

TAALERI
Energia

Sustainability report 2024



Contents

| | |
|---|-----------|
| Welcome | 3 |
| Financing the green transition | 4 |
| Handling transition risk via diversification | 6 |
| Sustainability highlights of 2024 | 8 |
| Our approach | 12 |
| Addressing the supply chain challenges: The Solar Stewardship Initiative | 13 |
| Sustainability actions during development – the low-hanging fruit | 15 |
| You get what you measure – progress report and new targets | 17 |
| Hallanvahti aims for nature-positive solar power | 19 |
| Sustainability outlook: What 2024 taught us & what's coming in 2025 | 21 |
| Sustainable Development Goals | 23 |
| Sustainable Finance Disclosure Regulation | 26 |
| ESG team | 27 |

Welcome to Taaleri Energia's annual sustainability report

This report is designed to summarise the sustainability actions of Taaleri Energia and provide relevant information to our investors, partners, peers and other stakeholders who share an interest in our sustainability work. It contains information on our key activities and our team's views on current sustainability-related topics.

The regulatory landscape affecting sustainability work can seem quite complex at times, with multiple legislative frameworks on different levels and other industry frameworks, initiatives and reporting recommendations. This report summarises the data we collect based on frameworks such as the EU SFDR (Sustainable Finance Disclosure Regulation), TCFD (Taskforce on Climate-related Financial Disclosures) and TNFD (Taskforce on Nature-related Financial Disclosures). The aim of this report is to give an overview on the important topics, often through concrete examples, and to be transparent about our sustainability work.

This report lets the reader participate in our sustainability journey. Our aim is to keep publishing these reports while keeping our track record available on our website. This is our second annual sustainability report: our first report from 2023 is available here.

We hope you enjoy this report and that it will give you some useful insights into our business and approach to our ongoing sustainability work.

Jenny-Li Holmström
Head of ESG

Atte Ahti
Senior ESG analyst



About us

Financing the green transition

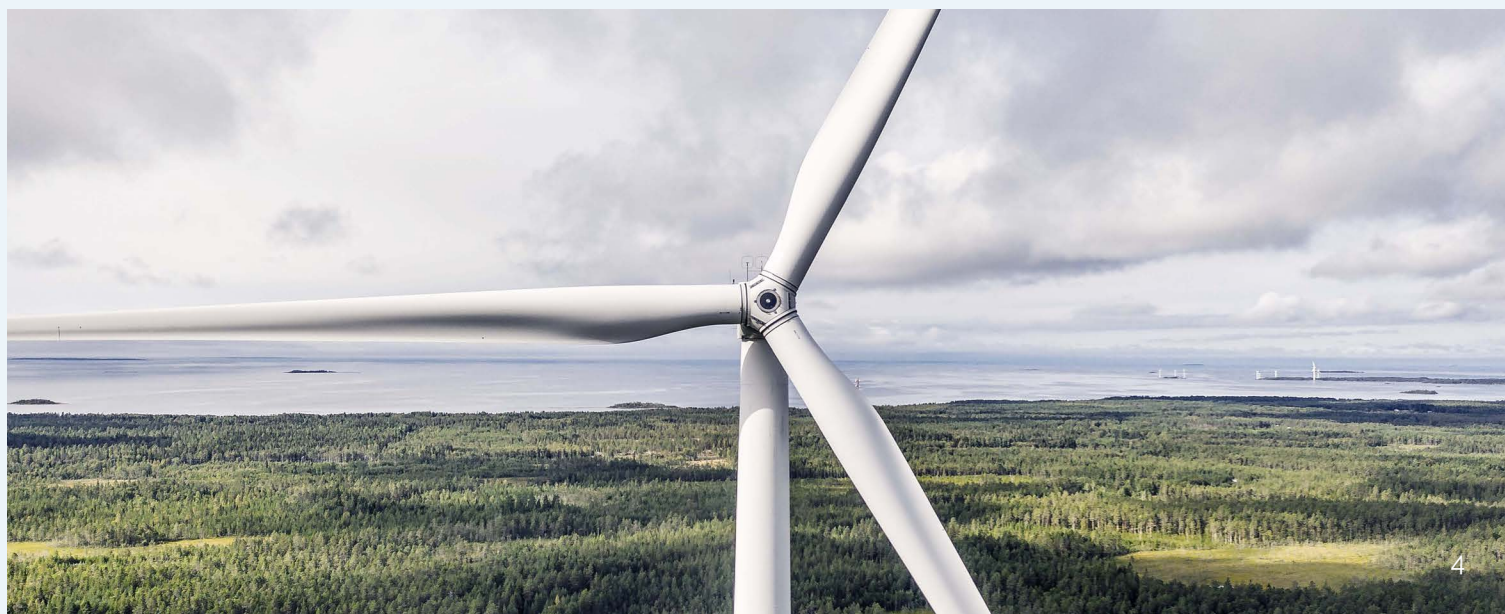
Taaleri Energia finances the transition into renewable energy. We currently manage five private equity funds and have 1.1 billion euros of assets under management. Our funds develop and invest in utility-scale onshore wind, solar PV and battery energy storage plants in Europe, the US, and the Middle East. All funds are classified as Article 9 under the EU SFDR. Our target is that all of our investments will be EU Taxonomy aligned.

We report in accordance with recommendations of the TCFD (Taskforce on Climate-related Financial Discourses), and have published our first report on the progress of implementing the TNFD (Taskforce on Nature-related Financial Discourses) framework.

Investments in renewable energy production and battery energy storage are essential for increasing energy security and supporting the green transition. Wind farms and solar parks are mature technologies that offer the opportunity to quickly commence construction of substantial amounts of new and de-centralised energy production. Battery energy storage assets can balance electricity generation while also contributing to energy security. Battery energy storage assets support the growth of renewable energy production and together these investments work to reduce the greenhouse gas concentration in the atmosphere, consistent with the long-term temperature goal of the Paris Agreement.

In addition to global and regional impacts, renewable energy production also has a meaningful impact on

local communities. The increased electrification of the society in combination with the shift from fossil fuels to renewable energy production indirectly reduces air pollution in cities, leading to a positive impact on the public health. The construction of de-centralised electricity production facilities requires significant improvements in the local and regional grid infrastructure, providing benefits for the industry and residents in the area. The investments have a positive impact on employment, especially during the construction phase. Locally produced electricity also provides benefits via local and state tax revenues, as well as other support schemes. The income generated from a renewable energy production facility will in many cases materially improve the viability of the local community.





We report in accordance with recommendations of the TCFD (Taskforce on Climate-related Financial Discourses), and have published our first report on the progress of implementing the TNFD (Taskforce on Nature-related Financial Discourses) framework.



All of our funds are classified as Article 9 under European Union’s Sustainable Finance Disclosure Regulation (SFDR).



Our renewable energy funds business scored a full 5 stars in the United Nations Principles of Responsible Investing (PRI) assessment.

