

The background of the entire page is a photograph of a wind turbine standing in a forest of evergreen trees. The sky is a clear, light blue. The lighting suggests it might be late afternoon or early morning, with some trees in the foreground showing a golden glow. A semi-transparent grey horizontal bar is located at the bottom of the image, containing the report title and company name.

SUSTAINABILITY REPORT 2023

EXILION TUULI KY



Sustainability requires anticipation of global megatrends, catering to the expectations of different stakeholders and building new modes of operations in order to manage the challenges related to sustainable business practices. It is important to recognise the positive impacts of the actions effecting the environment, people and society in addition to minimizing the negative effects. Sustainability also needs to be evaluated throughout the whole company based on the value chain due diligence.

This is the sustainability report for Exilion Tuuli for the year 2023. The report consists of the company's sustainability program for the years 2023-2025 and a description of the sustainability actions carried out during 2023. The main sustainability focus areas for Exilion Tuuli are positive societal impacts, role in minimizing climate change and the local significance of actions. The corporate sustainability programme and report are built around these themes.

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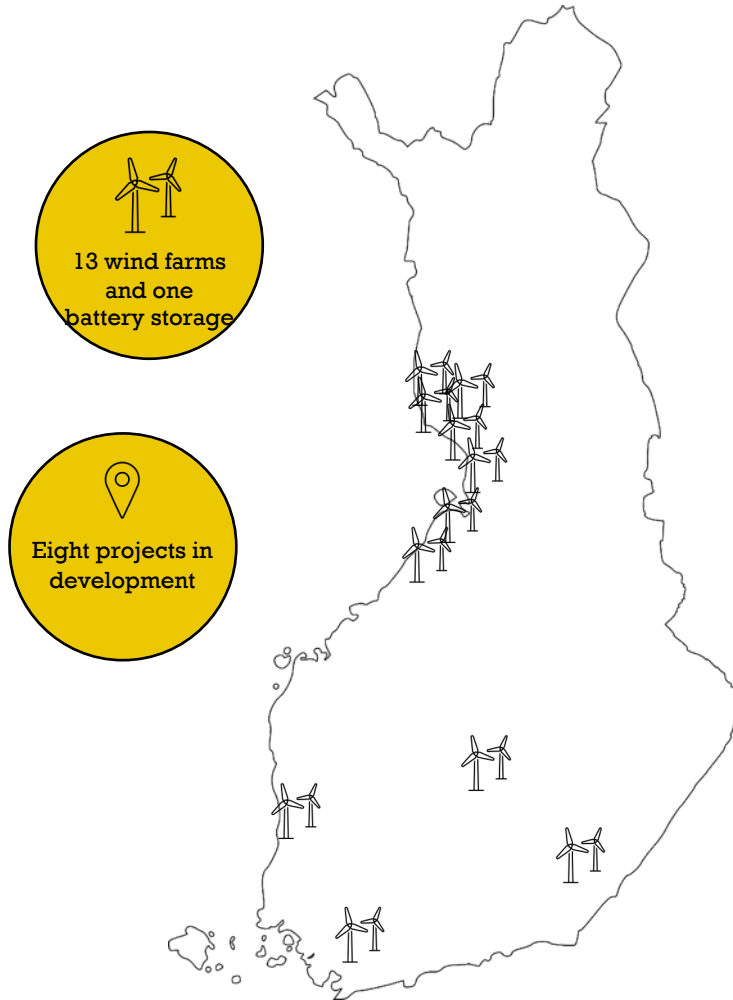
Exilion Tuuli Ky in Brief

Exilion Tuuli Ky is one of the largest domestic wind energy providers in Finland. The company currently owns thirteen wind farms around Finland and one battery storage. In addition to this, in 2023 there were two construction projects, four development projects and one solar project underway.

The combined wind power capacity of wind farms owned by Exilion Tuuli is approximately 380 MW, which is around one tenth of Finland's overall capacity. The yearly production volume is over 1000 GWh, which equals the yearly consumption of all households in Helsinki.

The company was founded in 2019 and the operations are managed by Exilion Management Oy. Exilion Tuuli Ky is owned by the Finnish institutions Elo Mutual Pension Insurance Company, Veritas Pension Insurance and the State Pension Fund of Finland.

The goal of the company is to achieve steady return with a low risk profile. The profits are directed to pensions of Finnish citizens.



