TCFD & TNFD report

Taaleri Energia's climate- and nature-related disclosures for the 2024 reporting period

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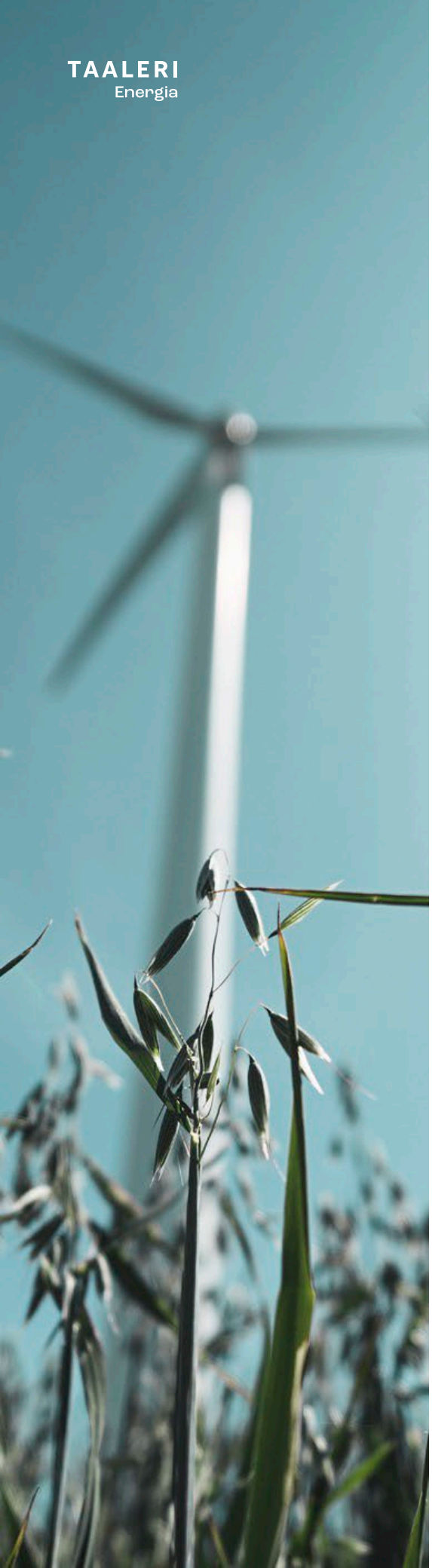

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Introduction

This report includes Taaleri Energia's climate- and nature-related financial disclosures for the 2024 reporting period. The Taskforce on Climate-related Financial Disclosures (**TCFD**) has published a structured framework for organisations to disclose financial information on climate-related risks and opportunities. TCFD's primary goal is to create a set of recommendations for consistent disclosures that would enhance the understanding of climate-related risks and opportunities among financial market participants. In 2017, the TCFD released a series of recommendations designed to address gaps in the information provided regarding the financial impact of climate risk throughout the investment chain. Since then, companies worldwide have increasingly adopted and embraced these recommendations.

The Taskforce on Nature-Related Financial Disclosures (**TNFD**) provides a framework for companies and financial institutions to identify, assess, manage and disclose nature-related issues, Launched formally in 2021, over 500 companies have since committed to TNFD-aligned reporting.

This report is Taaleri Energia's second TCFD report and the first TNFD report. This report includes an assessment of Taaleri Energia Oy, Taaleri Energia Funds Management Oy, and the investments made by the funds and other assets managed by these (together "Taaleri Energia"). This report is structured according to recommended disclosure frameworks set out in the TCFD and the TNFD documentation see (report index).

Our future-oriented approach is based on the belief that taking responsible care of the environment is not just a moral obligation but also a key driver for achieving long-term sustainable financial performance. We are dedicated to a leading role in the transition towards a low-carbon, sustainable economy. This involves actively seeking investment opportunities that support climate change mitigation and adaptation, advocating for robust climate policies, and fostering a culture of sustainability within our organisation. We believe that addressing climate change requires a collaborative effort. Therefore, we continue to engage with our stakeholders, including investors, clients, and the broader community, to share insights, learn from best practices, and contribute to collective efforts against climate change.

