

Environmental, Social and Governance Policy

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TAALERI
Energia

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Purpose

The purpose of this environmental, social and governance policy ("**ESG Policy**") is to define Taaleri Energia's approach to responsible investing. One of Taaleri Energia's core objectives is to support sustainable development by financing the green transition. The ESG Policy seeks to describe our methodology when working towards this objective, as well as to describe how we integrate the consideration of sustainability risks and value creation opportunities in investments made through any of our investment vehicles ("**Investment Activities**").

Taaleri Energia is committed to develop its business and exclusively offer products which have a positive impact on the environment and society. As part of its Investment Activities, Taaleri Energia is committed to consider material sustainability issues in the course of its due diligence and monitoring practices, while simultaneously adhering to the provisions of the Partnership Agreements and other terms governing the funds and other investment vehicles it manages and seeking to maximise the returns on its investments.

Reporting (suspected) breaches or requesting further information

We encourage all possible non-compliance or suspected breaches of the principles set out in this ESG Policy to be reported to: TE-Compliance@taaleri.com. Any individual may also anonymously and confidentially report on such matters in Taaleri's Whistle Blowing Channel, accessible at <https://app.falcony.io/taaleri-wb/links/whistleblowing>. Taaleri's employees may also notify their supervisors or the management directly on such matters identified. Taaleri Energia's general contact email is energia@taaleri.com. Taaleri Energia also creates project-specific websites where information about the project, its contacts and possible grievance channels are provided.

Roles and Responsibilities

The ultimate responsibility for assuring that the principles herein are implemented in the Investment Activities is with the Board of Directors of Taaleri Energia. If an investment committee ("**Investment Committee**") has been established for a fund, the responsibility of assessing the proper implementation of the ESG Policy during the investment process of each investment and that each investment fulfils the sustainability requirements is with the Investment Committee. Among the Investment Committee members, there is a named person who is responsible for ensuring the proper implementation of the ESG Policy. If no investment committee has been established, then the responsibility lies with the Board of Directors.

Taaleri Energia's private equity investment professionals are primarily responsible for ensuring that the consideration of sustainability is integrated into all Investment Activities. Through the technical professionals of Taaleri Energia Operations, Taaleri Energia has the enhanced opportunity to assess, influence and monitor sustainability aspects of the Investment Activities on a detailed level. The activities of these investment and technical professionals are supported by Taaleri Energia's ESG resources in close collaboration with the wider Taaleri's Compliance and Risk Management. The Head of ESG is responsible for the preparation of proper instructions, co-ordinating training sessions and monitoring. Where additional subject matter expertise is needed, the team utilises external resources as relevant.

All employees of Taaleri Energia shall comply with the ESG Policy as relevant and linked to their roles and responsibilities. Taaleri Energia may carry out commitments made by Taaleri Energia through its actions, or Taaleri may procure that the measure is performed by a third party, as applicable.

Scope

The ESG Policy applies to all Investment Activities of Taaleri Energia. Taaleri Energia exercises full or joint control in most of the investment targets and subsequently has the powers required to implement this ESG Policy in practice. However, in instances where Taaleri Energia has limited influence and control over the integration of sustainability measures, or when other factors impede its ability to assess, set, or monitor sustainability objectives, the principle of proportionality will be applied. This principle helps determine appropriate sustainability measures, and Taaleri Energia will make reasonable efforts to encourage these portfolio companies to consider relevant sustainability factors and principles. Furthermore, Taaleri Energia will seek to focus its proactive efforts on making improvements on sustainability factors and objectives in projects and regions where the investment team believes the greatest impact can be achieved.

Taaleri Energia is further committed to adhering to the following policies, which supplement this ESG Policy:

- **Taaleri Energia's Partner Code of Conduct** ([available here](#)), sets out the minimum standards of ethical behaviour we require from our partners, contractors and their subcontractors.
- **Taaleri Plc Sustainability Policy** ([available here](#)) and **Taaleri Sustainability Risk Policy** ([available here](#)) setting out the minimum standards which Taaleri Energia has further detailed in this Policy and processes developed for the implementation of the same;
- **Taaleri Plc Code of Conduct** ([available here](#)) applicable to the ethical behaviour of Taaleri employees; and
- **Taaleri Energia Risk Management Principles**, setting out the framework for risk management in a more general context

Reporting

Taaleri Energia will seek to be transparent in its approach to incorporating sustainability in its investments by reporting at least annually on its progress and outcomes. The format follows the Sustainable Finance Disclosures Regulation (regulation 2019/2088, "SFDR") and its amending regulation. In addition, Taaleri Energia may publish other written public reports, verbal informal reports, or confidential fund or asset-level reports to Taaleri Energia investors and other stakeholders. Where appropriate, throughout the investment cycle Taaleri Energia will seek to actively engage with relevant stakeholders to make informed decisions that may affect these stakeholders.

