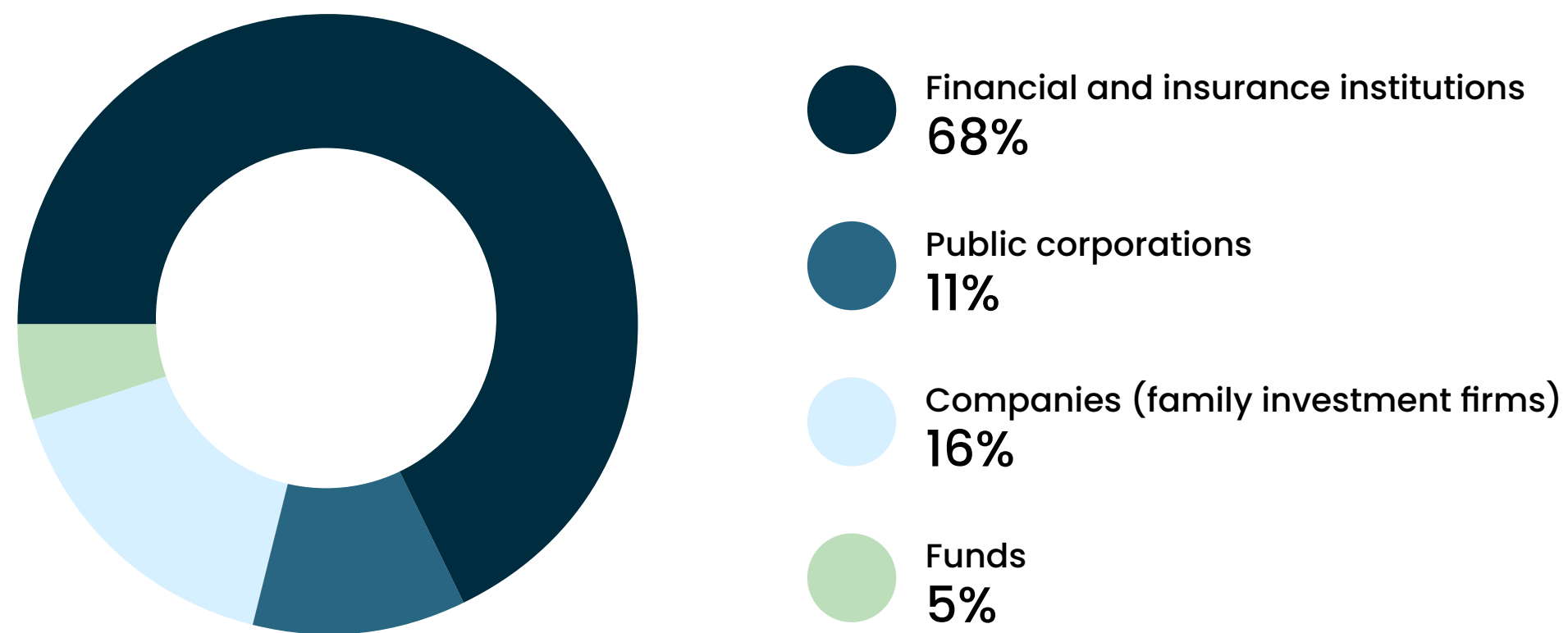
# Investors

The owners of the funds managed by Avara are significant Finnish and international institutional investors, funds and family investment firms.

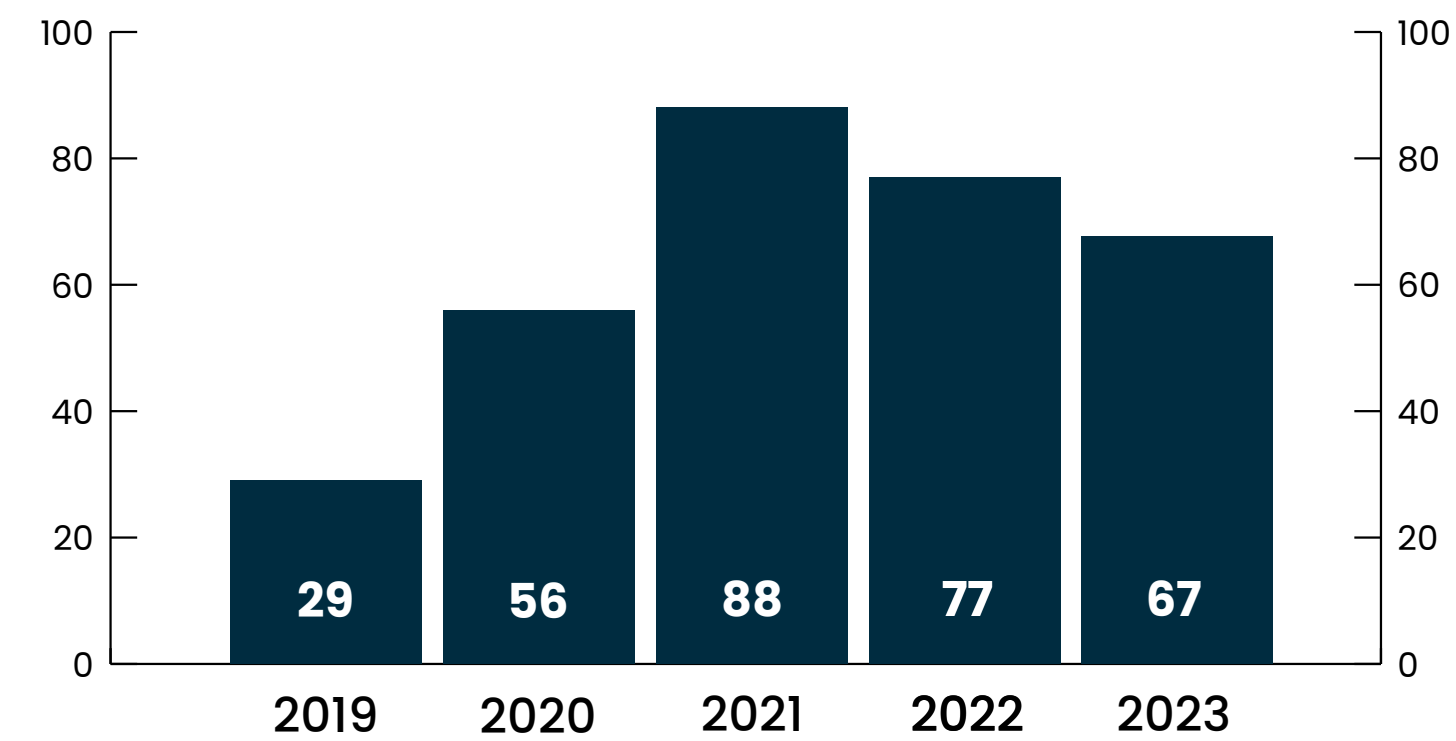
Large Finnish financial and insurance institutions constitute the most significant group of investors.

Avara follows the satisfaction of investors with a NPS measurement conducted once a year. In 2023, the NPS was 67.

## Investor classification by sector, 31 December 2023



## Investor satisfaction (NPS)





## Reliable and responsible operating methods

**Responsible** operating methods are an integral aspect of Avara’s processes and daily operations. Responsibility is managed as part of the company’s day-to-day management.