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Table 1. key points in response to TCFD and TNFD recommendations

Recommendation	Page
Governance: disclose the organisation's governance on • **climate-related risks and opportunities** • **nature-related dependencies, impacts, risks and opportunities.**	
Describe the board's oversight of • Climate-related risks and opportunities • Nature-related dependencies, impacts, risks and opportunities.	6-7
Describe management's role in assessing and managing • Climate-related risks and opportunities • Nature-related dependencies, impacts, risks and opportunities.	6-7
Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	7
Strategy: disclose the • **actual and potential impacts of climate-related risks and opportunities** • **effects of nature-related dependencies, impacts, risks and opportunities** **on the organisation's business model, strategy and financial planning where such information is material.**	
Describe the • Climate-related risks and opportunities • Nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short-, medium-, and long-term.	10-11
Describe the • Impact of climate-related risks and opportunities • Effect of nature-related dependencies, impacts, risks and opportunities on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	8-9
Describe the resilience of the organization's strategy • Taking into consideration different climate-related scenarios, including a 2°C or lower scenario • To nature-related risks and opportunities, taking into consideration different scenarios.	9
Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	-
Risk & impact management: • **Disclose how the organization identifies, assesses and manages climate-related risks** • **Describe the processes used by the organisation to identify, assess, prioritize and monitor nature-related dependencies, impacts, risks and opportunities.**	

Describe the organization's processes for
• Identifying and assessing climate-related risk
• Identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its
  • Direct operations
  • Upstream and downstream value chains.
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Describe the organization's processes for managing • Climate-related risks • Nature-related dependencies, impacts, risks and opportunities.	13

Describe how processes for identifying, assessing, prioritizing and monitoring • Climate-related risks • Nature-related risks are integrated into and inform the organization's overall risk management process.	13
Metrics and targets: disclose the metrics and targets used to assess and manage material • **Climate-related risks and opportunities** • **Nature-related dependencies, impacts, risks and opportunities.**	
Disclose the metrics used by the organization to assess climate and nature-related risks and opportunities in line with its strategy and risk management process.	14
Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	14
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	15
Describe the targets and goals used by the organization to manage • Climate-related risks and opportunities • Nature-related dependencies, impacts, risks and opportunities and its performance against these.	16

Governance

Description of policies and engagement activities

Taaleri Energia is a subsidiary of the publicly listed parent, Taaleri Oyj. Group-level policies are implemented in Taaleri Energia's operations. The Taaleri Group's strategy and measures for sustainable investing are described in the Group Sustainability Policy. Taaleri Group's Code of Conduct and the Sustainability Policy guide Taaleri Group and all its businesses. Taaleri Groups also has a group-wide Sustainability Risk policy, where more information on the Governance and Sustainability risk processes can be found.

Group-level policies are supported by business-specific policies and guidelines. Taaleri Energia's publicly available policies that describe our approach to sustainability, stakeholder engagement, and human rights are Taaleri Energia's ESG Policy and Taaleri Energia's Partner Code of Conduct.

Board oversight and management's role

The board of directors oversees and guides the sustainability work, while the Head of ESG leads, develops, resources and monitors the day-to-day progress of sustainability work. The ESG strategy, drafted by the Head of ESG and approved and monitored by the board, guides sustainability work.

The Head of ESG's role is to manage and guide our sustainability-related decisions and processes. The Head of ESG reports at least every quarter to the board of Taaleri Energia and provides sign-off on the appropriate implementation of the ESG policy on any investment proposal to the investment committee. Taaleri Energia also has a designated resource dedicated only to sustainability, a Senior ESG Analyst. Their role is to provide the investment team and other colleagues with detailed guidance on how to implement best practices on climate-related issues in Taaleri Energia's investments, funds and sustainability issues. The ESG team reports directly to the board and discusses any ongoing issues with the management, to support decision making.