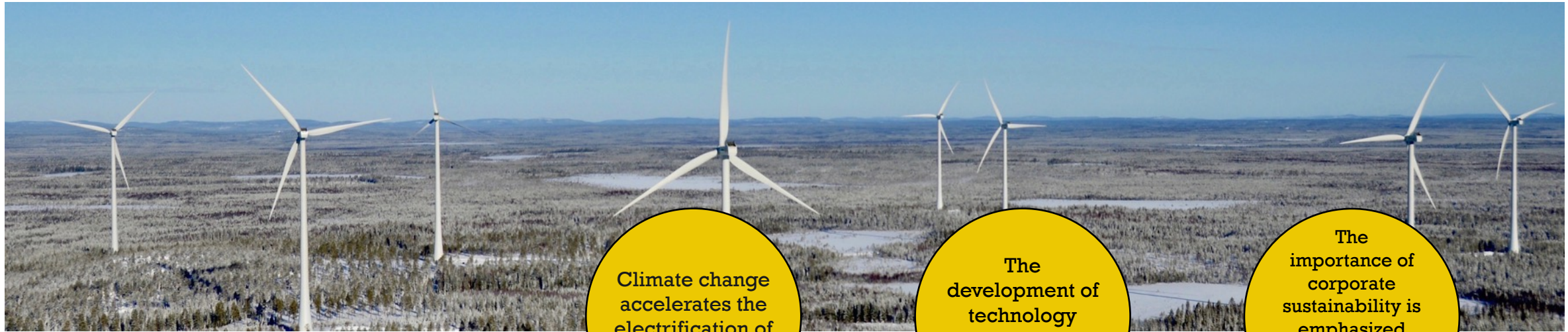
Wind Farms and Battery Storage

- Simo, Halmekangas (2017; 11 power plants)
- Simo, Onkalo (2017; 3 power plants)
- Simo, Leipiö (2014; 4 power plants)
- Ii, Viinämäki (2019; 5 power plants)
- Ii, Battery Storage (2021)
- Pori, Tahkoluoto Tuuli (2009; 1 power plant)
- Pori, Peitto (2014; 12 power plants)
- Tervola, Varevaara (2013; 10 power plants)
- Kalajoki, Mustilankangas (2017; 28 power plants)
- Luhanka (2014; 6 power plants)
- Siikajoki, Vartinoja (2016; 9 power plants)
- Lappeenranta, Muukko (2013; 7 power plants)
- Salo, Märynummi (2014; 2 power plants)
- Tornio, Kitkiäisvaara (2014; 8 power plants)

Projects in Development

- Ii Isokangas, rakennushanke – 5 power plants
- Ii Palokangas, rakennushanke – 12 power plants
- Vaala Naulakangas, development project
- Tervola Hevosselkä, development project
- Tervola Löylyvaara, development project
- Tornio Karhakkamaa, development project
- Simo, solar development project
- Luumäki, solar and battery development project

Megatrends Impacting our Business



We have identified and assessed in advance how the tightening requirements and global megatrends will affect society and thus our operations now and in the near future. We have identified the following three megatrends, which are the basis for the development of our operations and our sustainability work; climate change accelerates the electrification of society, the development of technology increases the possibilities and the importance of corporate sustainability is emphasized throughout the value chain.

Climate change accelerates the electrification of society

The climate is heating up, extreme weather conditions are increasing and biodiversity is declining. Tightening climate goals and global problems force us to abandon fossil fuels, which increases the need for renewable and self-sufficient energy.

The development of technology increases the possibilities

The development of digitalization and technology enables new innovations also in the energy production field and storage capabilities when society becomes more electrified. Technology development makes societies increasingly vulnerable for example to cyber threats.

The importance of corporate sustainability is emphasized throughout the value chain

The importance of corporate responsibility is emphasized and the reporting requirements for it are increasing. Companies must constantly look for ways to increase the positive effects of their operations in addition to minimizing the harmful effects. Companies must consider sustainability aspects throughout the value chain.

Stakeholder Cooperation

An open discussion with our stakeholders is important to us, since it brings a significant competitive advantage in developing our business and operations. Well-functioning stakeholder cooperation increases transparency and common understanding of our operations and its development.

We interviewed representatives of our most important stakeholders in autumn 2022 in connection with the update of the sustainability program. Through the interviews we gathered data on how we have succeeded in our current work and which sustainability themes are emphasized in the expectations of our stakeholders for the coming years. We have taken these expectations into account when determining the most significant sustainability themes.

We are also part of the Finnish Wind Energy Association and the Finnish Solar Energy Association.