We expect Avara’s partners to manage their social and employer obligations appropriately and operate transparently. Avara has a Service Provider Code of Conduct. All of our partners must be within the scope of Vastuu Group’s system (<https://www.vastuugroup.fi/fi-en>). We want to promote responsible operating methods in the real estate sector in cooperation with our partners. We always treat our partners equally and promote fair competition.

Avara collects and processes personal data from customers, employees and third parties in compliance with the currently valid legislation on data protection. Customers’ personal data and other confidential information is stored securely and, unless otherwise required by law, the data is only dis-

closed to parties that are authorised to gain access to it. Data protection documentation is managed using a separate system. During the year, there were no incidents related to the processing of personal data or data protection that would have been classified as personal data breaches in accordance with the EU’s General Data Protection Regulation.

Avara’s general privacy policy and data file description for tenant customers are available on the company’s website at [www.avara.fi/en/privacy-notice](http://www.avara.fi/en/privacy-notice). The privacy and information security policy approved by the management describes Avara’s key principles in this area and all of the company’s employees have been familiarised with the process.

### **ESG – Responsible investment**

Responsible investment refers to taking factors associated with environment, social and governance matters (ESG) into account in investment activities. The alternative funds managed by Avara comply with sustaina-

Avara is committed to reducing the climate and environmental impacts of housing and increasing the efficiency of resource use through actions with measurable impacts and with a long-term view.

bility-related principles and criteria in their real estate investments and taken into account factors associated with sustainability risks, namely environmental matters, social responsibility and governance. In addition to other characteristics, our funds promote the environmental or social characteristics pursuant to SFDR Article 8<sup>1</sup> or combinations of such characteristics.

Avara is committed to reducing the climate and environmental impacts of housing and increasing the efficiency of resource use through actions with measurable impacts and with a long-term view. Avara’s operations, decisions and development projects have

a positive impact on the well-being of tenants, employees and local communities. Avara wants to provide investors with an opportunity to invest according to their own responsibility strategy and objectives and to ensure the responsibility of their own investment throughout the lifecycle of properties, taking sustainability risks into account.

The carbon footprint of housing and properties is a key corporate responsibility theme at Avara. We provide investors with opportunities to make profitable investments that account for and promote the environment, sustainable development, tenant well-being and safety and other social factors. ►



Our alternative funds are managed and led accounting for sustainability risks, and we estimate that sustainability risks do not have an impact on the yield requirements of our funds.

**Data protection activities**

Avara handles personal data relating to customers and other registered persons responsibly and in accordance with the applicable data protection regulations

and guidelines from the authorities as well as legal practice. Personal data is handled in a secure manner. In recent years, Avara has done a lot of development work in terms of data protection

and information security. Development work is carried out with a partner acting as a data protection consultant, and a system developed for this purpose is used for data protection management, in which the entire personal data infrastructure is described.

Responsible handling of personal data requires active maintenance of documentation and consideration of ever-evolving legislation and interpretation as part of the development of the company's operations. Data protection documentation must be maintained on an ongoing basis.

The data processing is planned for the entire life cycle of the data, including deletion and possible anonymisation. In order to process data responsibly, not only data protection but also data security must be in place and constantly improved.

**Motivated by sustainability**

The motivation for continuous improvement of data protection is not

only compliance, but also the focus of Avara's strategy on sustainability, which essentially includes responsible handling of personal data.

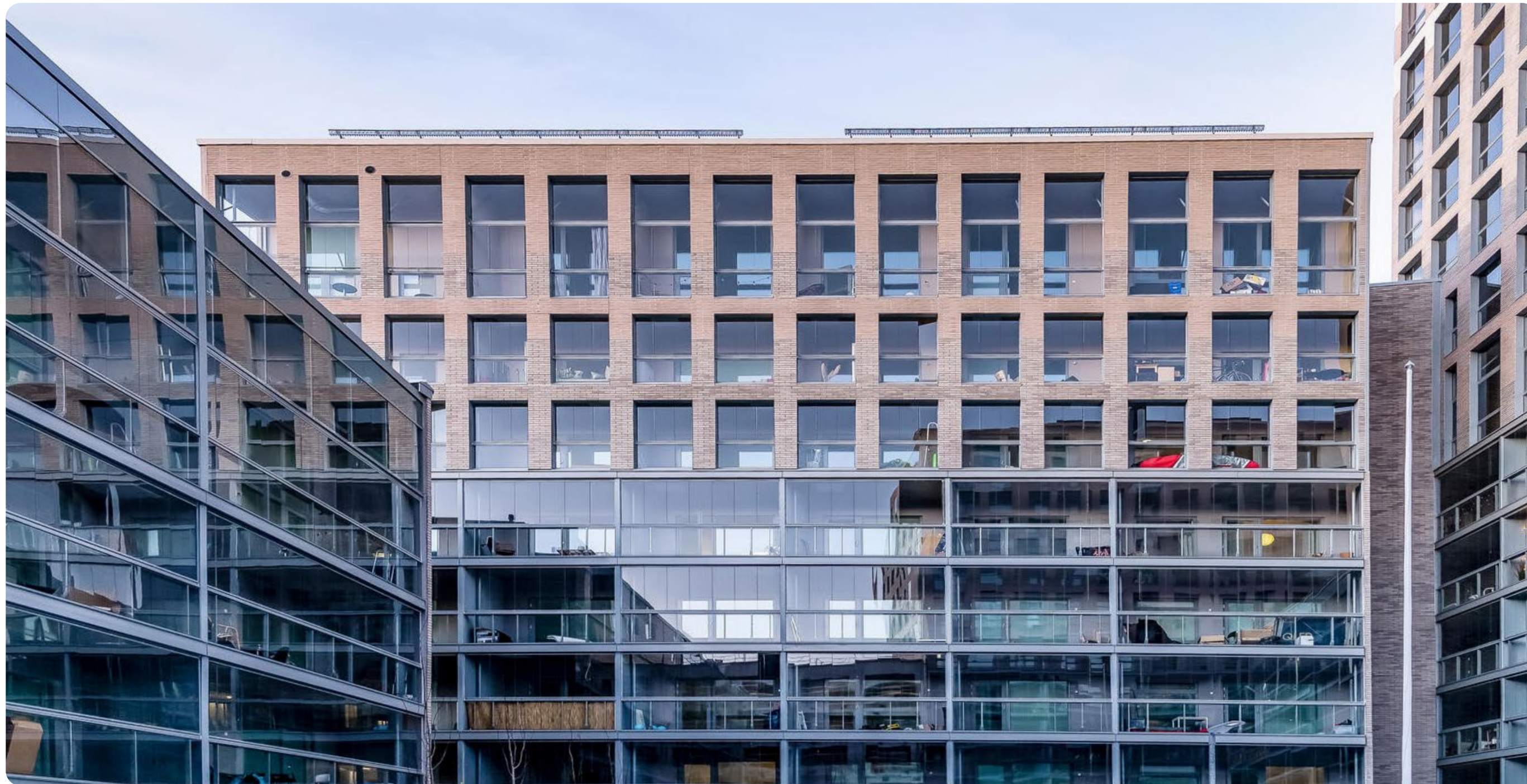
It is also essential for business success that data subjects can rely on the responsible handling of data. This is reflected in Avara's entire digital strategy.