In addition, Taaleri Energia's investments are control investments and Taaleri Energia employees occupy seats on the investee companies' boards. This allows us to implement the policies and practices directly throughout the operations of our investee companies, as well as oversee and manage the climate-related risks and opportunities easily and transparently.

At the group level, the group's ESG team is responsible for identifying and documenting the Group's significant sustainability risks, drafting and updating policies and guidelines, and providing support functions for the monitoring of sustainability risks in the business segments. The ESG team is also responsible for the communication and training in regard to sustainability risks and related processes, monitoring the EU's sustainable finance reporting obligations and measuring the Group's performance.

The Group Risk Officer, Simo Seppänen, and the group ESG team as well as the persons responsible for the risk management of the businesses are responsible for monitoring and controlling sustainability risks and preparing relevant adaptation plans.

Taaleri Energia's reporting is regulated by the EU SFDR. The ESG team performs an annual compliance assessment on its reporting, which is reviewed and confirmed by the Taaleri Group's ESG function and Taaleri Oyj's board

Stakeholder engagement

Taaleri Energia's stakeholder engagement policy is outlined in its ESG Policy. 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. The standards implemented are further detailed in a separate policy, Taaleri Energia Stakeholder Engagement Principles. Each investment will have its own Stakeholder Engagement Plan and appropriate channels for community and other stakeholder grievances.

In addition, the ESG Policy outlines Taaleri Energia's approach to land acquisition and relationships with indigenous people and cultural heritage.

Strategy

Climate-related risks

Investments in infrastructure are long-term investments, where climate-related issues may arise in different ways and at different times. Since these investments are at the core of our fund strategies, it is important for us to assess short-, medium-, and long-term climate-related issues.

Impact of climate-related risks and opportunities on Taaleri Energia's businesses, strategy, and financial planning

We have assessed the impact of climate-related issues on key areas within our strategy:

- **Products and services:** we have aligned our products and services with sustainability goals and stakeholder expectations.
- **Supply chains:** we are continuously monitoring for vulnerabilities and opportunities in our supply chains to ensure resilience.
- **Adaptation and mitigation:** our business strategy is fundamentally based on activities mitigating climate change. The funds we manage have exclusive strategies to invest only in EU Taxonomy-aligned renewable energy production and battery energy storage system facilities.
- **Research and development:** we invest in the green transition and in markets where private equity funds rarely invest in renewable energy. By doing this, our investments have a positive sustainable impact on renewable energy capacity in countries where the share of renewable energy is the smallest.
- **Operations:** we have analysed the impact on types and locations of investments.
- **Acquisitions/divestments:** we have considered climate factors in decision-making processes.
- **Access to capital:** we have recognised the importance of climate considerations in financial planning.

We assess physical climate risks separately for each new investment and transitional risks for each geography and technology. Physical climate risks are identified and assessed for each investment prior to making the final investment decision. To assess physical climate change-related risks, different climate change scenarios are used. IPCC's RCP (Representative Concentration Pathway) scenarios range from 2.6 (representing stringent mitigation efforts) to 8.5 (high greenhouse gas emissions). We assess our investments using the scenarios RCP 2.6, 4.5, 6.0 and 8.5. This range ensures a comprehensive understanding of potential future climates and their associated risks. These analyses are used as background material before the investment decision is made.

Table 2 describes the climate-related transitional risks and opportunities Taaleri Energia has identified. Both physical and transitional risk analyses utilise the IEA Net Zero Emissions by 2050 (NZE) scenario.

Resilience of Taaleri Energia's strategy

We live in an era of transition to renewable electricity, and target investments and markets are based on where they are in relation to this transition. Our strategy and the choices regarding investments and markets enable us to react to changes in the economic landscape affected by climate and energy policy.