9.1 GW

wind, solar and battery energy storage system capacity, including development projects, in 2024

1.9 GW

operational wind, solar and battery energy storage system capacity in 2024

4.7 TWh

renewable energy produced during 2024

900 000

households supplied with renewable energy

9 400

tons of CO₂e emissions from investments

1 600 000

tons of avoided CO₂e emissions



Above figures are based on the total capacity of assets. The Taaleri Energia funds’ ownership percentage of assets varies.

Greetings from the Managing Director

Handling transition risk via diversification

Kai Rintala



In the last couple of years, the pace of renewable energy transactions has slowed, mainly due to higher interest rates and a weaker infrastructure fundraising environment, and investor capital has been tied up in existing investments. This will be reflected in the pace new renewable energy production facilities get constructed, and even more so, the pace at which electricity consuming green transition investments are rolled out.

While this generally indicates a slower pace in cutting carbon emissions, each market has its own features. With a diversified strategy, there are still plenty of opportunities available.

During 2024, our efforts have mainly been focused on continuing the development of our 60-project strong wind, solar and battery project portfolio, and starting construction works on the assets that mature past the development stage. We finished construction on the largest battery energy storage system (BESS) in Finland, and started construction on Čibuk 2, a wind farm in Serbia, as well as Amador, a BESS project in Texas. In early 2025 we started construction on our first solar park in Finland, and next we expect to proceed on construction of a wind farm in Latvia. These are all assets owned by the Taaleri SolarWind III Fund portfolio. The SolarWind III Fund currently has 480 million euros in commitments and will continue to fundraise until June 2025. These funds will be deployed to turn 12-15 of the projects in the development portfolio into producing assets. The projects that the Fund chooses to

construct are selected via a Darwinian process, where each market and technology sends its own signals, presenting individual opportunities and risks. Let's have a closer look at the market status in the regions where we operate.

In the Nordics there is movement towards large scale industrial investments, but the pace is slow. With low electricity prices and good existing infrastructure, the elements are there for the markets to undergo a major leap into low carbon, electricity intensive production, as well as a growing electricity demand for heating and data centres. Most of this is, however, still brewing under the surface. For example, in Finland, electricity consumption has in absolute terms decreased over the last twenty years. While exponential growth on the demand side is expected, the fact for now is that there is an over-supply of electricity in the market. As the over-supply is based on variable production, this equation offers lucrative investment opportunities for the first movers on BESS.

The investment atmosphere in the Baltics, Poland and Balkans is generally driven by a different logic. The share of electricity produced using fossil fuels such as black coal and lignite is large and driving up the electricity prices to a level where new investments into cheaper renewable energy production makes a lot of sense. This trend is expected to continue for many years to come. This offers great opportunities for an investor with the ability to deploy projects in the CEE region.

In Spain, grid access is the main bottleneck for industrial-scale renewable energy projects. Transmission capacity is blocked by the government, and projects that have access to grid are expensive due to interconnection pricing. The large share of solar power production and limited flexibility on the demand side, result in gloomy outlook for the returns on pure play solar investments, but make investments into onshore wind more attractive in comparison. Adding batteries into existing investments is even more attractive.

Texas is a bit like Spain in the sense that there is a large share of renewables, but different in the sense that the market has adapted to the transition. The electricity market is dominated by a 30% share of solar and wind, which is more than any other market in which we operate, yet the market works. The large share of renewables has led to a great demand for BESS to stabilise the system. When the sun sets in the evening and the buildings are still running air conditioning devices, BESS transfers the electricity from the hours when there is an over-supply of electricity to the hours which are short on supply. Flexible electricity demand is also growing rapidly, making further investments into solar and wind attractive despite the large share of consumption being variable.

These markets are all in different stages of the transition. Most markets are expecting exponential growth in electricity demand soon. While these developments are not easy to predict and the shift in the market is rapid, one thing remains certain: the transition into renewable energy has widespread impacts on each market, and the best way to catch the upside is by diversification. The Taaleri SolarWind III Fund can choose from 14 different countries and three different technologies. This is a strong position for us in 2025.



Kai Rintala
Managing Director



Sustainability highlights of 2024



TNFD - Taskforce on Nature-related Financial Disclosures

In 2024, Taaleri Energia kicked-off TNFD adaptation works. We participated in an [extensive training programme](#) arranged by the Finnish Innovation Fund Sitra to guide the financial sector in its work towards transparency on nature-related financial disclosures. The TNFD is a disclosure framework that enables organisations to understand, report and act on their nature-related dependencies, impacts, risks and opportunities. The framework shares many characteristics with the Taskforce for Climate-Related Financial Disclosures (TCFD). Taaleri Energia is engaged in the TNFD process and is publishing the first TNFD-aligned report together with the annual TCFD report. You can read it on [our sustainability pages here](#).

Engagement

Participating in the debate on sustainability topics and sharing insights is key, both to increase awareness and for best practices on regulation implementation to take shape. During 2024, we have continued our mission to keep sustainability on the agenda in a meaningful way. Our Head of ESG, Jenny-Li Holmström, is spearheading this endeavour. She hosted a sustainability session at Wind Finland, where a 700 strong audience of wind industry professionals heard about sustainability regulation and the challenges surrounding sustainable procurement. She was also re-elected as board member and vice chair of the renewable energy association Renewables Finland, which expanded its advocacy to include solar power alongside wind. She also chairs the sustainability working group of Renewables Finland. Taaleri Energia participated in sustainability themed panels at the SuperReturn conference in London and the Sustainable Investor Summit in Vienna. Taaleri Energia is a member of local renewable energy associations in Norway, Sweden, Poland, Lithuania, Latvia, and Serbia.



Photo: Santeri Saari/Saari Visuals

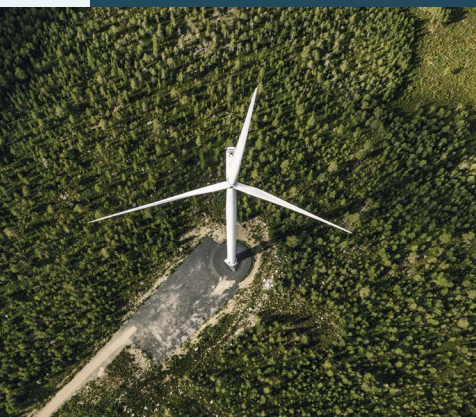
Sustainability training

Along with changes in the market, our sustainability approach has undergone a major transformation during the last few years. During 2024, the dust started to settle, and we had time to focus on streamlining processes instead of only implementing new requirements. Taaleri Energia has a diverse group of almost 50 energy professionals in Finland, Spain, Hungary, and Luxembourg, working across finance, development, construction, operations, legal and more. Our ESG team focused on sparring with team members to embed sustainability work streams into daily operations. This work will continue in 2025, where clarity on requirements will help us scale our operations. General knowledge sharing via practical examples and lessons learned was on the team's monthly knowledge sharing sessions' agenda. Taaleri Group also renewed its mandatory ESG courses, which included knowledge testing.