**Guidance for partners and employees is continuously refined**

Avara's partners' information security and data protection issues have been the subject of further development, as there is a need for increased control and clarification of contractual obligations.

Avara's data protection and information security skills are also enhanced through various employee instructions and training courses, which include practical case studies related to Avara's business.

<sup>1</sup>Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR).



Vanha Talvitie 3, Helsinki





## The impact of Avara’s procurement

Avara’s most significant procurement categories are property maintenance services, energy and water. The company also purchases services related to property development, contracting and construction as well as services related to business systems and their development. Procurement is primarily divided into annual contracts and individual purchases.

In 2023, Avara renewed its network of service partners when the property cleaning service provider was put out to tender and new service providers were selected from the beginning of 2024.

Due to its geographic position and local procurement, Avara has a significant local employment effect and economic impact. All repair work is realised in cooperation with local parties.

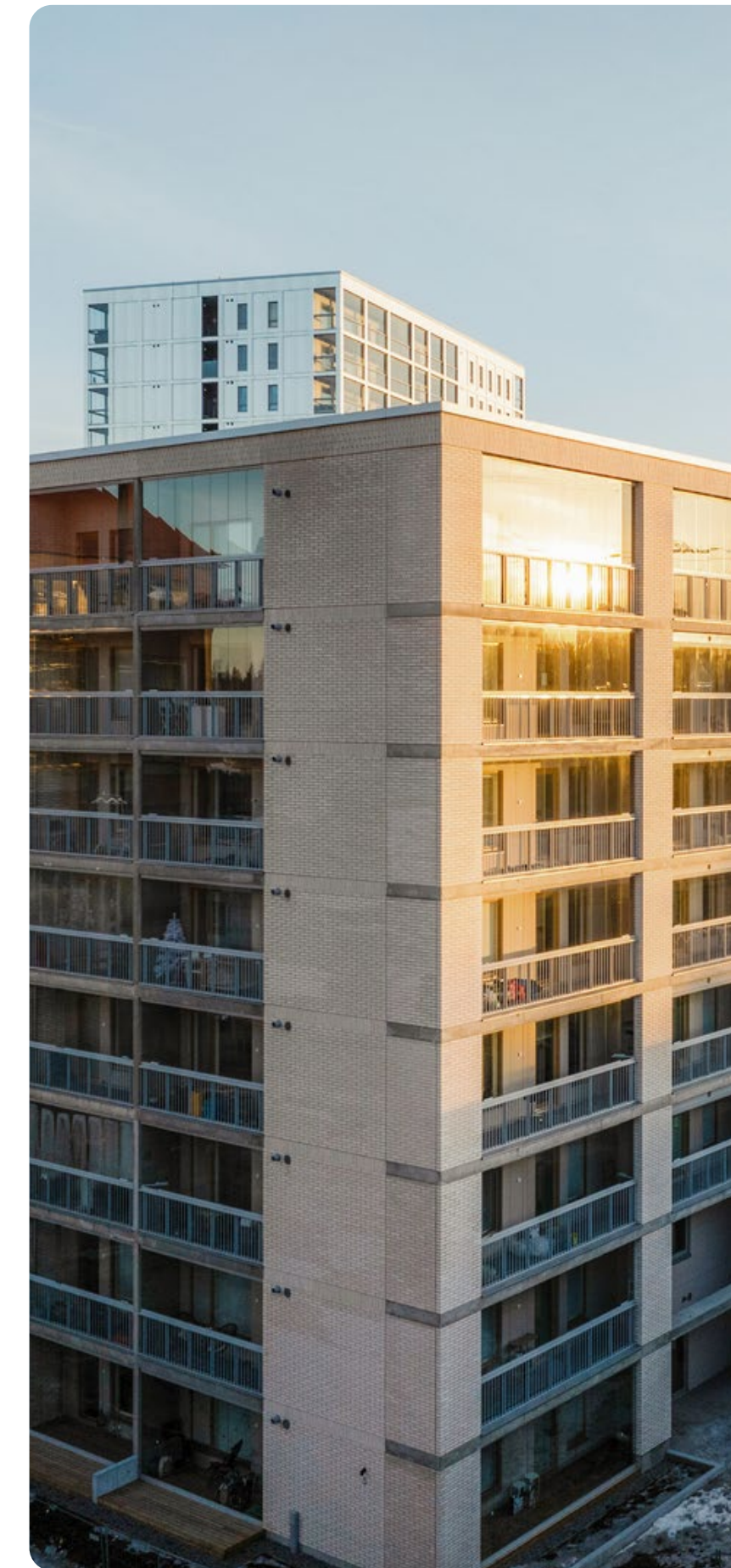
Avara has confirmed principles that describe the decision-making and procurement authorisations and contract practices of the Avara organisation and its contractual partners. The policies are applied to procurement in various customer relationships. Purchase-specific requirements are placed on suppliers.

### A trusted partner

Avara complies with the Act on the Contractor’s Obligations and Liability when Work is Contracted Out (22.12.2006/1233) in connection with construction and construction-related repair, care and maintenance activities and as a developer. The law obliges Avara, as the contractor of the work, to verify that its contractual partners, as contracting parties and as employers, fulfil their statutory obligations. Avara uses Vastuugroup’s Reliable Partner service to meet its obligations. The ser-

vice retrieves the information required by the Act on the Contractor’s Obligations and Liability when Work is Contracted Out, compiles a Reliable Partner report and keeps it up-to-date in the service.

To prevent the grey economy, Avara only accepts service provider companies that are registered with the Reliable Partner service (vastuugroup.fi/fi-en). As part of the information to be clarified in accordance with the obligations under the Act on the Contractor’s Obligations and Liability when Work is Contracted Out, Avara requests the contractual partner to provide at least the following statutory information: A statement of the supplier’s occupational health care arrangements and information on the contractor’s statutory accident insurance.



Peltisepänkuja 5, Helsinki

## Renovations and repairs

The repair and maintenance operations of properties and apartments are based on each building’s long-term plans and on the continuous monitoring of the condition of apartments on the basis of customer feedback and moving inspections. The value of real estate assets is looked after carefully and no room is given for maintenance backlog.

Property and apartment repairs allow for responding to customers’ increasing requirements and for the comprehensive management of the assets’ value.

During 2023, a total of approximately 230 apartments were renovated and refurbished, covering the apartments’ bathrooms and kitchens as well as other basic improvements to their standards.



# Promoting affordable housing

In addition to non-subsidised housing, Avara also promotes affordable housing in Finland’s growth centres, thereby contributing to relieving the shortage of housing in the growth centres.

The provision of affordable housing supports employment-based migration and offers choices to people in all life situations and income and asset classes. At the end of 2023, affordable apartments accounted for approximately 70 per cent of the residential real estate assets managed by Avara.

Avara’s current and planned structure of real estate funds takes into account the demand for both affordable housing and non-subsidised apartments.