Taaleri Energia has detailed strategies for shifting towards a low-carbon economy, encompassing targets for reducing greenhouse gas emissions and specifying activities that bolster the broader transition. This underscores our enduring commitment to tackling climate-related challenges and prioritising sustainability for sustained long-term value creation. In addition, climate-related issues are integral to our financial planning process. We prioritise risks and opportunities based on their impact on creating value over time. During the financial planning, if red flags are raised, for example relating to sustainability, those risks are required to be mitigated, or the investment cannot be made. We see that our business plays a meaningful role in combating climate change, as our investments significantly contribute to reducing carbon emissions and decreasing reliance on fossil fuels.

Our funds' strategies are restrictive for investments and geographical location. We only invest in activities that make it possible to reduce or avoid CO_2 emissions or to balance the electricity grid or electricity distribution by establishing the energy infrastructure required for enabling the decarbonisation of energy systems per Article 9, paragraph 3 of the SFDR regulation.

Table 2. key climate-related transition risks and opportunities for Taaleri Energia. Time horisons: short = ongoing to three years, medium = three to ten years, long = ten years or more.

Key risks (R) and opportunities (O)	Potential financial impact	Time	Risk class	Adaptation
Policy & Legal				
Political intervention in the energy sector and renewables market is increasing due to electrification and emission reduction targets. Over-subsidization of renewable energy can lead to unstable development and over-construction, resulting in long-term asset value loss. However, it can also present significant business opportunities. (R/O)	Ad-hoc solutions, extra costs, and decreased value of the investments. Opportunities include increased revenue streams or cost savings.	Short	Medium	Diversification across different markets can help mitigate risks. Although there is a possibility of over-construction, it is unlikely to significantly affect the overall business. This is because the projected trend shows an increase in electricity consumption, which outweighs the ability to construct new production facilities.
Increased demand for renewable energy is likely to result in increased competition for suitable sites, leading to a shortage of good sites, higher prices, and grid curtailment during operations. (R/O)	Funds unable to acquire quality projects meeting IRR requirements can lead to low deployment of commitments, decreased fundraising success, and weak IRR with loss of carried interest. Development activities can lead to significant opportunities.	Short	Low	We assess changes regularly. consult stakeholders and diversify within the same fund to mitigate risks. Project development reduces impact. The net impact of curtailment is estimated to be low due to increased electricity consumption and subsequent increases in prices.
Investing in renewable energy and electricity storage aligns with EU green transition targets and policies, creating more opportunities. (O)	There are more investment opportunities and interested investors in the funds business.	Short	High	Stakeholder engagement, supporting communication and showing examples.
Enhanced reporting and regulatory requirements for the fund manager and investments. (R/O)	Operating costs can increase due to higher compliance costs, increased amount of reporting and third-party assurance expenses, policy changes, compensation demands, reduced asset valuation, and higher tax costs for construction and operation. This can be an opportunity, if stringent requirements are met, differentiating us from competition.	Short	Low	Taaleri Energia has assigned personnel to ensure compliance with regulations and reporting requirements. Additionally, we provide training to all employees to ensure awareness of these changes.
Climate change-related issues may lead to various types of global crises, resulting in conflicts, legal changes, and unstable situations among governments. (R)	Increased costs due to legal assessments, mediation, and ad-hoc solutions are expected during a global crisis.	Medium	Medium	Fund strategy of investing in renewable energy is the best adaption solution.
Climate change may cause crises between countries on which our business has a material dependency. Disruption in trade with China is a key risk as China manufactures most solar panels and supplies raw materials for wind and battery solutions. (R)	Any major disruptions in the supply chain may materially decrease returns.	Medium	Medium	Risk can be mitigated by diversifying the construction phase of different assets and technologies. Addressing dependency on imports from a single market, such as China, is also important.