ESG Strategy

Having worded our sustainability approach into a formal ESG strategy the Board of Directors have had a better opportunity to monitor progress. The execution of the strategy was split into a number of tasks to be performed during the year. The performance was enhanced by implementing personal KPIs for each member of the Taaleri Energia team whose work was relevant for the execution of the ESG strategy. We are pleased to announce that all of the tasks were successfully implemented, and the organisation took large strides forward on its sustainability journey, under the supervision and guidance of the Board of Directors.



Taaleri Energia received EUPD's ESG Transparency Award

Taaleri Energia received EUPD's ESG Transparency Award for operating transparently across key ESG topics and demonstrating responsibility towards its stakeholder groups. This was the first year the market research and certification institute EUPD Research awarded players in the market at the European level. The audit criteria considered all relevant environmental, social and governance aspects and were based on current regulations, global standards, frameworks and additional transparency parameters of the stakeholder groups involved. We are thrilled about the recognition of our sustainability work. You can read more about the Transparency Award [here](#).





Measuring the impact of a BESS in Finland

In November 2024, our first battery energy storage system (BESS), the Paistinkulma project in Finland, began commercial operations. The positive impact of BESS on the grid is not as easy to measure as with renewable energy production facilities, where the facilities will produce renewable energy and displace electricity produced from fossil sources. A BESS facility does, however, result in a greener grid. During 2024, we developed our methodology for calculating the avoided greenhouse gas emissions of a Finnish BESS.

The basic logic of market arbitrage includes charging the BESS at times when the electricity price is low, which tends to be when there is a lot of renewable production in the system. The BESS discharges when the price is high, meaning that fossil assets have been deployed to meet the demand. In practice this means that the BESS will transfer the cleaner energy to hours where the energy mix has a higher emission factor. To calculate this in Finland, we can use Fin-grid's public grid emission factor data, which provides real data per every three minutes. We can run this data against our own BESS project's usage data to determine the average emission factors of the grid when the BESS has been discharging and charging.

While we assume that the facility in Finland will during its first years of operations mostly work in the frequency reserve business, our data from the two first months of operations already shows positive results. We will follow up on this reporting methodology when we have a full calendar year of data to report.

Our data from the two first months of operations already shows positive results. We will follow up on this reporting methodology when we have a full calendar year of data to report.



Net Zero Asset Managers initiative (NZAM) on hold

Taaleri Group has been a signatory of the NZAM initiative since 2021. In January 2025, a review of the initiative was launched to ensure that the NZAM initiative remains fit for purpose in the changing regulatory and political landscape. For the duration of the review, activities to track signatory implementation and reporting are suspended. Taaleri Group has created its net zero goals in line with the NZAM framework and intends to stay committed to aligning its investments with net zero emissions by 2050. We are closely following developments within the NZAM initiative and will align our goals with any updates made by the initiative, should the initiative stay as relevant to us as it has in the past.

Taaleri Energia Renewable Energy Seminar and Battery Storage Investor Day

The annual Taaleri Energia seminars serve as a knowledge sharing forum among our investors, partners and other stakeholders. This year, Taaleri Energia hosted its third annual renewable energy seminar in Helsinki. Held at Katajanokan Kasino, the seminar included presentations and keynote speeches from Taaleri Energia's own experts as well as multiple guest speakers. The day's agenda covered a range of topics, including an overview of the European power markets, power market trading, risk monitoring and hedging, BESS investments, and project financing. Jenny-Li Holmström also held a presentation about the positive impact opportunities in renewable energy investments, and what more should be done to achieve cost-efficient positive impact at different life cycle stages of the projects.

In September, Taaleri Energia hosted a group of investors at the Paistinkulma site, the first battery energy storage system (BESS) in its portfolio. The event provided an overview of BESS market opportunities and Taaleri Energia's investment approach, along with a discussion on another Taaleri SolarWind III Fund BESS investment – the Amador project in Texas. The day also included a presentation on ESG considerations for BESS projects, including the use of critical minerals, recycling and regulatory aspects.



The annual Taaleri Energia seminars serve as a knowledge sharing forum among our investors, partners and other stakeholders.



Our approach

Transparency and reporting



All six Taaleri Energia funds are classified as Article 9 under the EU SFDR. Our target is that all our investments will be EU Taxonomy aligned. Taaleri Energia has also adopted a number of voluntary frameworks to guide its sustainability strategy and reporting, including the Task Force on Climate-Related Financial Disclosures (TCFD), the UN Sustainable Development Goals (SDGs) and the Principles for Responsible Investment (PRI).

Sustainability through partnership



We manage our suppliers and other partners through our Partner Code of Conduct. In addition to selecting only reputable counterparties, requiring our partners to apply these minimum standards on their operations ensures we can hold our partners accountable for their actions throughout the duration of the relationship.

Implementing our approach



Our investments are control investments, providing us with an opportunity to implement our policies fully on all the activities that we fund. In practice, this means that instead of voting in favour of what we believe is the right thing to do, doing the right things is entirely up to us. We directly implement our ESG Policy on the projects we develop, construct, and operate. Third party contractors working directly on our behalf on these types of activities are contractually obligated to apply our ESG Policy in their operations.

Management systems



Dedicated ESG experts manage corporate sustainability matters, while the project managers are responsible for implementing ESG processes on the investment level. Project managers have a wide range of tools at their disposal, including the Environmental and Social Management System (ESMS), which is a template-based handbook on adopting all ESG related requirements. To ensure a high quality, Taaleri Energia's Head of ESG is the gatekeeper, signing off on ESG compliance prior to any investment decision.

Best practice



It is in the planning and execution of each individual wind farm, solar plant, and battery energy storage facility that our sustainability actions matter. We implement our Stakeholder Engagement Policy in each individual project. We promote local employment and take care of the local environment. We understand that our facility is part of the local community, and a social license to operate is as important as a legal license to operate. We implement EU Environmental Impact Assessment standards on all projects, regardless of its location. If we can't avoid negative impact, we mitigate it. If we can't mitigate, we strive to compensate.



Addressing the supply chain challenges: The Solar Stewardship Initiative



During 2024, one of Taaleri Energia's key focus areas in sustainability has been working on transparency and traceability of procurement. One of our highlights in 2023 was the publication of our Sustainable Procurement Handbook, where we laid down the groundwork for solving sustainability challenges in our supply chains. However, transparency in the supply chain remains a challenge.