Biodiversity, Ecosystems and Circularity

Taaleri Energia acknowledges the intrinsic value of biodiversity and that its investments and operations may have a potential impact on biodiversity and ecosystems. Taaleri Energia will (through own actions or procure that the measure is performed by a third party, as applicable):

- Conduct an Environmental Impact Assessment ("EIA") or screening for each potential investment and will not construct in areas with high biodiversity values
- Consider opportunities to avoid untouched natural areas and prefer to construct on areas designated for industrial development or at a site with existing or historic activities
- Implement a variety of measures to minimise the potential impact and protect nature and the environment. The actions can include, for example, optimising project layout, avoiding construction during sensitive ecological periods, adopting measures to protect bird and bat populations, promoting

diverse land use on solar power production sites, assessing and promoting circularity in a selection of equipment/components (durability and recyclability)

- Monitor the potential impact on the environment
- Develop and implement action plans as deemed necessary
- Implement project specific decommissioning plans in accordance with best practice, with ambitious targets on circularity.
- Aim to avoid and minimise pollution and waste from its operations with a project-level approach to resource efficiency and pollution prevention and control in line with best available techniques and international practices.
- Develop a project specific waste management plan
- Develop a water management plan if the project is located in an arid area where local communities rely upon scarce groundwater resources

Stakeholder Engagement and Information Disclosure

Taaleri Energia actively promotes the right to access information, as well as public consultation and participation in its Investment Activities. Our goal is to be accessible to and engage with, all project-affected communities and relevant stakeholders either directly or through representatives of portfolio companies, as appropriate. Taaleri Energia will, among other things:

- Commit to active stakeholder engagement, including developing and implementing a stakeholder engagement plan per asset
- Set up a grievance mechanism for each Investment Activity
- Provide timely information to the investors in the funds or other investment vehicles managed by Taaleri Energia on the matters addressed herein, and work to foster transparency

Land Acquisition and Indigenous People

The Investment Activities necessitate land acquisition, expropriation and/or restrictions on land use, which can result in temporary or permanent resettlement of people from their original places of residence, their economic activities or subsistence practices. This may also have adverse impacts on indigenous people when the land or its resources in question are of importance for such communities. We are committed to respecting the rights, culture and livelihood of indigenous people and seek to avoid and minimise our adverse impacts on indigenous communities. In cases where potential adverse impacts are identified, we will ensure that our energy projects will have received free, prior and informed consent ("FPIC") from affected indigenous communities.

We respect the rights to property and to adequate housing, and thus we seek to mitigate any adverse impacts arising from the land acquisition or restrictions on land use with the following principles:

- Avoid involuntary resettlement
- Always offer fair compensation for land use
- Receive FPIC from affected indigenous people
- Promote active stakeholder engagement with the landowners
- Consider alternative project layouts during the EIA process to minimise the negative impacts

Cultural Heritage

Taaleri Energia recognises the central role of cultural heritage within individual and collective identity, in supporting sustainable development and in protecting cultural diversity. Consistent with the applicable international conventions and declarations, we aim to identify, manage, and protect the tangible and intangible cultural heritage that may be affected by our Investment Activities with the following best practice principles of cultural heritage impact assessment and management:

- Identify at the earliest opportunity if any elements of cultural heritage are likely to be adversely affected by the Investment Activity and assess the likelihood of any chance finds of physical cultural heritage are encountered during project construction. As required, we will work with communities, government agencies and relevant stakeholders to identify and manage places, objects, and practices of cultural significance
- If, as a result of the screening process, it is deemed necessary to carry out an impact assessment, we will use qualified and experienced cultural heritage specialists to study the cultural resources and to fully characterise the risks and impacts
- Taaleri Energia ensures that provisions for managing chance finds are in place
- Taaleri Energia is responsible for locating and designing the project to avoid significant damage to cultural heritage. Where impacts cannot be avoided, we will assess potential impacts and, if necessary, implement mitigation measures

Labour Standards

Taaleri Energia's investments, business partners and their suppliers are required to comply, at a minimum, with national labour, employment and social security laws and internationally recognised labour rights. In addition, Taaleri Energia and its investments are committed to:

- Respect the internationally recognised human rights as defined by the UN Universal Declaration of Human Rights of those affected by Taaleri Energia's investment activities and confirm that Taaleri Energia does not invest in companies nor work with companies that utilise child or forced labour or maintain discriminatory policies and practices
- Respect the internationally recognised labour rights, including the ILO Core Standards
- Support the payment of competitive wages and benefits to employees
- Provide a safe and healthy workplace in conformance with national and local law
- Consistent with applicable law, respect the rights of employees to decide whether to join a union and engage in collective bargaining
- Promote the fair treatment, non-discrimination, and equality of opportunity of workers

Health, Safety and Security

Taaleri Energia recognises the importance of managing health, safety and security risks to workers and affected communities associated with project activities, with particular attention to vulnerable groups and in accordance with the hierarchy of risk control. Providing workers with safe, healthy and secure working conditions can create tangible benefits, such as enhancement of the efficiency and productivity of the operations. We require that international norms and relevant human rights principles are adhered to also when using security services.

Governance

Taaleri Energia seeks to work through appropriate governance structures (e.g., board of directors and technical advisory boards) with portfolio companies and engage Taaleri Energia's technical professionals' expertise with respect to environmental, health, safety, and social issues, with the goal of improving performance and minimising adverse impacts in these areas. We use governance structures that provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest. Furthermore, we implement compensation and other policies that align the interests of owners and management.

Compliance with National Laws and Regulations

Taaleri Energia complies with the applicable national and local laws and regulation, as well as the EU legislation where applicable. Compliance will not only be ensured through the ESG due diligence procedure but also through the actions of the employees of Taaleri Energia, contractual obligations from all the investee companies, who are not directly owned or managed by Taaleri Energia, and all material subcontractors, including the obligation to report on any breaches thereof.

International standards

Taaleri Energia is committed to adhering to and implementing the following international standards and norms in its Investment Activities:

- United Nations Principles for Responsible Investments (UNPRI)
- Net Zero Asset Managers initiative (NZAM)
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- UN Global Compact
- International Labour Organisation (ILO) standards
- Equator Principles standards
- Good industry practice in the management of HSE issues

Taaleri is a signatory to the UNPRI and the NZAM initiative. In addition, Taaleri is an active member of the Finnish Association for Responsible Investment (FINSIF) and participates in the Finnish Business and Society (FIBS), a network of Finnish companies promoting socially and economically sustainable development.

Reliable Partners

We carefully select the business partners we work with. Business partners and contractors are contractually obliged to respect this Policy and assist Taaleri in its fulfilment. Partners are further obligated to comply with Taaleri Energia's Partner Code of Conduct, including implementation of the same on any subcontractors carrying out works related to the project.

Sustainability integration in the investment process

To ensure the integration of sustainability risks, factors and objectives in the Investment Activities from development and construction to the operational phase, Taaleri Energia has an Environmental and Social Management System ("ESMS") to ensure adequate standards are met for each investment. The ESMS

guides the practical implementation of the ESG policy, regulatory obligations and other commitments throughout the life of the investments. The key aspects of the ESMS are outlined below.

A sustainability risk means an event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Taaleri Plc and Taaleri Energia's sustainability risks are further assessed in the Taaleri Plc sustainability risk policy.

As a minimum for our sustainable investments, we ensure fulfilment of the sustainable investment commitment and the related criteria, as applicable and defined in the SFDR, the regulatory technical standards laid down in Delegated Regulation 2022/1288 and the EU Taxonomy Regulation 2020/852.

Pre-Investment:

Initial Screening of Target Investments

Taaleri Energia's private equity funds' investment strategies include only on-shore wind, solar PV and battery energy storage investments. These investments result in significant CO₂e reductions and support the balancing of centralised and distributed electricity generation while also contributing to energy security. If any sustainability risks or material adverse sustainability impacts (red flags) are discovered during the initial screening of the investment or at any later stage of the process, these are dealt with immediately. If the adverse impact(s) can be mitigated to a satisfactory extent, the investment process can proceed. The potential investment is rejected if it is not feasible to solve the impact(s). The sustainability red flag events include issues that are materially non-compliant with this ESG Policy or Taaleri Energia's Partner Code of Conduct, for example significant adverse impact on conservation areas, involuntary resettlement or indications of bribery, money laundering or financing of terrorism.

ESG Due Diligence

Taaleri Energia will perform ESG Due Diligence prior to any transaction and decision to invest into the construction of any asset. The scope of the works and use of independent experts vary based on the project specific details. The due diligence process contains a compliance check to confirm that an asset is meeting relevant laws, regulations and standards, including environmental and health and safety regulations, planning permissions, and operating licences and permits. The impact class of each project is categorised, ESG issues are identified and required actions are documented. The categorisation follows the IFC Performance standards and cross-referenced with EBRD Performance Requirements is also estimated.