Key risks (R) and opportunities (O)	Potential financial impact	Time	Risk class	Adaptation
Technology				
The current geopolitical situation presents a lot of economical uncertainties, ranging from possibilities of a trade war and sanctions to a more general backlash on sustainability reporting requirements.	These developments can lead to higher costs and a decreased value of investments.	Short	Medium	Taaleri Energia has assigned personnel to ensure we stay up to date with all developments. Diversification across different markets reduces this risk.
Unsuccessful investment in new technologies or new markets. (R)	Possible write-offs and early retirement of invested assets. Costs to adopt and deploy new practices and processes.	Medium	Low	We regularly evaluate technological advancements and seek advice from external experts. When dealing with new technology, it is possible to negotiate better performance guarantees. However, the biggest risk at present is related to battery storage, as the market is not yet mature in all places.
Market & reputation				
Possibility for wind, solar and battery power plants to participate in ancillary services markets due to increased amount of variable production in any given market. (O)	Potential revenue source is modelled. Revenues can be projected only for a short period of time.	Short	Medium	Alternative revenue streams must always be considered when the market is saturated.
Taaleri Energia's products represent very good alignment with climate change mitigation goals, presenting a relatively rare opportunity for investors to satisfy their impact investing strategy needs. (O)	Increased volume of business.	Short	Low	Dedicate efforts to implementing ESMS, avoiding non-compliance, and engaging in sustainability initiatives and networks to uphold a good reputation.
Due to the increasing demand for renewable energy production and storage facilities, costs have risen, and raw materials are becoming scarce. (R)	Delays and increased costs may result in higher capex and component shortages, leading to lower investment returns.	Medium	Low	Risk can be mitigated by diversifying the construction phase of assets across different points in time and technologies. Pricing must be locked prior to making investment decisions.
Rising expenses and a shortage of high-quality services are being caused by the competition for skilled workers. (R)	There may be potential issues arising from operational delays, as well as increased competition for the best skilled workforce, and higher wage payments.	Medium	Low	We regularly evaluate performance and seek input from our peers.
Problems with logistics. (R)	Some additional expenses and complications arise due to delays, which can lead to uncertain and improvised solutions.	Short	Low	We regularly assess changes and consult external stakeholders and initiatives to manage risks in our supply chain and supplier assessment.

Key risks (R) and opportunities (O)	Potential financial impact	Time	Risk class	Adaptation
Other				
Consumer and stakeholder behaviour changes, market uncertainty, stakeholder concerns, negative feedback, and sector stigmatization. (R)	It is unlikely that solar, wind or battery storage would become unpopular across all the selected geographies simultaneously, but market or sector-specific challenges may occur from time to time due to reduced demand for products and services.	Short	Low	We regularly evaluate changes and seek input from relevant external stakeholders and initiatives.
Contributing to significant CO2 emissions reductions via our investments as well as decreasing the reliance on fossil fuels. (O)	Returns on low-emission investments and no exposure to carbon pricing changes as well as reputation benefits resulting from increased demand.	Short	High	n/a
Enhancing energy security by renewable energy and electricity storage. (O)	Increased volume of business and better competitive position to reflect shifting consumer preferences, resulting in increased revenues as well as reputation benefits resulting from increased demand.	Short	High	n/a
By contributing to sustainable economic growth, we also create new jobs locally and more broadly. (O)	Reputation benefits and gaining the most valuable people to work together will help us to create better investments and returns.	Short	High	n/a

Strategy

Nature-related risks

We began our work towards implementing the TNFD recommendations in 2024, when Taaleri Energia was selected to participate in Sitra's TNFD program. The program consisted of four whole-day workshops during H2 of 2024. After the workshops, we continued implementing the framework.

The LEAP method

The TNFD (Task Force on Nature-related Financial Disclosures) has introduced the LEAP (Leading Practices for Impact-Driven Natural Capital Management) approach to help businesses and financial institutions assess and disclose their nature-related risks and opportunities. It aligns with the broader goal of integrating nature and biodiversity considerations into financial decision-making processes.