This challenge is relevant to the renewable energy industry at large. From 2020 onwards, the solar industry has become more and more aware of the human rights crisis in the Xinjiang Uyghur Autonomous Region (XUAR), where the Chinese government has imposed region-wide, ethnically targeted programs of forced labour upon the Uyghur community. By locating solar-grade polysilicon and metallurgical grade silicon production into the XUAR, the Chinese government undercut global prices, shuttering production in other parts of the world and leading to a situation where the XUAR

produces between one third and one half of the world's solar-grade polysilicon. This development has been documented in numerous academic papers and reports, for example those published by the Sheffield Hallam University in 2021 and 2023.

Supply chains in the wind industry are not free from similar concerns. As with solar, the chains are very globalised with a strong focus on China. Mining for most of the important raw materials such as copper is heavily centralised in a small number of countries. Although human rights violations like in the XUAR have not been documented in the wind supply chains, current certification schemes offer only limited supply chain traceability and transparency capabilities. It is frequently not possible to determine the origins of raw materials included in any product, as highlighted in a recent [guidance note](#) by the European Bank for Reconstruction and Development (EBRD).

Nevertheless, there are some key differences between wind and solar industries. In the wind industry, we have very good, long-term relationships in place, and we are able to ask for solid terms on the implementation of our procurement standards and guarantees on the Minimum Safeguards being secured throughout the supply chain. On the solar side, the number of suppliers is much larger, and we do not have a well-established relationship with any single panel producer. With the realisation that influencing the solar panel value chain is not within our sphere of influence, we decided to look for the best way to collaborate with the industry.

To tackle these issues and develop our sustainable procurement practices further, Taaleri Energia applied for a membership of the Solar Stewardship Initiative (SSI) in 2024. Launched by SolarPower Europe and Solar Energy UK in 2021, the aim of SSI is to promote sustainable production in the solar value chain. The SSI is also supported and endorsed by the International Finance Corporation and the European Investment Bank. Taaleri Energia is now a proud member of the initiative.

The SSI addresses challenges in the solar power supply chain through its standards and assurance program. The Initiative has published two standards, the ESG standard and the Supply Chain Traceability standard, according to which independent, third-party assessors certify solar manufacturing sites.

Joining the SSI was a natural continuation of our work in developing sustainable procurement practices.



The minimum requirement for a certification regarding supply chain traceability is the ability to trace the supply chain to the polysilicon level, and a segregated chain of custody is required to prevent the mixing of certified and non-certified materials. The first ESG certifications have already been published, and the first traceability assessments are set to be completed in 2025.

Joining the SSI was a natural continuation of our work in developing sustainable procurement practices. Our vision is that in the future the SSI certification system can be utilised for our solar panel procurement as a golden standard, ensuring us that the minimum safeguards are respected in each site we use, with each component being traceable down to the raw material extraction sites. We believe that the SSI is the right type of initiative and are already seeing positive progress. We also encourage our peers to join forces in developing the markets in a more sustainable direction.



Sustainability actions during development – the low-hanging fruit

The Taaleri SolarWind III Fund develops renewable energy projects in-house. This provides opportunities to improve the sustainability performance of the asset which aren't available to the same extent when buying fully permitted assets. For example, opportunities to reduce the project's negative impact on local natural values are decided already in the early stages of development.

Pauli Maaninka, Senior Development Manager at Taaleri Energia, has been awarded the ESG Action of the Year 2024 in recognition of his initiatives to reach Taaleri's sustainability goals. During 2024, Pauli has developed a practical tool for tracking social engagement actions during the development period. He has also been the driving force behind devising an innovative, low-cost nature positivity plan for a Finnish development project in our fleet. He integrates ESG processes into the everyday workstreams of the projects he manages with ease and sets an example to his peers.



Pauli Maaninka
Senior Development Manager

The aim is to be a good neighbour for the whole project lifetime and beyond

Renewable energy projects are always a long-lasting investment, starting from project identification and planning to construction, operation and finally decommissioning. On the other hand, the footprint of the project can last even longer. There are many ways to reduce and compensate for these effects.

I have been working in the renewable energy sector for almost 20 years. The change from working in a small team building small scale wind parks in Finland to a major league team we are today, has been dramatic. In 2007, when I joined my first wind development team, the wind power production in

Finland was only 0.188 TWh. The small share of wind power in the Finnish production charts was barely visible. Today wind power is the second largest form of production in Finland amounting to 19.8 TWh in 2024. Yes, over 100 times more than in 2007. Last year's solar production also surpassed the 2007 wind production number and is ramping up now, with the hockey stick curve looking much like wind power did in the past.

The increase from roughly 100 turbines to almost 2000 turbines is reflected in more than just the production figures. The positive impacts of using renewables include clean electricity production, an efficient reduction in emissions, increased ener-

gy self-sufficiency, and economic benefits such as affordable energy, job creation, and tax revenues to the municipalities. However, there are some impacts that are challenging. A few imminent ones are that the production equipment cannot be hidden from sight, wind turbines produce noise, and that the local environment changes due to construction activities.

My aim is to develop and build projects that I can confidently support throughout their entire lifetime and beyond. The positive impacts of a project often come naturally and are relatively easy to achieve. However, managing the more challenging aspects is crucial to ensuring that the project becomes a good neighbour to both the local community and the environment. I've always embraced the phrase "being a good neighbour" throughout my career, referring to engaging in actions that are cooperative, acceptable, and enduring. Nowadays this could also be said as "developed in accordance with our ESG policy".

Taaleri Energia's ESG guidelines are adhered to throughout the entire lifecycle. In Finland, the EIA process during the development phase ensures compliance to key ESG requirements. Unfortunately, this has not always been the case and still isn't in many countries. However, the industry has made significant progress and evolved considerably. Today, it's not enough to simply secure permits for a windy, environmentally friendly location and a grid connection point. It's essential to think innovatively beyond these steps and consider how to make the project from "do no significant harm" to "do significant good".

Today, there are useful tools to reach better results. In our Finnish development projects, we have committed to study the impacts of projects on biodiversity using the BOOST method in accordance with the Finnish Nature Conservation Act and are also testing the UK's BNG method. We aim to reduce the negative biodiversity impacts when constructing these projects by using the information obtained through these methods. In the daily life of a developer, this means that we are actively seeking the best actions for every project where we can do significant good in a cost-efficient way.

In one of our pilot projects, our concrete actions are to first assess the natural values of the area and develop a plan to enhance these values. We will identify concrete measures to reduce the ecological footprint. When the plans are made, we will calculate the project's ecological harm, or ecological footprint, and determine how much compensation, or ecological offset, is required to reach a nature positive result. To compensate, our primary plans have been to restore old peatlands on site. Alternatively, areas with important natural values can be designated for protection. We will also calculate the impact of restoration actions on the project's carbon balance.

Since all of this is measurable and all our funds are article 9 funds, we will report our achievements. To me, however, it's more important to be able to proudly say that we truly are a good neighbour and do significant good.

My aim is to develop and build projects that I can confidently support throughout their entire lifetime and beyond.



You get what you measure – progress report and new targets

In our previous publication, we announced five sustainability targets for 2024. Let's review these targets and our performance.