Each project is categorised as follows:

- Category A: Project with potentially significant adverse sustainability impact and/or sustainability risks that are diverse, irreversible, or unprecedented;
- Category B: Project with potentially limited adverse sustainability impact and/or sustainability risks that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures and;
- Category C: Project with minimal or no adverse sustainability impacts and/or sustainability risks.

Taaleri Energia shall prior to any final investment decision, ensure that the level of public consultation undertaken has been and will be in accordance with national legislation and the principles of the EU EIA Directive Environmental or IFC Performance Standards ,as applicable. If the consultation is insufficient, the

consultation shall be supplemented. On investments outside the EU, Taaleri Energia will ensure compliance with the IFC Performance Standards.

Human Rights Due Diligence, including supply chain due diligence, is conducted. Taaleri Energia applies a Sustainable Procurement Handbook on its procurement activities. Acknowledging that adverse sustainability impacts and the risks thereof, including especially the risk of human rights abuse, are materially present in the supply chain, we commit to collaborating with industry organisations to improve traceability and transparency on supply chain issues. We strive to achieve robust commitments to ensure the Minimum Safeguards throughout the supply chain, as reasonably achievable within our sphere of influence.

Taaleri Energia will involve internal subject matter experts with sustainability competence to assess sustainability value creation opportunities (including carbon and biodiversity footprint reduction and compensation, as well as social initiatives) and sustainability risk management for all the investments. External resources are used as relevant and necessary.

Investment Decision and Structuring

Proceeding with any investment requires the reasoned conclusion by the decision-making body that the adverse sustainability impacts and sustainability risks have been identified and duly addressed and the Investment Activity is considered acceptable (i.e. that each investment is designed so as to avoid and, if this is not reasonably possible, reduce any significant adverse impact, and any significant adverse impacts have been, in order of preference, mitigated, compensated or offset). An Environmental and Social Action Plan ("ESAP") for addressing any material sustainability issues identified will form a part of the investment decision.

The issues considered, findings, and next steps, if any, shall be documented for internal use and kept on record for at least six years. The ESAP shall be kept up to date throughout the project lifetime, and reviewed at least annually. Any new issues will be added to the ESAP and mitigation procedures put into motion accordingly.

Asset Management:

Monitoring and Reporting

During development processes or following an investment decision, sustainability risks and adverse impacts, are monitored as part of the asset and risk management of the investment. Project specific detailed sustainability impacts and risks are assessed, and a mitigation and monitoring plan is drafted in an Environmental and Social Management and Monitoring Plan ('ESMMP').

The level of detail of the ESMMP and reporting methodology is based on the impact categorisation, of each project. Category A projects and higher risk Category B projects will require independent third-party follow-up, monitoring and reporting. Taaleri Energia will in all cases also engage its internal technical and ESG professionals to monitor, safeguard and work to minimise all material negative sustainability impacts and improve the positive sustainability impacts of the project throughout the lifetime of the investment.

The ESMMP is adjusted throughout the holding period of the asset based on asset specific needs. Where there are material issues identified during the due diligence process or at a later stage, Taaleri Energia will include the management of these issues in a project specific ESMMP. Taaleri Energia will encourage the

management teams of portfolio companies to identify and raise material adverse impacts and sustainability risks into the relevant decision-makers, including, where appropriate, to board level individuals.

Integration measures

Including relevant sustainability considerations in the contracts with our business partners is a key element in enforcing this ESG Policy and the asset specific sustainability considerations. Contracting will always contain a minimum level of terms to ensure compliance.

To ensure the up-to-date competence of our staff on sustainability, we provide employees training on sustainability best practices. We also support our partners providing services for our assets in developing and implementing sustainability best practice.

Remuneration

Sustainability and sustainability risks are considered in Taaleri Energia's Remuneration Policy by setting out that variable remuneration of employees may be withdrawn partially or in full if an employee's actions are not in alignment with the Taaleri Group or the Taaleri Energia ESG policies, Sustainability Risk Policy, as well as Taaleri Code of Conduct. Sustainability targets shall also be used as KPIs for measuring performance. In addition, short-term incentives for variable remuneration incorporate sustainability-related targets to ensure that all personnel actions and decisions support our long-term sustainability objectives and avoid promoting risk-taking that could compromise these goals.

Performance

The performance and successful implementation of this policy will be monitored through separately defined key performance indicators.