The LEAP process consists of four stages:

1. **Locate** our investment activities and value chain. An organisation's impacts and dependencies on nature are highly location specific. The first step in understanding the interface with nature is identifying the sites and inputs which should be prioritised for location-based analysis.
2. **Evaluate** nature-related risks and opportunities by using different tools. The next step is to identify, measure and value nature-related impacts and dependencies to provide a clear picture of how we interact with nature. Impacts occur when we cause, or contribute to, a positive or negative change to the state of natural capital. Dependencies exist where business functions rely on specific ecosystem services.
3. **Assess** dependencies and relationships. It is critical to understand the likelihood and magnitude of nature risks and opportunities to be able to prioritise and manage them effectively.
4. **Prepare** action plan, set KPIs and processes and report.

Taaleri Energia is currently in the evaluation/assessment phase of the LEAP process. In 2024, we began to evaluate our portfolio by using SBTN (Science Based Targets for Nature) to identify impacts and ENCORE to identify the most critical dependencies. While implementing these methodologies on our assets, our initial findings have been that these tools appear better fit for purpose for owners who have less existing knowledge about the assets in their portfolio. With our hands-on work with each individual asset, where we study the environmental impact of the asset on a detailed level, these methodologies tend to provide less accurate information that we already have. In 2025, we aim to finish the evaluation and assessment phases, including completing all asset-level analysis, and move on to the final step of the LEAP process, "prepare", where we will set targets and begin reporting on the progress. We also acknowledge that the LEAP process is continuous and should be updated.

Risk management

We have integrated identifying, assessing and managing climate-related risks into our overall risk management framework. Our risk management process involves continuous monitoring of climate risks, integrating ESG considerations into investment analysis, and regularly engaging with our stakeholders. The integration of climate-related risks into the framework is described in Taaleri Group's Sustainability Risk Policy.

Taaleri Energia's investments are control investments and Taaleri Energia employees occupy seats on the investee companies' boards. This helps to ensure that the investee companies are aligned with Taaleri Energia's risk management frameworks and climate and nature-related risks are assessed when needed.

Positioning of the portfolio

Our strategy and the choices regarding target investments and markets enable us to react to changes in the economic landscape affected by climate and energy politics. See the Strategy section for more information.

Metrics and targets

All funds managed by Taaleri Energia are labelled as Article 9 funds as defined by EU's Sustainable Finance Disclosures Regulation (SFDR). This classification status requires extensive reporting, the requirements of which cannot be fulfilled without data collection, metrics, and targets. The metrics collected in the SFDR reporting process are also used to measure and manage climate-related risks and opportunities. The metrics from the current reporting year and the previous year are found in annual fund-level reports that are published on Taaleri Energia's website. Fund manager-level metrics are found in the annual sustainability report.

In addition to sustainability objectives and positive impact targets, we aim to decrease any potential adverse impacts our investments may have through annual target-setting. The principal adverse impacts of the investments are decreased for example by purchasing only renewable energy, ensuring that we do not construct on biodiversity-sensitive areas and that we favour durable components and recyclability.

The following table presents all the metrics that we use to assess and manage relevant climate- and nature-related risks, opportunities and impacts. We report the metrics at least annually at the fund and fund manager levels. There have been no changes made to the metrics during the reporting period.

Table 3. Metrics used by Taaleri Energia to measure and manage climate and nature-related matters.

Fund	Sustainability indicators	Principal Adverse Impact indicators
SolarWind III	• Renewable energy capacity [MW/MWp] • Renewable energy produced [MWh] • Number of households supplied with energy • Avoided emissions [tCO2e] • Times renewable energy is transferred into high-demand hours • Hours of electricity grid balancing supplied • Renewable energy capacity developed [GW] • Environmental incidents • Breaches of environmental permits • Hours worked (during the construction phases) • Health and Safety - Fatalities • Health and Safety - Loss Time Incidents • Community fund contributions • Received grievances through grievance mechanism procedures	1. Scope 1 emissions [tCO2e] 2. Scope 2 emissions [tCO2e] 3. Scope 3 emissions [tCO2e] 4. Total GHG emissions [tCO2e] 5. Carbon footprint [tCO2e/M€] 6. GHG intensity [tCO2e/M€] 7. Exposure to companies active in the fossil fuel sector 8. Share of non-renewable energy consumption and production 9. Energy consumption intensity [GWh/M€] 10. Number of activities negatively affecting biodiversity-sensitive areas 11. Emissions to water 12. Hazardous waste and radioactive waste ratio 13. Violations to UNGC and OECD 14. Lack of processes and compliance mechanisms to monitor UNGC and OECD 15. Gender pay gap 16. Board gender diversity 17. Exposure to controversial weapons 18. Investments in companies without carbon emission reduction initiatives 19. Rate of accidents
SolarWind II	• Renewable energy capacity [MW/MWp] • Renewable energy produced [MWh] • Avoided emissions [tCO2e]	
SolarWind I		
Tuulitehdas III		
Tuulitehdas II		