Avara’s Amplus Holding fund consists of rental apartments financed with interest subsidy loans and Arava loans. The fund specialises in residential investment and owns some 4,500 rental apartments across Finland.

The Avara Vuokrakodit I Ky fund established in August 2019 has already

increased and will increase the supply of affordable Avara rental apartments in Finland’s growth centres.

As a provider of affordable rental housing, Avara aims to be a long-term owner of rental apartments, subject to oversight by the Housing Finance and Development Centre of Finland (ARA), and lease apartments at affordable prices, with rental levels lower than the prevailing market rates.

Number of affordable apartments and their share of the apartment base and new production							
	2023	2022	2021	2020	2019	2018	2017
Number of affordable apartments	4,769	4,705	4,633	4,465	4,445	4,554	4,489
Proportion of the entire housing portfolio	70%	71%	54%	59%	60%	61%	58%
Proportion of newly built apartments	79%	32%	29%	26%	34%	20%	0%



Arabianranta, Helsinki



# Our tax footprint in Finland

Avara Oy and the real estate funds it manages are domiciled in Finland and they pay all their taxes in Finland. The Group’s combined tax footprint in 2023 totalled EUR 11.1 million.

The tax footprint consists of direct taxes (income tax and real estate tax) and indirect taxes (value added tax, energy tax and insurance premium tax).

Avara’s tax footprint* (EUR thousand)							
	2023	2022	2021	2020	2019	2018	2017
Direct taxes	1,900	2,400	2,250	2,166	4,900	10,500	4,300
Indirect taxes	9,200	9,800	10,048	8,360	8,900	7,200	6,700
Total tax footprint	11,100	12,200	12,300	10,526	13,800	17,700	11,000

\*Avara is a significant taxpayer. Avara’s economic added value to society – the tax footprint of the operations of the company and the accounts it manages – consists of direct and indirect taxes and tax-related payments. All Avara’s operations are concentrated in Finland and all taxes and tax-related payments are made in Finland.



Kirstinmäki 6, Espoo



## The people of Avara

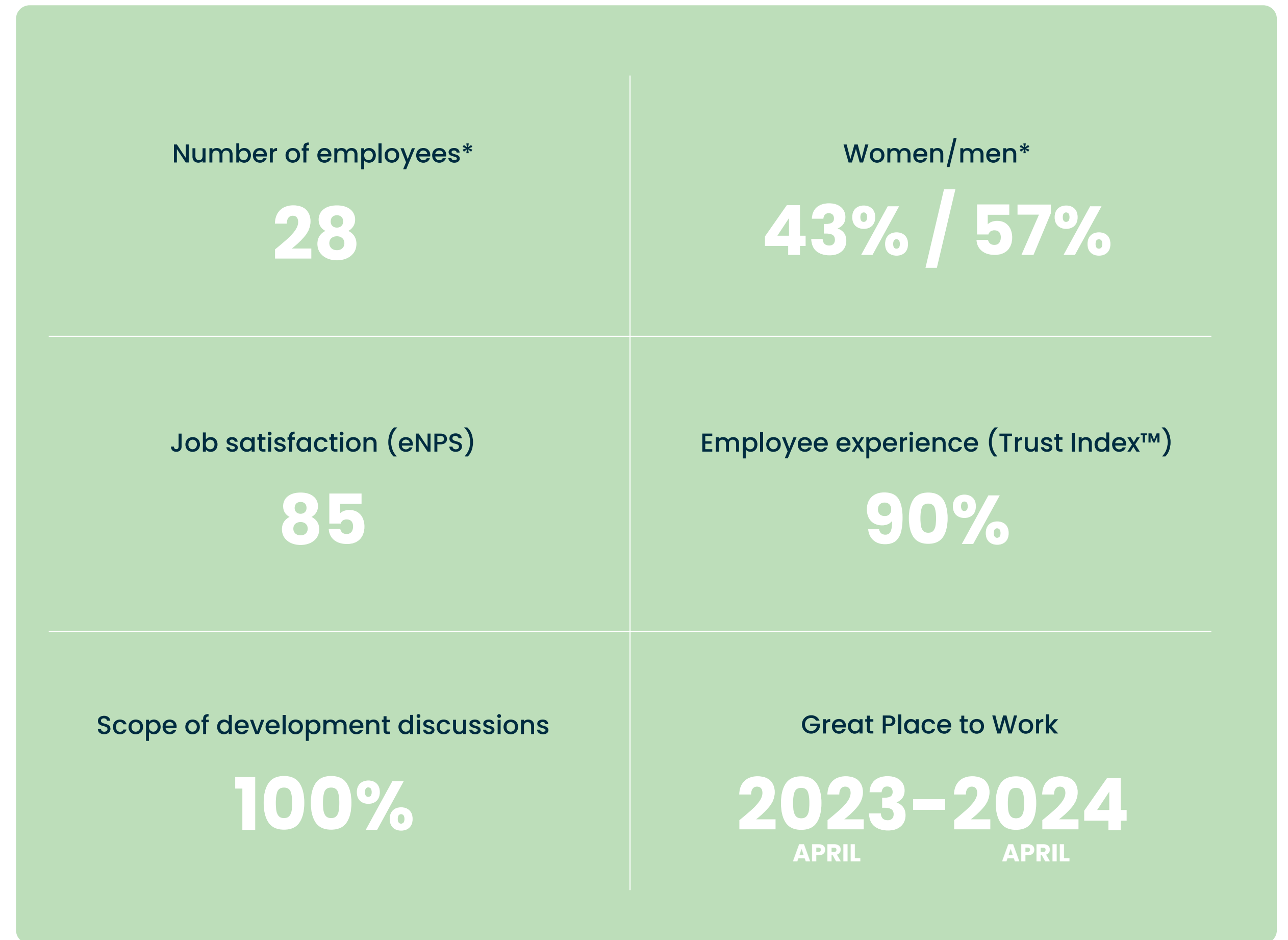
The people of Avara	53
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Avara is a Great Place to Work and one of Finland's Best Workplaces™ 2023	55
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## The people of Avara

Avara’s employees are highly competent and motivated top professionals in the real estate industry. As competence needs increase, Avara wants to be the preferred workplace for industry professionals.

Continuously developing and maintaining the well-being, competence, and enthusiasm of the company’s employees are high priorities for Avara, especially with our ways of working being in the midst of such a strong change.



\*From 2023, temporary and permanent part-time employees have been included in the total number of employees and the percentage distributions. In previous years, only permanent and full-time employees were included in these figures.



# Inspiring employee experience

As an expert organisation in the real estate industry, Avara’s highly professional and talented employees are the company’s most important asset. Avara’s HR priorities include continuous development, equality and promoting internal entrepreneurship. Our company culture is supported by strong shared values.

### The growing significance of culture and competencies

The accelerating changes in work and the operating environment are taken into account in Avara’s working methods and supervisor work as well as possible. The coronavirus pandemic accelerated the digitalisation of working methods and the development of internal processes.

Combined with Avara’s strategic growth targets, the changes in the operating

environment call for new competencies while giving Avara’s employees the opportunity to develop their expertise. Avara’s HR and competence strategy helps build more systematic and individualised responses to new competence needs.

