Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant *Northern Horizon Capital AIFM Oy, LEI: 529900CJ7UOQ1M827L88*

Summary

Northern Horizon Capital AIFM Oy ("**AIFM**") considers principal adverse impacts ("**PAI**") of its investment decisions on sustainability factors. This statement represents the consolidated statement on principal adverse impacts on sustainability factors covering the AIFM's managed real estate funds, for the reference period 1 January 2025 to 31 December 2025.

The AIFM considers the following **PAI** indicators:

- Exposure to fossil fuels
- Exposure to energy-inefficient real estate assets
- Greenhouse gas emissions
- Energy consumption intensity
- Waste management

The PAI indicators are included in the Responsible Investment ("**RI**") policy of Northern Horizon Group and it applies to the AIFM. The latest RI policy is approved by the Northern Horizon Group board 25.09.2025, and by the AIFM management board on 26.09.2025 and updated annually. According to our RI policy, sustainability factors are considered as part of the due diligence process on targeted investments and the summary conclusion provided as part of the investment proposal. All PAI indicators are also included in Northern Horizon Group's Investment policy that includes a template to assess them. Investment policy is approved on 25.09.2025 by the Northern Horizon Group board, and on 26.09.2025 by the AIFM management board and updated annually.

The PAI indicators have been selected based on materiality. The AIFM does not consider "Raw materials consumption for new construction and major renovations" due to the low amount of construction projects and lack of reliable data on the topic. The AIFM also does not consider "Land artificialisation" of its standing assets due to the fact that all its buildings are located in already planned areas. The AIFM will analyse the relevance of these indicators annually.

Engagement work to reduce the PAI are carried out by the Fund Managers and Asset Managers assisted by the Sustainability Manager. The Funds assets also have external property managers, who carry out tenant engagement activities in the properties.

The AIFM has collected the data on PAI indicators directly from the managed assets.

Description of the principal adverse impacts on sustainability factors

Adverse sustainability indicator		**Metric**	**Impact year 2024**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Fossil fuels	Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0	This indicator is interpreted to include real estate that is used directly for the purposes of extraction, storage, transport, or manufacture of fossil fuels.	The AIFM monitors its real estate assets' exposure to fossil fuels. The exclusions of fossil fuel exposure are assigned at fund level. At the moment the AIFM does not manage any assets that would have fossil fuel exposures.
Energy efficiency	Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	28,5 %	Assets are considered energy inefficient if assets have an energy certificate rating below B or in case	The Fund aims to reduce its exposure to energy inefficient assets and considers energy efficiency in the investment

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				the asset is built after 31.12.2020 of which PED is below NZEB.	decisiong-making. During the reporting period, the Fund implemented several energy efficiency improvement measures across the portfolio and invested in solar panel installations to increase the share of renewable operational energy. In addition, development projects in the portfolio are designed to meet high energy performance standards, contributing to improved energy efficiency and reduced operational emissions across the portfolio.
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions generated by real estate assets	0	The GHG emissions include only operational emissions of the real	The AIFM has set a target to achieve carbon neutrality in operations by 2030
		Scope 2 GHG emissions generated by real estate assets	127 tCO2e		

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		Scope 3 GHG emissions generated by real estate assets	1026 tCO2e	estate assets such as GHG emission from district heating, gas and fuels as well as electricity consumption. GHG emissions are assigned to scopes based on operational control. The GHG emissions are calculated applying market based methodology. However, the AIFM also conducts CRREM analysis to take into account location based emissions of its managed assets.	across its managed funds, including ACSIF and ACIV. Greenhouse gas (GHG) emissions are assessed as part of the due diligence process for all potential investments and divestments, in accordance with Northern Horizon Group's Responsible Investment Policy and Investment Policy. The reported GHG emissions primarily reflect operational emissions from the real estate assets. Emissions related to construction activities or embodied carbon in building materials are not included in this indicator. During the reporting period, the funds continued to procure	
		Total GHG emissions generated by real estate assets	1 153 tCO2e			

					renewable electricity and engaged with tenants to promote energy efficiency and the use of renewable energy across the portfolio. In addition, asset-level initiatives included measures such as installation of on-site renewable energy solutions (e.g. solar panels). The AIFM utilises the CRREM tool to analyse carbon risk across its portfolio and to support alignment with decarbonisation pathways. Ongoing actions to reduce greenhouse gas emissions are coordinated through the ESG Task Force in collaboration with Fund and Asset Management and the Sustainability Manager , with	

					initiatives and targets defined and monitored on a portfolio-wide basis
Energy consumption	Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	117.5 kWh/sqm/year 0.0001175 kWh/sqm/yr	The energy consumption per sqm takes into account the electricity consumption and the energy used in heating/cooling.	The AIFM monitors its real estate assets energy consumption intensity and compares its performance to the CRREM 1.5 pathways. Energy intensity is considered as part of any due diligence process on a targeted investment and a summary conclusion provided as part of the investment or divestment proposal in accordance with the RI Policy and Investment Policy. The managed funds may have specific

					limits on energy intensity considered as part of sustainable investment evaluation. During 2025, energy consumption intensity across AIFM amounted to 117.5 kWh/m²/year (0.0001175 GWh/m²/year), calculated as an average of the underlying portfolios. The indicator includes electricity consumption as well as energy used for heating and cooling Actions on reducing energy intensity are planned in ESG task force together with Fund and Asset Management and Sustainability Manager	