Target 1. Reduce the share of fossil energy consumption (scope 1 and 2) to zero or compensate

Our portfolio companies do not generally have offices, direct employees or own any fuel-consuming equipment. This typically results in no scope 1 emissions in our portfolio. Last year, however, one wind farm bought its own diesel generator to use during power outages. This caused 0,18 tCO₂e of Scope 1 emissions. While compensation is technically possible to reach the set target, the administrative process to cancel 0,20€ worth of Guarantees of Origin was considered too heavy. As a result, we slightly missed the mark for scope 1 emissions.

While generating renewable energy, our wind and solar assets also consume some electricity. Most of the electricity consumed is self-generated by the renewable energy production facility, but some is purchased from third parties, resulting in scope 2 emissions associated with our assets. Since our assets produce renewable energy, they receive Guarantees of Origin. In most cases these GoOs received based on net production figures (gross production minus own consumption), meaning that the own electricity consumption of our assets is already compensated, and the market-based scope 2 emissions for these assets are zero. Where needed, we have acquired additional GoOs to ensure zero market-based emissions for our wind and solar assets. By applying this methodology we reached our target for scope 2

emissions for our renewable energy production facilities. Our first battery energy storage system (BESS), which became operational last year, is an exception. The target was set based on the logic of our electricity producing assets, where the electricity consumption is low and emissions can be compensated for by reducing the amount of GoOs sold to the market by that specific production facility. The BESS, on the other hand, "consumes" a lot of electricity from the grid. As all electricity is purchased based on one contract, it is not straightforward to separate actual own consumption of the asset from operational consumption and losses that occur as a normal part of the operations. The BESS could reach the target by a) contracting for fossil free electricity or b) buying GoOs from the market based on an assessment of own consumption.

In our view, it makes little sense to swap the contract for purchased electricity to be 100% fossil free, when the idea of the BESS is to buy electricity during hours where the electricity mix contains low CO₂ levels and sell when the CO₂ levels are high (see "Measuring the impact of a BESS in Finland" above). Alternatively, the asset could purchase GoOs from the market, but based on our initial calculations, the emissions avoided by the charging and discharging activity itself leave the CO₂ impact of the operational phase net climate positive. We will continue developing our methodology on this and improve reporting as we have more data available.

Target 2. Initiate 5 net zero projects and consider TNFD

This target was reached. We decided to channel resources to the following net zero related activities:

1. Hallanvahti solar farm nature positive project is ongoing in practice.
2. Finnish hybrid project is aiming for nature positivity and
3. the on-site compensation plan for its carbon footprint was kicked off.
4. We collaborated on the [Nature-positive Pohjois-Pohjanmaa project](#), offering our insights for the research project.
5. We provided training for our relevant staff and set a target for all development assets to analyse the best ways to reduce CO2 emissions and nature impact, and plan for positive measures to improve on both these metrics on site.

Last year, we began the TNFD process and are now publishing our first TNFD-aligned report together with the annual TCFD report. During 2025, we will continue the process further.

Target 3. Construct and operate only EU Taxonomy aligned investments

This target was reached. Our investments continued to be in renewable energy generation and battery energy storage systems, meeting the Do No Significant Harm -criteria (DNSH) – all EU Taxonomy aligned.

Target 4. Develop at least 500 MW capacity of renewable power generation or storage to ready to build

This target was reached. During 2024, we developed a total of 520 MW of renewable power generation to a stage where the permitting phase was materially completed.

Target 5. Include the entire supply chain in all technology procurement contracts

This target was reached. During 2024, procurement contracts for Amador, Čibuk 2 and Hallanvahti were finalised. All procurement contracts now include responsibility for implementation of Minimum Safeguards throughout the value chain. There were significant improvements on the sustainability clauses in our standard terms and we were able to reach an understanding with our counterparts.

Four out of five targets were completely reached.



Five sustainability targets for 2025

1. Construct and operate only EU Taxonomy aligned investments
2. Develop at least 500 MW capacity of renewable power generation or storage to ready to build
3. Include the entire supply chain in all technology procurement contracts
4. Consider nature positivity aspects in at least 5 different projects
5. Create reporting regime for social sustainability, including community contributions, tax footprint and regional economic impact

Hallanvahti aims for nature-positive solar power

Solar energy plays a critical role in the transition to a low-carbon future, and development is advancing rapidly in Finland as well. The Hallanvahti solar power project in Joroinen is one of the largest of its kind and sets a benchmark for responsible renewable energy development. Luontoa Oy assisted Taaleri Energia in assessing the project's climate and environmental impacts and provided advice for construction planning as well as framework for monitoring and reporting.



Lauri Tamminen
Leading expert at Luontoa Oy

The Hallanvahti project is being built on Tervajoensuu, a peatland that was drained over 50 years ago. Originally, the area was mostly treeless, but drainage has profoundly changed its ecological state. While trees have slowly grown in the area, the site's poor productivity makes it of little economic value for forestry.

Solar farms inevitably alter local ecosystems, but both site selection and construction methods influence the scale and nature of these impacts. Tervajoensuu has been under human influence for a long time, and there are no endangered habitats or species in the area. As the area has low economic and environmental value, it is well-suited for solar energy development.

The solar farm will be constructed while minimizing further drainage of the area, using floating road structures to reduce soil disturbance. After construction, the natural hydrology of the peatland will be restored, promoting gradual vegetation recovery under the solar panels. Trees from the area will be utilised as road foundations, sequestering the carbon stored in the trees in the re-wetted peatland.

From a water conservation perspective, building on Tervajoensuu is considered safe. Tervajoensuu receives water mainly from rainfall and has limited external water inflows and outflows. The site is bordered by the Tervajoki river and surrounding ridges.

While tree removal and construction will cause some nutrient runoff, the area is naturally low in nutrients, and our calculations showed that runoff will be minimal with the suggested preventive measures during the construction phase. After construction, nutrient runoff from the area will decrease from its current level, meaning that the plant will have positive impacts to water conservation over time. Unlike most solar farms, the site will remain unfenced, allowing terrestrial mammals to move freely across the area.

Climate impacts of land use change

According to our calculations, the Hallanvahti solar power plant will generate annual emissions of 450-500 tons of CO₂-equivalent emissions. This includes the impacts of expanding the transmission grid. The emissions primarily result from tree removal. At the same time, groundwater restoration will slightly improve the soil's carbon balance, and more importantly, preserve the carbon stored in peat. Our calculations indicate that the peat layer holds 80 times more carbon than the area's trees. The risk of methane emissions from water table restoration is considered low due to the site's characteristics. The emissions generated by the project represent only 1.65% of the project's expected overall annual emissions reduction, which is achieved by replacing fossil energy sources.

Social considerations and community involvement

Renewable energy projects' environmental impacts are closely linked to social acceptance. Local stakeholders have been actively involved in the Hallanvahti project from the start, providing critical insights into the area's natural environment.