A coaching management style, individual management and supporting employee autonomy increase the efficiency and productivity of work. Avara benefits from its close-knit and community-oriented working environment, where information flows smoothly and team members and managers are easy to reach when they are needed.

**Avara’s values**  
 Responsible action  
 With a leader’s attitude  
 Listening to the customer

### Job satisfaction

Job satisfaction is one of the most important measures of Avara’s success, given how strongly it impacts the company’s success in the different aspects of its business.

We have set targets for job satisfaction and prepare annual development plans to enhance internal entrepreneurship and job satisfaction. We also actively encourage our employees and managers to engage in continuous dialogue to promote well-being and strong performance.

Target setting and development discussions are held with every Avara employee at least once a year. All Avara employees are included in a performance-based pay system. Performance-linked remuneration is based on the achievement of individually set

targets. We are open and transparent with the targets, we know all of the targets set for each individual and we monitor them on a quarterly basis.

A job satisfaction survey is conducted once a year. Job satisfaction at Avara has remained on a high level over the past few years.

In 2023, as in the previous year, employee satisfaction was measured using the eNPS survey. The Employee

Net Promoter Score (eNPS) measures the commitment of employees to the company and their satisfaction with the organisation. The eNPS score can range between -100 and 100.

In 2023, Avara managed to improve the excellent eNPS of 2022 by five points, reaching 85.

Avara Oy’s employee health and well-being						
	2023	2022	2021	2020	2019	2018
Job satisfaction year 2017–2021 scale of 1–5 year 2022 eNPS adopted	85	80	4.2	4.1	4.3	4.0
Scope of development discussions*	100%	100%	100%	100%	100%	100%
Employee health index**	75%	78%	66%	71%	67%	70%
Sickness absence rate**	0.4%	0.4%	1.9%	0.5%	0.8%	0.5%

\*Applies to all employees: women 100%, men 100%, management 100%, managers 100%, employees 100%.  
\*\*The figure is based on reports by Terveystalo.



## Avara is a Great Place to Work and one of Finland’s Best Workplaces™ 2023

In spring 2023, Avara conducted the Great Place to Work® personnel survey by Trust Index™ for the second time. Thanks to the excellent results, we once again obtained the Great Place to Work certification.

In 2023, we were also one of Finland’s Best Workplaces™ as we ranked among the top 20 in the small business series.

### Great Place to Work certification™ is a sign of a comfortable workplace

The Great Place to Work certificate™ is a nationally and globally acknowledged recognition of companies’ good employee experience. A company with more than 10 employees is certified if the Great Place to Work® Trust Index™ personnel survey indicates that the employees feel good at the workplace and trust their employer. The recognition is reliable because it is purely based on the employees’ responses.

Personnel surveys are used for investigating how employees actually feel about their workplace. The Great Place to Work® Trust Index™ personnel survey is based on data and understanding of employee experience and corporate culture collected over more than 30 years, and it focuses on five focus areas of a great place to place: credibility, respect, fairness, pride and camaraderie. If the results fulfil certain criteria, the company is awarded the Great Place to Work certificate™.

### 90% of employees consider Avara to be a very good place to work

The Trust Index™ personnel survey measures the employee experience, compared to the typical Finnish company. In a typical Finnish company, 38% of respondents say that the company is a very good place to work as a whole. At Avara, as many as 90% of employees thought so.



“Avara is a flexible employer because the employees are trusted. Here, people know that everybody carries out their duties to the best of their abilities.”

“At Avara, employees are listened to and their opinions have an impact.”

Avara employees’ responses in personal interviews

# Diversity, equality and non-discrimination

**Ensuring** equality and non-discrimination is part of Avara's day-to-day management. Our responsibility as an employer primarily means responsibility for our employees and their occupational well-being. When necessary, we take quick and decisive action in response to problems and issues requiring improvement. Equality is important for us.

Competent employees with a high level of well-being play a key role in the achievement of Avara's goals. We operate in compliance with labour legislation and collective bargaining agreements as well as Avara's HR policy. 93% of Avara's employees are covered by a collective agreement; no collective agreement applies to the CEOs of Avara Oy and Avara Rahastot Oy.

Employee turnover\* in 2023 was 7.1%. The total number of employees who left was two, both men aged 30–50. No new employees were hired by Avara during 2023.

\*Total number of employees leaving during the reporting period divided by the number of employees at the end of the reporting period.

## Key figures for the Avara Group's employee groups, 31 December 2023

Management gender distribution, %	
Women	0
Men	100
Management age distribution, %	
Under 30	0
30–50	75
Over 50	25
Gender distribution of managers, %	
Women	100
Men	0
Age distribution of managers, %	
Under 30	0
30–50	67
Over 50	33

## HR indicators for the boards of directors of Avara Group, 31 December 2023

	2023	2022	2021	2020	2019
Sukupuolijakauma, %					
Women	19	25	25	14	9
Men	81	75	75	86	91
Ikäjakauma, %					
Under 30	0	0	0	0	0
30–50	37	44	44	52	65
Over 50	63	56	56	48	35