Greenhouse gas emissions

We recognise our responsibility in monitoring and reducing greenhouse gas (GHG) emissions across all scopes, in alignment with the Task Force on Climate-related Financial Disclosures recommendations. Our commitment is reflected in our rigorous metrics and targets designed to track and mitigate our carbon footprint across the sectors of our operations and investments. We have calculated Taaleri Energia Funds Management Ltd emissions using the GHG protocol in table 4 below. There have been significant changes to the figures, when comparing them to the previous year. A small increase in scope 1 emissions is due to use of a diesel generator at one of the sites during servicing. There has been an increase in market-based scope 2 emissions due to the Paistinkulma project beginning commercial operations in Q4 of 2024. More noticeable changes have been in scope 2 location-based and scope 3 emissions. These changes are due to a smaller number of assets in construction phase in 2024 when compared to 2023, as well as improvements in our ESG data collection. 2024 was the first year when we collected relevant ESG data straight from the assets through a third-party platform, including the emissions data. We expect that going forward, changes in emission figures will be less drastic and more accurate, as we keep on developing our ESG data collection and reporting practices.

Table 4. Taaleri Energia's GHG emissions.

Measurement	2024 [tCO_2e]		2023 [tCO_2e]	
Scope 1: we measure direct emissions from our owned or controlled sources.	0.18		0.0	
Scope 2: we monitor indirect emissions from electricity, heat, and cooling used by our assets. Scope 2 emissions are categorised into market-based, reflecting our specific energy purchases, and location-based, accounting for grid averages.	Market-based: 9.17	Location-based: 1 280	Market-based: 2.4	Location-based: 3 238
Scope 3: we assess emissions associated with upstream and downstream activities, including the production of purchased goods and services, business travel, and waste disposal.	9 396		113 134	
Total	9 405	10 676	113 136	116 372

Weighted average carbon intensity

In addition to disclosing GHG emissions, asset owners are instructed to disclose the weighted average carbon intensity (WACI) for each fund. For Taaleri Energia's funds, the WACI figures are presented in table 5 below. The figures are calculated according to TCFD recommendations.

Table 5. Weighted average carbon intensity for Taaleri Energia' s funds in 2024.

Fund	Weighted average carbon intensity (WACI) [tCO_2e/M€]
SolarWind III	0 .74
SolarWind II	0
SolarWind I	0.003
Tuulitehdas III	0
Tuulitehdas II	0

Targets

According to the sustainable investment objectives of our funds, the funds have aligned all investments with science-based and Paris Agreement-aligned emission reduction plans. Taaleri Oyj has signed the Net Zero Asset Managers Initiative and has set an intermediate target for Taaleri Energia and its funds' investments to reduce -50% of emission intensity by 2030 based on the baseline year 2022.

In addition, Taaleri Energia has set forth separate sustainability targets. These targets can be found in our annual sustainability reports.

We will continue to align our targets with the latest scientific research and international climate agreements to ensure our contributions towards global emission reduction goals are impactful and relevant.

Remuneration

Taaleri Energia's business is based on investments which enable the green transition and are climate-related. The vast majority of variable remuneration paid to employees is based on the financial performance of our funds and renewable energy and battery energy storage system assets. Additionally, we set sustainability related remuneration targets in our annual short-term incentive programmes.

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