PARTNERS

- ✓ According to our partners we have succeeded in maintaining open and regular communication. Our significant strengths are domesticity of our operation and the related effect on employment through subcontracting.
- The partners expect responsibility to be extended throughout the value chain. It must be ensured that subcontractors also take sustainability into account in their actions. In addition, it is important to be aware of the negative environmental footprint in addition to the positive footprint of wind power. Equal and fair treatment of landowners is also considered at the center of the operation.

FINANCIERS

- ✓ According to our financiers, we have been extremely successful regarding the sustainability of our basic operations, which also have a positive impact on society. The operations are perceived as professional, and the cooperation is also well functioning.
- In the future, financiers see the importance of ensuring sustainability through the value chain and comprehensive risk management. Life cycle thinking should be strengthened, especially in the end of the life cycle.

OWNERS

- ✓ The owners expect sustainable returns from us, as well as broader sustainability work and communication that extends through the entire value chain. We have succeeded in social influence and careful decision-making. We are seen as a fair and objective pioneer.
- According to the owners, it is important in the future to ensure the sustainability of third parties, for example through a sustainability policy. In addition, social effectiveness should be strengthened in communication.

MUNICIPALITIES AND AUTHORITIES

- ✓ Representatives of municipalities and authorities feel that our operations have a significant financial impact, especially on the operations of smaller towns. As wind power can cause conflicting feelings, interactivity and the involvement of the locals are seen as an important factor for getting correct information to the stakeholders.
- ✓ The representatives hope that participation and regular communication would continue even after the projects are completed. Stronger positive visibility in municipalities, for example through local events or small operators, is also perceived as important.

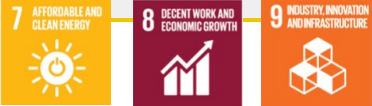
Sustainability Focus Areas

We have identified 10 most essential responsibility focus areas for our operations. In addition to internal effects, our operations have a significant positive impact on society, the environment and people. This so-called handprint is a significant part of our sustainability work.



POSITIVE SOCIETAL IMPACTS

1. Strengthening energy self-sufficiency
2. Profits directed to pensions of Finnish citizens
3. Risk management
4. Sustainability throughout the value chain



We play a significant role in renewing Finland's self-sustaining energy infrastructure, and we also direct the profits to pensions for Finnish citizens.

ROLE IN MINIMIZING CLIMATE CHANGE

5. Role in mitigating climate change and avoided emissions
6. Environmental protection and biodiversity
7. Life cycle emissions of wind power plants



We improve Finland's readiness to mitigate climate change by ensuring clean, self-sufficient and reliable energy production.