## Avara's HR indicators, 31 December 2023\*

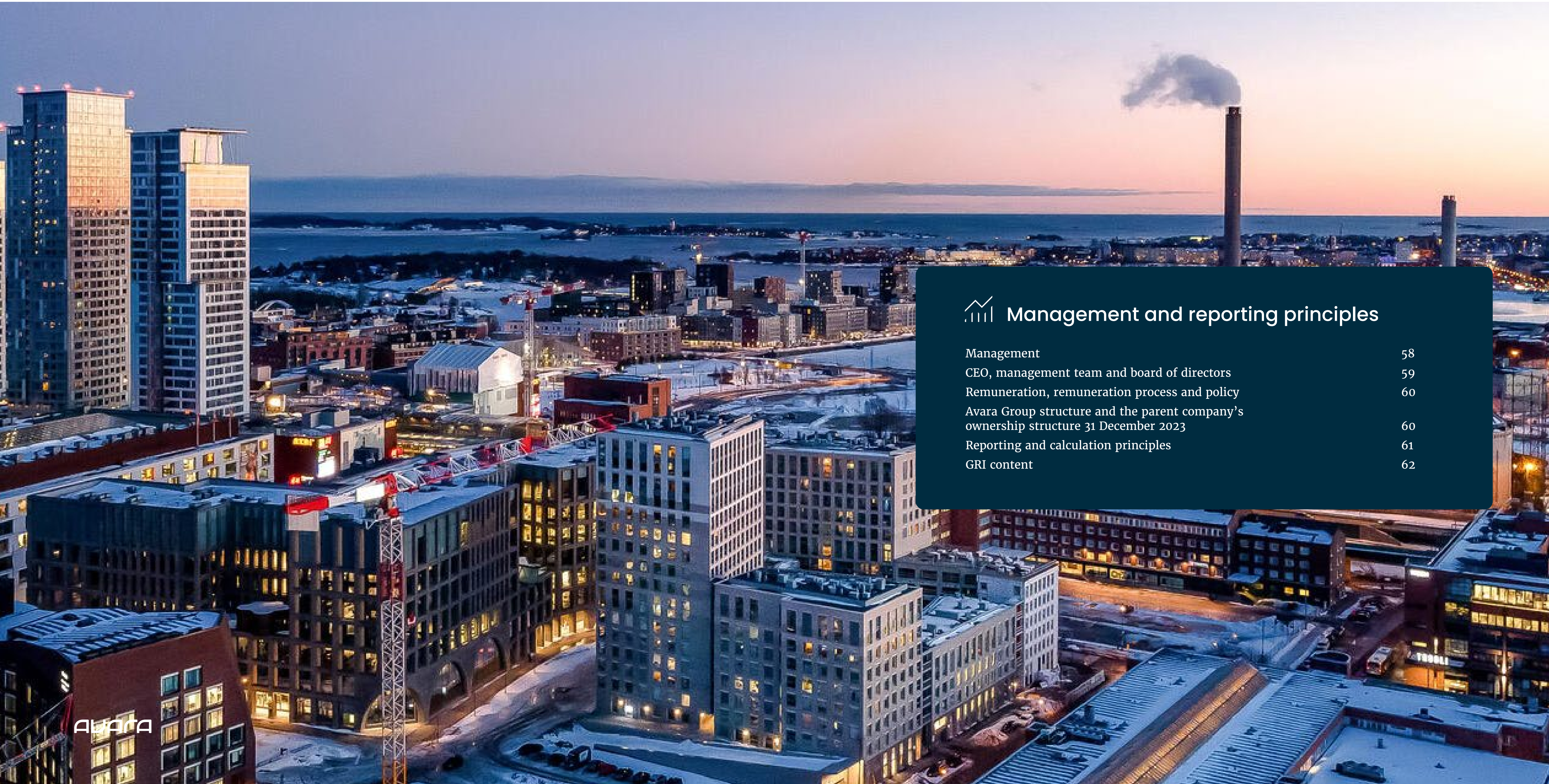
	2023	2022	2021	2020	2019
Number of employees**					
Permanent employees	27	27	29	28	24
Temporary employees	1	-	-	-	-
Full-time employees	26	-	-	-	-
Part-time employees	2	-	-	-	-
Gender distribution**, % (number of employees)					
Women	43 (12)	39	34	39	37
Men	57 (16)	61	66	61	63
Age distribution**, %					
Under 30	14	11	10	14	16
30–50	64	68	69	64	65
Over 50	22	21	21	22	19
Educational background**, %					
Master's degree or equivalent	46	54	52	54	50
Bachelor's degree	39	36	34	32	25
Short-cycle tertiary	11	11	14	14	25
Intermediate level***	4	-	-	-	-

\*The number of employees stated in the table and text is calculated based on the current employment at the end of the reporting period (total of employees with unguaranteed working hours). The number of employees does not include summer workers.

\*\*From 2023, temporary and part-time employees have been included in the total number of employees and the percentage distributions. In previous years, only permanent and full-time employees were included in these figures.

\*\*\*In 2023, for the first time, a new level of education (intermediate level) was included, which has not been required in previous years.





## Management and reporting principles

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# Management

Avara is an expert company whose operating model is based on key functions being performed in-house and supporting functions being responsibly and efficiently outsourced to a selected partner network.

Avara’s CEO is in charge of the company’s business and corporate responsibility as a whole. Business responsibility is divided into three areas: investment management, asset management and property management. The executive in charge of each segment is responsible for the business in question and corporate responsibility in that area.

The highest decision-making power in Avara is exercised by the company’s shareholders at the General Meeting. The company’s shareholders elect the members of the Board of Directors, with a minimum of 4 and a maximum of 6 members, and the auditor at the General Meeting. Diversity, independence, competence and stakeholder views are taken into account in the selection of the Board. The Board of Directors elects a Chair and a Vice-Chair from among its members. The Board of Directors supervises and controls the company’s operations in accordance with the Limited Liability Companies Act and the company’s business principles.

The Board of Directors has confirmed a written charter and annual calendar regarding the Board’s duties, topics to cover, meeting practices and decision-making procedures. The Board of Directors decides

on the company’s strategic objectives and confirms the strategy and organisational structure. The Board of Directors also decides on other matters specified in its charter. The Board of Directors confirms the decision-making authorisations of the senior management and decides on the criteria applied in the retention and remuneration of the company’s senior management and employees. The Board meets in accordance with the annual clock approved by the Board.

The Board’s performance is assessed annually through a survey to which both the Board and management respond. The survey is implemented using a survey developed by Admincontrol in a system of the same name, but the implementation in practice takes place internally. Based on the assessment, a development plan is drawn up, setting objectives for key development areas.

Avara’s senior management reports to the Board of Directors about six times a year in connection with the Board meetings. Management of the organisation’s financial, environmental and human impacts is reported to the Board of Directors.



The Group’s management is comprised of Mika Savolainen, President and CEO (top left), Tuomas Rantsi, Chief Operating and Development Officer, Harri Retkin, Chief Investment and Finance Officer and Avara Rahastot Oy’s CEO Arttu Ekqvist.



# CEO, Management Team and Board of Directors

## CEO and Group’s management team

### Mika Savolainen

- CEO of Avara Oy since 2015
- At Avara since 2013
- M.Sc. (Tech.), eMBA, KJs, b. 1969
- Holds 7.5% of Avara Oy’s share capital through Erreon Oy

### Harri Retkin

- CIO and CFO since 2018
- At Avara since 2012
- M.Sc. (Econ.), b. 1978
- Holds 7.5% of Avara Oy’s share capital through Erreon Oy

### Emmi Tiainen

- Management Assistant since 2016
- At Avara since 2016
- BBA, b. 1991

### Tuomas Rantsi

- COO and CDO since 2018
- At Avara since 2017
- M.Sc. (Tech.), KJs, b. 1975
- Holds 7.5% of Avara Oy’s share capital through Erreon Oy

### Arttu Ekqvist

- CEO of Avara Rahastot Oy since 2019
- At Avara since 2019
- M.Sc. (Econ.), b. 1978

### Sabine Ille

- Marketing & Communications Manager since 2021
- At Avara since 2021
- Master of Culture and Arts, MBA, b. 1976

## Board of Directors

### Timo Stenius

- Chair since April 2023
- Member since April 2020
- Board professional
- Independent of the company, not independent of a significant shareholder
- Elo holds 34% of Avara Oy’s share capital

### Risto Kyhälä

- Vice Chair since April 2023
- Chair from November 2012 to April 2023
- CEO of Kiinteistömaailma Oy, board professional
- Independent of the company, not independent of a significant shareholder
- Holds 7.5% of Avara Oy’s share capital through Erreon Oy

### Alexander Schoschkoff

- Member since April 2019
- CEO of Fennia Life Insurance Company
- Independent of the company, not independent of a significant shareholder
- Fennia Life Insurance Company holds 15% of Avara Oy’s share capital

### Marja Kokko

- Member since March 2021
- CEO of Tyvene Oy
- Independent of the company and its significant shareholders



## Remuneration, remuneration process and policy

The company’s remuneration consists of a fixed monthly salary and a variable reward component (annual performance fee and monthly performance fee for rental experts).

The Board of Directors decides on the salaries of senior management. For personnel, the salary is decided by the manager, who approves the salary matters with their own manager. The Board of Directors decides annually on the annual performance fee for management and employees.