Monitoring and future research

Our calculations indicate that Tervajoensuu is well-suited for solar energy development, considering both climate and environmental impacts. So far, there has been limited research on the emissions and ecological impacts of solar farms on drained peatlands. The Hallanvahti project will provide valuable insights for future development, with key factors such as groundwater levels and vegetation changes being actively monitored. The goal of the Hallanvahti project is to achieve net-positive climate and environmental

outcomes, following the mitigation hierarchy. This means that negative impacts are primarily avoided through careful site selection, and secondarily, negative impacts are reduced and positive impacts are increased as part of construction and maintenance works. The potential and need for ecological compensation is also being evaluated as part of the monitoring of the impacts. Furthermore, the impact assessment will be expanded beyond the project site to include the materials and components used in solar panels and infrastructure, providing a more comprehensive understanding of the project's overall impacts on nature and climate.

From a water conservation perspective, building on Tervajoensuu is considered safe.



We visited the site in November with local stakeholders and contractors.

Sustainability outlook: What 2024 taught us & what's coming in 2025

Head of ESG, Jenny-Li Holmström



Working with real data

We have now experienced the first full year of collecting and using real data from our assets for our sustainability reporting under the SFDR via a cloud-based tool. While we have had access to most of the real data points before, we did not have access to accurate information on greenhouse gas emissions. When shifting to real data, the most dramatic change has been in the GHG Scope 3 emissions, where the number has decreased dramatically compared to previous assessment-based numbers. Now that the bulk of the work is done, we are happy with the result and ready to move on to new challenges. In 2025, we will work on streamlining the data collection process to improve efficiency, save time and reduce the margin of error.

Time to focus on concrete actions?

It is fundamentally important to understand that the sustainability regulation applicable to Taaleri Energia is only a reporting framework. The framework tells you what to report and how to do it: we are required to be transparent on what we have done, what we intend to do, and we need to track our progress. Repercussions based on sustainability regulation are limited to greenwashing, meaning you can get a fine if you have not done (or can't prove that you've done) what you've said you will do. The sustainability regulation does not in itself require that you act sustainably. This is the current regulatory environment, and our organisation

has spent enough time and efforts on developing the processes and tools to tick the compliance box. We will keep improving these processes but should have lots of time to spare.

Now it is time to re-focus on concrete action. During 2024, we hired a new Senior ESG Analyst. There were over 100 applicants for the position, with more than a dozen of them being excellent applicants. I believe what makes Taaleri Energia attractive for these professionals is that we have the mandate, opportunity and willingness to do very concrete actions, rather than focusing mainly on reporting and achieving marginal improvements.

Taaleri Energia has throughout its history held quality in high regard, and the minimum standards for EU Taxonomy Aligned renewables projects does in itself ensure good quality with regards to respecting both the social and natural environment. We have ambition to do more. In 2024, we kicked off on-site projects for ecological improvements and carbon sinks, but there is a lot of ground to cover, as we can implement these types of efforts in 14 different countries. Improving our understanding together with our development professionals and partners and creating programmes that ensure we have turned all the stones to see if there are good local opportunities to improve on each asset's sustainability performance is what we want to be spending our time on in 2025.

Taaleri Energia has throughout its history held quality in high regard, and the minimum standards for EU Taxonomy Aligned renewables projects does in itself ensure good quality with regards to respecting both the social and natural environment. We have ambition to do more.



Another aspect is contracting. We spent a lot of time in 2024 on improving the quality of our contracts to include more details on our expectations regarding sustainability aspects, but this work is not finished. While we have generally had good experiences with our partners in the sense that state-of-the-art is a mutual expectation, the quality of the contracting has varied. Our construction managers are good at catching any problems before they materialise, but without a solid contractual basis, this results in extra cost which has not been budgeted, and differences in understanding on what needs to be delivered. To streamline these processes, working with detailed standard templates, irrespective of where we operate and who our partner is, will align expectations and reduce risk. Putting assets from development through construction to operation and decommissioning entails a lot of detail and steps where health, safety, human and labour rights, and the environment, must be carefully considered.

While we hope to be focusing on these topics during 2025, the ever-changing regulatory landscape may turn our focus towards adapting to it once more. Although this remains to be seen, we are in any case confident that our continuous work and focus on sustainability issues is preparing us for any challenges the future might hold.





**SUSTAINABLE
DEVELOPMENT
GOALS**

Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDG) report for 2024 was published in June. The report highlights that the current pace of progress falls short of what is needed to reach the SDG targets set for 2030. The lingering effects of the COVID-19 pandemic, geopolitical tensions and growing climate chaos are all contributing to the fact that only 17 percent of the SDG targets are on track, with the progress on some of the targets even regressing. The climate crisis continues to escalate, biodiversity loss is accelerating, and conflicts in Ukraine, Gaza, Sudan and beyond mean that an unprecedented number of people have been forcibly displaced from their homes.

The 2024 report calls for peace, solidarity, and a surge in implementing the critical transitions across multiple sectors around the world. Taaleri Energia stays committed to accelerating the green energy transition through its funds. Read more about our alignment with the SDG targets below.

The SDGs present a more resilient, peaceful, and inclusive future and environment to live in. Taaleri Energia has consulted a third-party company to assess our funds investments' alignment with the SDGs. We are strongly aligned or aligned with the following SDGs:

Goal 7

Ensure access to affordable, reliable, sustainable, and modern energy for all.

Target 7.2.

By 2030, increase substantially the share of renewable energy in the global energy mix.

Indicator 7.2.1.

Renewable energy share in the total final energy consumption.

Our approach

We enable the development, construction and operation of wind and solar facilities and battery energy storage assets. We contribute to increasing the renewable energy share of total final energy consumption, while also increasing energy efficiency and balancing the electricity grid.



Goal 8

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

Target 8.8

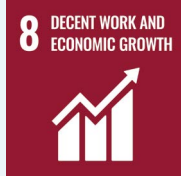
Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

Indicator 8.8.2

Level of national compliance with labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status.

Our approach

We monitor the health and safety aspects in our investments, report any major or minor incidents and have investment-specific health and safety plans that require compliance with both national regulation and international conventions. We do not tolerate the use of child labour, forced labour and modern slavery in our supply chain. We have integrated these practices into our policies.



Goal 9

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Target 9.4.

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Indicator 9.4.1.

CO₂ emission per unit of value added.

Our approach

We enable the development, construction and operation of renewable energy sources that promote inclusive and sustainable energy infrastructure. We aim to maximise the efficiency of existing infrastructure. We report our renewable energy investments enabled avoided GHG emissions annually.



Goal 13

Take urgent action to combat climate change and its impacts.

Target 13.2.

Integrate climate change measures into national policies, strategies, and planning.

Indicator 13.2.2.

Total greenhouse gas emissions per year.