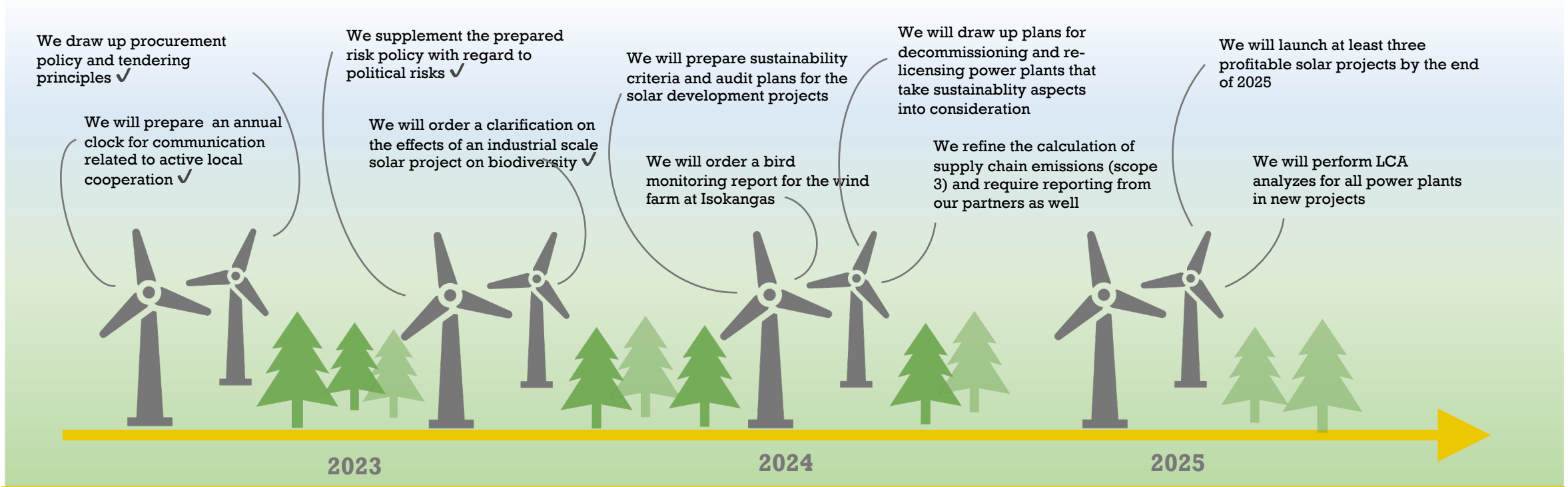
LOCAL SIGNIFICANCE OF ACTIONS

8. Positive impact on communities
9. Local employment
10. Active local cooperation



We promote local sustainable economic growth and employment by producing renewable and clean energy all over Finland.

Sustainability Roadmap



- Continuous goals:**
- We will strengthen Finland's energy self-sufficiency each year
 - We will increase the production of renewable energy
 - We will direct the profits to the pensions of Finnish citizens
 - We will take into account environment and biodiversity in all projects and during the wind power plans life
 - We will promote local sustainable growth and employment
 - We will develop active local cooperation

Leading Sustainability

Exilion Management Oy handles the operation and sustainability leadership of Exilion Tuuli. The company has an outsourced sustainability expert, whose responsibility is to develop, execute, and integrate the sustainability actions into practice together with the personnel of the company. Exilion Management Oy employees and indirectly the cooperation partners are responsible for the day to day execution of the sustainability actions.

Sustainability Program Leads the Work

The company's sustainability work is guided by Exilion Tuuli Ky's sustainability programme for 2023-2025 and the company's Code of Conduct. The Code of Conduct is based on the UN's Global Compact initiative and outlines the company's compliance with the principles enshrined in the UN's Universal Declaration of Human Rights and the fundamental rights of workers as defined by the International Labour Organisation (ILO). Individual aspects are also guided by the Risk Management Policy, the Procurement Policy, the Environmental Policy and the Annual Communication Plan.

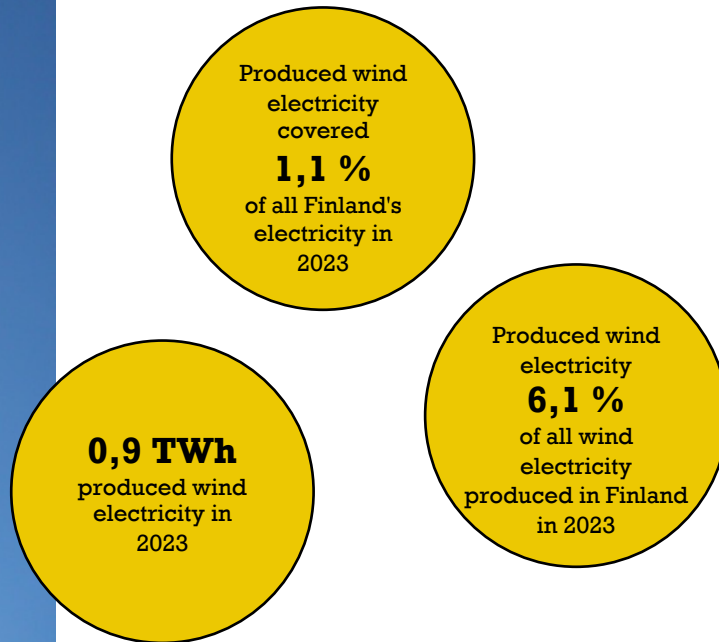


THEME	PERSPECTIVES ON SUSTAINABILITY WORK	GUIDING PRINCIPLES
POSITIVE SOCIETAL IMPACTS	<ul style="list-style-type: none"> Strengthening energy self-sufficiency Revenues for Finnish pensions Risk management Responsibility throughout the supply chain 	<ul style="list-style-type: none"> Risk management policy ESG risk table Procurement policy
ROLE IN MINIMIZING CLIMATE CHANGE	<ul style="list-style-type: none"> Role in climate change mitigation and avoided emissions Environmental protection and biodiversity Life cycle emissions from wind farms 	<ul style="list-style-type: none"> Environmental policy
LOCAL SIGNIFICANCE OF ACTIONS	<ul style="list-style-type: none"> Positive impact on communities Local employability Active local cooperation 	<ul style="list-style-type: none"> The Annual Communication Plan

Code of Conduct, Sustainability Program
2023-2025

Positive Societal Impacts

As one of the Finland's largest domestic producers of wind power, we play a major role in mitigating climate change. We produce clean, self-sufficient and reliable energy, which produces no emissions into the air, water or soil during production.