Independent parties have been used to determine salaries and remuneration on a project-specific basis.

Management remuneration is based on customer relationship management, the implementation of Avara’s strategy and annual targets related to the profitability of operations. Aspects related to responsibility and

sustainable development are incorporated into these targets and the management does not have separate remuneration programmes related to sustainability. The Board of Directors sets targets for the CEO and the management team, evaluates the achievement of the targets, and decides on performance-based remuneration. The amount of the Board of Directors’ remuneration is decided annually at the Annual General Meeting.

### Total annual earnings ratio

The ratio of the annual salary of the highest-paid person to the median annual salary of the rest of the employees is 1:2.77.

The percentage increase in total annual compensation for the highest paid person in the organisation was 0% and the median percentage increase in total annual salary for all employees was 4%.



Retkeilijänkatu 13–15, Helsinki

## Avara Group structure and the parent company’s ownership structure 31 December 2023

Avara Group consists of the parent company Avara Oy and three subsidiaries: Avara Asunto Management II GP Oy, Avara Asunto Management Deka I GP Oy and Avara Rahastot Oy. The Group also includes Avara Rahastot Oy’s subsidiary Avara Asuinkiinteistörahasto I GP Oy.

The parent company Avara Oy is responsible for the Group’s management and administration and the production of investment management and asset management services. Avara Rahastot Oy acts as an authorised AIF manager pursuant to the Act on Alternative Investment Funds Managers. Its operations are regulated by the Finnish Financial Supervisory Authority.

The largest shareholders of the Group’s parent company Avara Oy are Elo Mutual Pension Insurance Company (34%), the company’s senior management (30%), Fennia Life Insurance Company (15%) and OP Group companies (11% combined). Avara has a total of 13 shareholders and the five largest shareholders own more than 90% of the company’s shares.



# Reporting and calculation principles

Avara’s sustainability report for 2023 is prepared in accordance with the Global Reporting Initiative (GRI) standards. The reported information is comparable with Avara’s previous corporate responsibility reports, except where otherwise mentioned. The conformity of the information with the GRI standards is presented in the GRI content index.

In defining the report content, the company has taken into consideration the key guidelines and voluntary principles concerning sustainability in the real estate sector as well as the nature of Avara’s operations as a service company that manages rental housing assets. Avara’s management team has

validated the results of the materiality analysis, is responsible for the sustainability report and has approved its content.

Avara’s Board of Directors makes strategic guidelines and decisions on sustainability and regularly reports on sustainability to the Board of Directors at the Board meetings.

Avara’s Board of Directors reviews the organisation’s impact on the environment and society mainly once a year in connection with the processing of the sustainability report. In addition, the Board of Directors reviews the status of internal control and risk management, monitors their implementation and evaluates the effectiveness of the processes at semi-annual theme meetings. The Board of Directors considers sustainability criteria in its investment decisions.

Unless otherwise mentioned, the information presented in the report covers Avara as a whole. The financial

information is based on the companies’ official financial statements and financial reporting concerning real estate assets. Information concerning employees covers the personnel of Avara Group.

Indicators involving the environment cover the properties in the funds managed by Avara. The figures do not cover data concerning the properties of the property management function’s other customers. Figures on the total consumption of energy and water cover all properties owned for the entire year and subject to consumption monitoring and the estimated consumption of properties not subject to consumption monitoring.

The specific consumption of energy and water has been calculated as full-year consumption per cubic metre of building space for all properties subject to consumption monitoring. The energy figures have been adjusted for weather to facilitate year-on-year comparisons. Avara’s carbon footprint covers

the carbon dioxide emissions calculated based on the total consumption of heating and electricity of properties subject to consumption monitoring and the estimated consumption of properties that are not subject to consumption monitoring.

The emission factors used for district heating and electricity are based on information from Motiva Oy. For other fuels, the fuel classification factors (oil and natural gas) of Statistics Finland have been used. The specific emissions of purchased energy have been calculated per square metre of residential space for all properties that were included in rental operations for the entire year.

The total volume of waste generated by tenants has been estimated based on Avara’s total number of tenants and the average tenant-specific waste volume reported by Statistics Finland.

More detailed information on the sustainability of Avara’s alternative funds\*

is published on Avara’s website at [avara.fi/yrityys/rahastot](http://avara.fi/yrityys/rahastot).

## Reporting scope and principles

This annual sustainability report of Avara is the seventh report prepared in accordance with or with reference to the GRI guidelines. The sustainability report presents basic information on Avara’s aspects of economic, social and environmental responsibility and the impacts of its operations for the period 1 January–31 December 2023 unless otherwise specified. The report has not been subject to independent third-party assurance.

## Scope of reporting

Avara applies the Global Reporting Initiative’s GRI Standards 2021 reporting guidelines to the content and principles of sustainability reporting. The reports presented in this report are based on Avara’s operations in Finland.

\*Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR).



# GRI content

Avara Group has reported the information cited in this GRI content index for the period [1.1-31.12.2023] in accordance with the GRI Standards.

GRI 1: Foundation 2021  
Date of most recent report: 24.4.2023  
Reporting cycle: 12 months

**Avara Group**  
Bulevardi 7, 00120 Helsinki  
Location of operations: Finland

GRI Standard	Report content	Location in the report
<b>GRI 2: General contents</b>		
	2-1 Basic information about the organisation	GRI content p. 62 Avara Group structure and the parent company's ownership structure p. 60 Reporting and calculation principles p. 61
	2-2 Units covered by sustainability reporting	Materiality assessment on sustainability management and reporting p. 14 Reporting and calculation principles p. 61
	2-3 Reporting period, publication frequency and contact details	GRI content p. 62 Avara's sustainability report and financial statements are published annually.
	2-4 Restatements of information	There are no changes compared to the previous year.
	2-5 External assurance	No external assurance has been performed.
	2-6 Operations, value chain and other business relationships	Key events in 2023 p. 4 Strategy and operating model p. 10 Business model p. 11
	2-7 Personnel	Diversity, equality and non-discrimination p. 56 We do not report part-time and zero contract employees separately due to their small number (individual protection). The region-specific information is not relevant as the company has only one location.
	2-8 External labour	External labour is used to support the business. Such labour is not in a direct contractual relationship with Avara, but the contracts are service agreements between companies. Typical purchased services or human resources include software maintenance and development, hosting, finance, accounting and information management support services. The labour is purchased as a service from companies, so we do not report the number of people.
	2-9 Governance structure, committees and their composition	CEO, Executive Board and Board of Directors p. 59 The term of office of the Board of Directors is, for the time being, continuous. The Board has extensive experience in the real estate and investment sectors.
	2-10 Appointment and election of Board members	Management p. 58
	2-11 Position of Chair of the Board	CEO, Executive Board and Board of Directors p. 59
	2-12 The role of the Board of Directors in monitoring the organisation's significant sustainability impacts	Business principles and risk management p. 13