Our approach

All our funds contribute to climate change mitigation by developing, constructing, and operating renewable energy and battery energy storage assets. We play an important role in enabling greenhouse gas emissions reductions and supporting the transition from fossil fuel usage to intermittent, clean energy sources. We are a part of the Net Zero Asset Managers Initiative and have set targets to reduce our emission intensity.



We are aligned with or have an impact on the following SDGs:

Goal 3

Ensure healthy lives and promote well-being for all at all ages.

Target 3.9.
By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



Goal 6

Ensure availability and sustainable management of water and sanitation for all.

Target 6.3.
By 2030, improve water quality by reducing pollution, eliminating dumping, and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.



Goal 11

Make cities and human settlements inclusive, safe, resilient, and sustainable.

Target 11.4. & 11.6.
Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.



Goal 12

Ensure sustainable consumption and production patterns.

Target 12.2., 12.5. & 12.7.
By 2030, achieve the sustainable management and efficient use of natural resources.

By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

Promote public procurement practices that are sustainable, in accordance with national policies and priorities.



Goal 15

Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Target 15.5. & 15.6.
Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

Promote fair and equitable sharing of the benefits arising from the utilisation of genetic resources and promote appropriate access to such resources, as internationally agreed.



Goal 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.

Target 16.5.
Substantially reduce corruption and bribery in all their forms.



Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation EU/2019/2088 ('SFDR') and its amending regulations is a legislative framework introduced by the European Union to support the green transition. Its primary objective is to enhance transparency in the financial market, particularly concerning sustainability risks and the environmental, social, and governance (ESG) aspects of investment products.

The SFDR sets forth specific disclosure requirements for financial market participants, including transparency on the sustainability risks and how those are integrated into their investment decision-making processes, to assess and report the adverse impacts on sustainability factors and certain product-level dis-

closures based on their classification. The SFDR also introduces a classification system of financial products: funds can be article 6, article 8 or article 9 funds depending on whether they have sustainable investment objectives. All Taaleri Energia funds are classified as article 9 funds, which means that they have sustainable investment as their objective.

In line with SFDR article 9 fund requirements, all the funds and Taaleri Energia Funds Management ('the Manager') consider principal adverse impact indicators. The table below summarises the adverse impact caused by the Manager as consolidated information from the Manager's funds.

Principal Adverse Impact indicators (PAI) SFDR EU/2022/1288 Appendix 1

| Topic | # | Indicators | 2024 | 2023 |
|---|----|--|-------|----------|
| Climate and other environmental-related indicators | | | | |
| Greenhouse gas emissions | 1 | Scope 1 GHG emissions, tCO ₂ e | 0.09 | 0.0 |
| | | Scope 2 GHG emissions, tCO ₂ e | 9.26 | 413.7 |
| | | Scope 3 GHG emissions, tCO ₂ e | 5 578 | 46 286.8 |
| | | Total GHG emissions, tCO ₂ e | 5 587 | 46 700.5 |
| | 2 | Carbon footprint, tCO ₂ e/€M | 95 | 424.9 |
| | 3 | GHG intensity tCO ₂ e/€M | 133.4 | 3 700.7 |
| | 4 | Companies active in fossil fuel sectors | 0% | 0% |
| | 5 | Share of non-renewable energy consumption and production | 9.5% | 0.1% |
| | 6 | Energy consumption, GWh/€M | 0.21 | 2.6 |
| Biodiversity | 7 | Activities negatively affecting biodiversity-sensitive areas | 0% | 0% |
| Water | 8 | Emissions to water ratio | 0% | 0% |
| Waste | 9 | Hazardous waste and radioactive waste ratio | 0.06 | 0% |
| Social and employee, respect for human rights, anti-corruption, and anti-bribery matters | | | | |
| UNGC principles and OECD Guide-lines for Multinational Enterprises | 10 | Violations of principles | 0% | 0% |
| | 11 | Lack of processes and mechanisms to monitor compliance | 0% | 0% |
| Gender equality | 12 | Unadjusted gender pay gap | n/a* | n/a* |
| Gender diversity | 13 | Board gender diversity | 50.0% | 35.0% |
| Controversial weapons | 14 | Exposure to controversial weapons | 0% | 0% |
| Additional indicators | | | | |
| Emissions | 15 | Investments without carbon emission reduction initiatives aimed at aligning with the Paris Agreement | 0% | 0% |
| Social and employee matters | 16 | Rate of accidents | 0% | 0% |

*Investment companies do not have direct employees.

ESG team



Jenny-Li Holmström

Legal Director & Head of ESG
+358 40 086 8615
jenny-li.holmstrom@taaleri.com

Jenny-Li is a Legal Director and Head of ESG at Taaleri Energia. She has worked as a lawyer at Taaleri since 2014, during which time she has been secretary of the board for several years, acted as Head of Risk Management, Investment Manager, as well as leading on the establishment processes of several private equity funds. Jenny-Li has extensive experience in the wind power industry, ranging from permitting and financing, corporate governance, structuring and transactions. She is currently the Vice Chairperson of the Board of Renewables Finland, where she has actively been promoting sound wind industry regulation and practices since 2013. In addition, Jenny-Li works on wind transactions, including development, in the Balkans and is responsible for ESG matters within the investment team. Prior to joining Taaleri she was an associate at HPP Attorneys Ltd.'s environmental team.

Jenny-Li holds an LL.M from University of Helsinki.



Atte Ahti

Senior ESG analyst
+358 50 306 3618
atte.ahti@taaleri.com

Atte is a senior ESG analyst at Taaleri Energia. He manages and develops the sustainability aspects of investments, funds and the company, collaborating with people in different parts of the organisation to ensure sustainable asset management. In addition to project development and sustainability reporting, he oversees the ESG data collecting processes and monitors the regulatory landscape to ensure that all stakeholder and regulatory requirements are met. Atte is a member of the Sustainability working group of Renewables Finland, and his background is in management consulting.

Atte holds an M.Sc. (Tech.) from Aalto University.