Waste	Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract	0	The assets' waste sorting and recyling contracts are analysed.	The AIFM ensures all its properties are covered by necessary waste recycling facilities and waste management contract.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The AIFM considers the following principal adverse impact ("PAI") indicators: exposure to fossil fuels, energy-inefficient assets, greenhouse gas emissions, energy consumption intensity and waste management. These indicators are incorporated into the Responsible Investment ("RI") Policy of Northern Horizon Group, which applies to the AIFM

The latest RI Policy was approved by the Northern Horizon Group Board and the AIFM management board on 25 Septmeber 2025 and is updated annually. In accordance with the RI Policy, sustainability factors are assessed as part of the due diligence process for all targeted investments, with a summary conclusion included in investment proposals

All PAI indicators are also embedded in the Northern Horizon Group Investment Policy, which includes a structured template for their assessment. The Investment Policy is approved and reviewed annually by both the Northern Horizon Group Board and the AIFM management board.

Sustainability factors considered in investment decisions include, but are not limited to:

- **Energy performance:** energy supply, access to renewable energy, data availability, energy ratings, building certification, emissions and related topics
- **Environmental aspects:** building materials, contamination, water efficiency and supply, and waste management
- **Social aspects:** building safety, indoor environmental quality, health and wellbeing, green lease provisions, and tenant–landlord ESG collaboration
- **New construction and renovation risks:** site selection, biodiversity, developer selection, waste management and building materials
- **Other factors:** access to transport links, regulatory risks, and climate-related transition and physical risks

The relevance of these indicators is reviewed annually and the selection of PAI indicators is based on materiality considerations.

Data on PAI indicators is collected directly from managed assets. Greenhouse gas emissions are calculated using a market-based methodology with supplier-specific emission factors. Information on operational energy use and GHG emissions is subject to limited assurance in accordance with ISAE 3000 standards to support data quality and reliability.

Engagement policies

As the AIFM manages only real estate funds and is not investing into the listed companies, therefore, it does not have engagement policies in relation to the investee companies, as referred to in Article 3g of Directive 2007/36/EC of the European Parliament and of the Council.

Instead, engagement is carried out at asset level through responsible asset management practices. The AIFM promotes the use of green lease clauses, as outlined in the RI Policy. These may include:

- Data sharing on energy and resource consumption
- Preference for renewable or non-fossil energy sources
- Collaboration on refurbishment and energy efficiency improvements
- Other ESG-related coordination measures as relevant

The proportion of leases including such provisions is monitored at fund level

Engagement activities to reduce principal adverse impacts are carried out by Fund and Asset Management teams, supported by Sustainability Manager. Actions are reviewed regularly within the ESG Task Force, and external property managers support tenant-level engagement across the portfolio.

References to international standards

The RI Policy incorporates Northern Horizon Group’s commitment to internationally recognised standards for responsible business conduct, including:

- United Nations Guiding Principles on Business and Human Rights (UNGP)
- OECD Guidelines for Multinational Enterprises

- United Nations Global Compact
- The AIFM is committed to respecting these principles across all activities

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The AIFM also analyses portfolio alignment with CRREM decarbonisation pathways, supporting the objectives of the Paris Agreement. In addition, a net zero operational carbon target has been established across all managed funds.

Historical comparison

The present statement includes a comparison of principal adverse impact indicators against the previous reference period (2024), which represented the first year of PAI reporting for the AIFM.

Compared to 2024, the portfolio shows the following developments:

- **Energy-inefficient assets:** decreased from 37% (2024) to 28.5% (2025), reflecting improvements in asset energy performance and changes in portfolio composition
- **Scope 2 greenhouse gas emissions:** increased slightly from 116 tCO_2e (2024) to 127 tCO_2e (2025), primarily due to the acquisition of additional properties during the reporting period, resulting in higher overall energy consumption
- **Scope 3 greenhouse gas emissions:** decreased from 2,583 tCO_2e (2024) to 1,026 tCO_2e (2025), driven by operational improvements and portfolio composition changes
- **Energy consumption intensity:** decreased from 123 kWh/m²/year (2024) to 117.5 kWh/m²/year (2025), reflecting ongoing energy efficiency measures

Overall, changes in the indicators reflect a combination of:

- asset-level energy efficiency improvements
- increased use of on-site renewable energy (solar panels)
- Increased us of purchased fossil free elctricty

The AIFM will continue to enhance data quality, coverage and consistency to improve comparability across reporting periods.