# GRI content

GRI Standard	Report content	Location in the report
	2-13 Responsibility for managing sustainability impacts	Management p. 58
	2-14 The Board's role in sustainability reporting	Reporting and calculation principles p. 61
	2-15 Avoiding conflicts of interest	Business principles and risk management p. 13
	2-16 Communication of critical issues to the Board of Directors	Business principles and risk management p. 13 Management p. 58 There were no significant and critical issues or concerns to be reported to the Board during the reporting period.
	2-17 Sustainability competence of the Board	The Board of Directors of Avara is seen to have the necessary basic knowledge, skills and experience in sustainability. In sustainability matters related to Avara's operations, decisions and reporting, Avara's management team presents the necessary information and contexts in connection with their processing at board meetings.
	2-18 Board performance review	Management p. 58
	2-19 Remuneration policy	Remuneration, remuneration process and policy p. 60
	2-20 Remuneration process	Remuneration, remuneration process and policy p. 60
	2-21 Total annual earnings ratio	Remuneration, remuneration process and policy p. 60
	2-22 Statement on sustainability strategy	From the CEO p. 5 Impactful sustainability p. 9
	2-23 Code of Conduct commitments	Impactful sustainability p. 9-16 Green Homes sustainability activities p. 23 Reliable and responsible operating methods p. 47 The impact of Avara's procurement p. 49
	2-24 Putting the Code of Conduct into practice	Avara is committed to the UN Principles for Responsible Investment p. 15



# GRI content

GRI Standard	Report content	Location in the report
	2-25 Processes to avoid negative impacts	Business principles and risk management p. 13
	2-26 Advice on ethical conduct and feedback channels for whistleblowing	Business principles and risk management p. 13
	2-27 Compliance with laws and regulations	No convictions, penalties or fines for breaches of laws, regulations or orders in 2023.
	2-28 Memberships in organisations	Green Building Council Finland membership and #BuildingLife p. 16 Avara is committed to the UN Principles for Responsible Investment p. 15 Green Homes sustainability activities p. 23 In addition: RAKLI ry, ISA ry, VAETS energy efficiency agreement
	2-29 Approach to stakeholder interaction	Materiality assessment on sustainability management and reporting p. 14
	2-30 Collective agreements	Diversity, equality and non-discrimination p. 56
<b>GRI 3: Material aspects</b>		
	3-1 Definition of material aspects	Materiality assessment on sustainability management and reporting p. 14 Reporting and calculation principles p. 61
	3-2 List of material aspects	Materiality assessment on sustainability management and reporting p. 14 There are no changes in the materiality assessment compared to 2022.
	3-3 Management of material aspects	Impactful sustainability p. 9–16 The procedures for managing the impacts related to the relevant topics are described in the report by impact area: Good housing – functional everyday life, Climate and the environment, Responsible real estate investment and The people of Avara.
<b>GRI 201: Economic performance 2016</b>		
	201-1 Direct economic value generated and distributed	Profitability and solvency p. 39
<b>GRI 203: Indirect economic impacts 2016</b>		
	203-1 Investments in infrastructure and support for services of general interest	Promoting affordable housing p. 50





# GRI content

GRI Standard	Report content	Location in the report
	203-2 Significant indirect economic impacts	Our tax footprint in Finland p. 51
<b>GRI 204: Procurement policies 2016</b>		
	204-1 Proportion of spending on local suppliers	The impact of Avara’s procurement p. 49 The share of local suppliers in procurement has not been reported.
<b>GRI 205: Anti-bribery and anti-corruption 2016</b>		
	205-3 Confirmed cases of bribery and corruption and related actions	No cases in 2023
<b>GRI 302: Energy 2016</b>		
	302-1 Organisation’s own energy consumption	Energy and water consumption p. 29–30 Avara Oy’s own energy consumption is not significant because the amount of consumption is very marginal. Avara reports the energy consumption of the properties it manages.
	302-3 Energy intensity	Energy and water consumption p. 29–30
<b>GRI 303: Water &amp; wastewater</b>		
	303-1 Interaction with water as a shared resource	Energy and water consumption p. 29–30
	303-2 Significant indirect economic impacts	Energy and water consumption p. 29–30
	303-5 Water consumption	Energy and water consumption p. 29–30 Reporting and calculation principles p. 61
<b>GRI 305: Emissions 2016</b>		
	305-1 Direct greenhouse gas emissions (Scope 1)	Energy and water consumption p. 29–30
	305-2 Energy indirect greenhouse gas emissions (Scope 2)	Energy and water consumption p. 29–30
	305-3 Other indirect greenhouse gas emissions (Scope 3)	Energy and water consumption p. 29–30
	305-4 Greenhouse gas emissions intensity	Energy and water consumption p. 29–30



# GRI content

GRI Standard	Report content	Location in the report
<b>GRI 306: Waste 2020</b>		
	306-1 Waste generation and associated significant impacts	Avara reports the waste accumulation by waste type as recorded by Statistics Finland in relation to the number of inhabitants of the properties managed by Avara.
	306-2 Management of significant impacts related to waste	Waste and recycling p. 36
	306-3 Quantity of waste generated	Waste and recycling p. 36
<b>GRI 401: Employment 2016</b>		
	401-1 Hiring of new employees and employee turnover	Diversity, equality and non-discrimination p. 56 The region-specific information is not relevant as the company has only one location.
<b>GRI 403: Occupational health and safety 2018</b>		
	403-1 Occupational health and safety management system	The management system used for occupational health and safety is Terveystalo Oy's Suunta system. The system has been introduced due to legal requirements and to improve well-being at work.
	403-2 Incident identification, risk management and incident investigation	No specific accident risks have been identified. Avara employees have accident insurance.
	403-3 Occupational health services	Avara's employees have access to Terveystalo's comprehensive occupational health services and comprehensive health insurance for specialist doctors.
	403-4 Employee participation, consultation and communication on occupational health and safety	The Occupational Health and Safety Committee meets when necessary, but at least once a year. The Occupational Health and Safety Committee consists of the occupational health and safety manager, the occupational health and safety representative (employee representative) and one deputy for the occupational health and safety representative. The Occupational Health and Safety Committee may make presentations to the company's Management Board on matters relating to occupational health and safety. The occupational health and safety representative is elected for a term of two years.
	403-5 Occupational health and safety training for employees	There are no special hazards associated with the work. Personnel have been trained in an emergency first aid course organised by the employer.



# GRI content

GRI Standard	Report content	Location in the report
	403-6 Promoting employee health	Avara’s employees have access to Terveystalo’s comprehensive occupational health services. Employees are regularly informed about the services in use and the instructions are documented and available to the them.
	403-7 Preventing and counteracting occupational health and safety impacts directly related to the organisation through business relationships	Found to be irrelevant in the Avara materiality assessment.
<b>GRI 404: Training 2016</b>		
	404-3 Share of employees undergoing regular performance reviews and development discussions	Inspiring employee experience p. 54
<b>GRI 405: Diversity and equality 2016</b>		
	405-1 Diversity of governance bodies and employee groups	Diversity, equality and non-discrimination p. 56
<b>GRI 418: Protection of customer privacy 2016</b>		
	418-1 Number of confirmed complaints related to breaches of customer privacy and loss of customer data	Reliable and responsible operating methods p. 47 No confirmed complaints related to privacy breaches or loss of customer data during 2023.