Appendix 1. Methodology and terminology

Sustainability indicators

In addition to monitoring the funds' principal adverse impacts, we use a number of sustainability indicators to measure the attainment of the sustainable investment objectives of our funds. The indicators vary depending on project type and phase. The sustainability indicators are explained in the table below.

| Project phase and type | Sustainability indicator | Methodology |
|--|--|---|
| Operational/ renewable electricity generation | Renewable energy / installed capacity [MW/MWp] | The reported number is based on installed capacity at the end of the reporting period. For wind power, the reported number is the nominal capacity, reflecting what the power plant would produce if it ran 100% of the time, in optimal conditions. For BESS assets, the indicator refers to installed capacity. |
| | Renewable energy produced [MWh] | The commercial operations date must have been reached and the facility must have the capability of producing electricity for consumption for the facility to be reported under this metric. |
| | Number of households supplied with energy | For solar projects, MWp (megawatt "peak") is used. This term refers to the theoretical maximum power output of a solar power system in ideal conditions. |
| Operational/ renewable electricity generation | Avoided emissions [tCO ₂ e] | CO ₂ emission avoidance is calculated according to the European Investment Bank's ('EIB') methodology. The methodology evaluates a project's net emissions, termed "relative emissions", which are determined by subtracting the project's baseline emissions from its absolute emissions. Absolute emissions refer to those generated in a typical year of operation and are initially considered zero. As according to EIB's methodology, the project's absolute emissions will be quantified and included in the footprint if the emissions are greater than positive or negative 20 000 tonnes of CO ₂ e/year. Baseline emissions represent a scenario in which the project is not built. In renewable energy projects, baseline emissions are calculated by multiplying the planned electricity generated by the project with a country-specific emission factor. A table of the used emission factors is found below. |
| Operational/ Battery energy storage system | Times renewable energy is transferred into high-demand hours | The number indicates the duration in hours that a battery energy storage system shifts renewable energy to periods of high demand. This metric is derived from the variation in the grid's renewable energy concentration during the times when the battery is charged and when it is discharged. |
| | Hours of electricity grid balancing supplied | The number represents the number of hours during which the battery energy storage system balanced the grid, for example by participating in ancillary markets. It reflects the cumulative duration the battery was discharging energy throughout the reporting period. |
| Development phase/all project types | Renewable energy capacity developed [GW] | The total amount of planned nominal capacity of the projects under development, where the project rights are exclusively held. |
| | Environmental incidents | The number of on-site environmental incidents as reported from all projects separately. |
| | Breaches of environmental permits | The number is based on annual project specific reporting results. The term "environmental permit" is interpreted widely to cover environmental obligations posed by a competent authority, despite most of the facilities operating without obligation to procure an environmental permit due to the non-polluting nature of the activity. |
| | Hours worked (during the construction phases) | The number of on-site hours worked by any contractor on the site during the construction phase during the reporting period. |
| | Health and Safety – Fatalities | The number of on-site fatalities during the reporting period. |
| | Health and Safety – Loss Time Incidents | The number of on-site lost time incidents, i.e. accidents that occur when a worker sustains an injury that results in at least one full day off from work, or loss of productive work (absenteeism or delays) during the reporting period. |
| | Community fund contributions | The total amount (in euros, rounded to nearest thousands) of community contributions given by the fund's projects during the reporting period. |
| | Received grievances through grievance mechanism procedures | The number of received grievances through the project specific grievance mechanism procedures during the reporting period. |

Table 2. Figures and sources used for household calculations

| Country | Number of households | Total electricity consumption of households [MWh/a] | Sources used |
|-----------|----------------------|---|---|
| Croatia | 1 441 900 | 6 421 100 | Eurostat |
| Finland | 2 844 883 | 22 089 000 | Statistics Finland |
| Jordan | 1 977 534 | 8 856 000 | Jordan's National Energy and Minerals Regulatory Commission |
| Lithuania | 1 557 000 | 3 147 300 | Eurostat |
| Norway | 2 617 268 | 40 855 883 | Statistics Norway |
| Poland | 15 246 500 | 28 807 000 | Eurostat |
| Serbia | 2 520 854 | 48 165 000 | Statistical Office of the Republic of Serbia |
| Spain | 19 362 900 | 73 151 600 | Eurostat |
| Sweden | 4 772 100 | 39 550 000 | Eurostat |
| USA | 127 482 865 | 1 305 200 000 | U.S. Census Bureau, U.S. Energy Information Administration |

GHG emissions

To measure and calculate our caused GHG emissions, we use the Greenhouse Gas Protocol. The GHG Protocol is the world's most widely used greenhouse gas accounting standard, and it is designed to provide a framework for businesses, governments, and other entities to measure and report their greenhouse gas emissions. The GHG Protocol divides emissions into direct and indirect emissions. Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity, and indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity but occur at sources owned or controlled by another entity.

Direct and indirect emissions are further divided into three broad scopes:

- Scope 1: All direct GHG emissions.
- Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat, or steam.
- Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

GHG Protocol is not a reporting program and does not require verification. We report our emissions according to the Sustainable Finance Disclosure Regulation (EU/2019/2088 and EU/2022/1288).

The majority of our emissions stem from the emissions associated with our fund's investments. We have determined that our investments' scope 1 emissions are effectively zero, as the investments neither own nor control any direct emission sources. Scope 2 emissions are related to the energy consumed by the investment. Scope 3 emissions, encompassing both upstream and downstream impacts as well as those induced by investment activities, form our broadest emissions category.

The EIB carbon footprint methodology offers emission factors to calculate avoided emissions, sourced from reputable international guidelines like the WRI/WBCSD's GHG Protocol and IPCC National GHG Inventories. When using these factors, the impact of non-CO₂ greenhouse gases is negligible. For calculation purposes, the factors below can be considered as CO₂e. The country-specific emission factors are shown below.

| Country | Country-specific emission factor for electricity production [tCO ₂ /GWh] |
|-----------|---|
| Serbia | 933 |
| Poland | 717 |
| Jordan | 474 |
| USA | 352 |
| Spain | 329 |
| Croatia | 247 |
| Finland | 209 |
| Lithuania | 170 |
| Sweden | 52 |
| Norway | 36 |

| Scope 1 | Scope 2 | Scope 3 |
|--|--|--|
| <p>To calculate Scope 1 emissions, we measure the direct greenhouse gas emissions from sources that our investments owns or controls, such as emissions from combustion in owned or controlled boilers, furnaces, vehicles, and from chemical production in owned or controlled process equipment.</p> | <p>Scope 2 emissions are calculated following the GHG Protocol, which involves multiplying the energy consumed by the emission factor, using either a location-based or market-based method.</p> <p>Location-based method applies regional or grid-average emission factors to the electricity consumed, reflecting the average energy mix of the location where the consumption occurs.</p> <p>Market-based method utilises emission factors that reflect the specific energy sources contracted or purchased by a company, such as renewable energy certificates and Guarantees of Origins, to account for the environmental impact of the chosen energy supply more accurately.</p> | <p>We collect associated data to calculate the scope 3 emissions from our assets through a third-party platform, which is also used to provide the necessary emission factors and calculate the emissions.</p> |

We do not include Taaleri Energia's GHG emissions in our calculations as those emissions are considered in the Taaleri Plc GHG emission calculations.

Appendix 2. Policies, publications and other materials

Policies and publications:

- [Taaleri Energia's Partner Code of Conduct](#)
- [Taaleri Energia's ESG Policy](#)
- [Taaleri Energia's 2023 Sustainability Report](#)
- [Taaleri Energia's climate- and nature-related disclosures](#)

Fund specific information and other materials:

- [Wind Power Fund II](#)
- [Wind Power Fund III](#)
- [SolarWind I](#)
- [SolarWind II](#)
- [SolarWind III](#)
- [Sustainability at Taaleri Energia](#)