Strengthening Finland's energy self-sufficiency

The EU's goal is to reduce greenhouse gas emissions by 55% by 2030 and increase the share of renewable energy to at least 27%. Finland's goal is to reduce greenhouse gas emissions up to 95% by 2050. The production of wind power plays a key role in this goal, as it increases Finland's independence from fossil fuels and strengthens the self-sufficiency of our country's energy production.

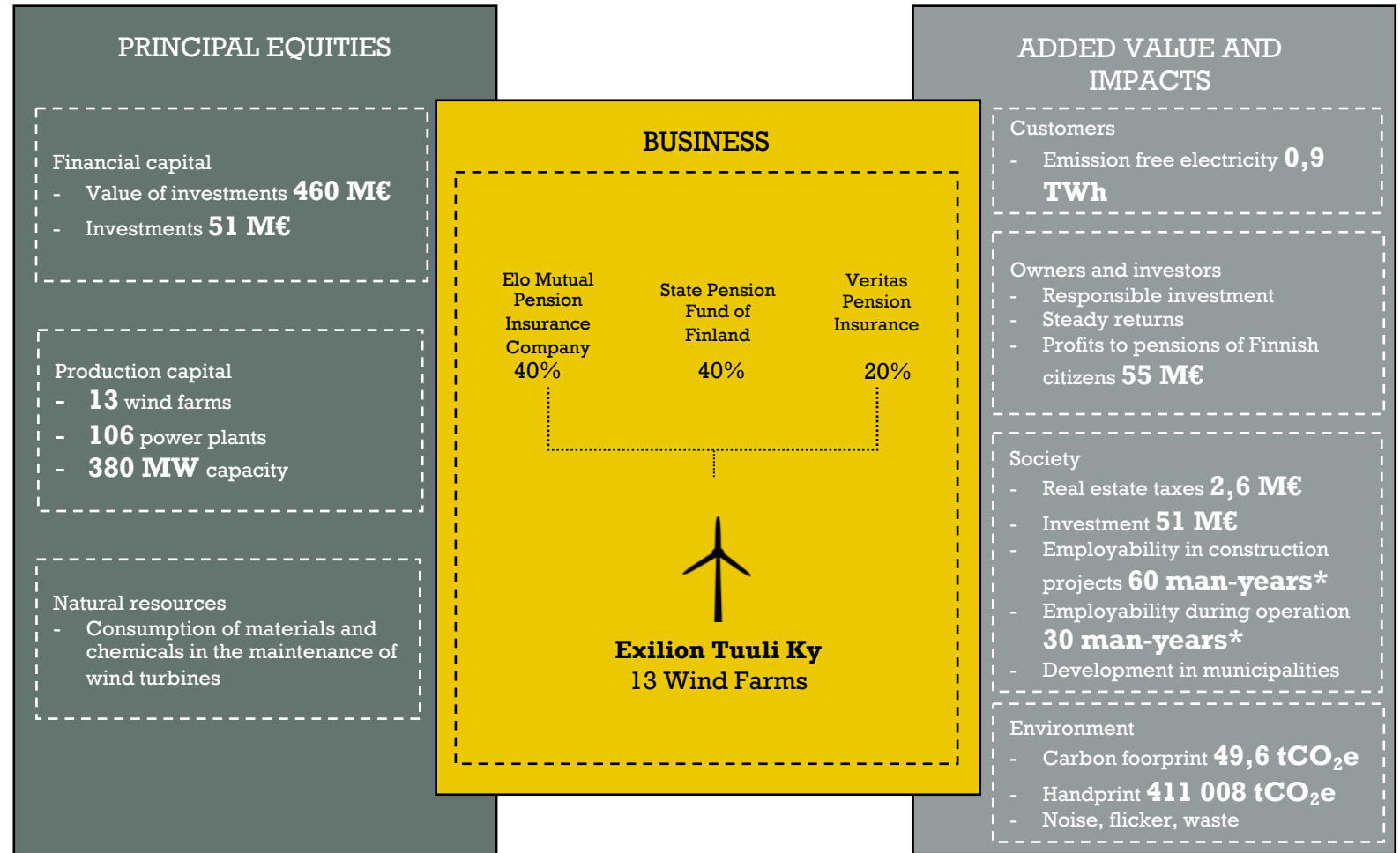
In 2022, wind power produced approximately 14.3 TWh of electricity in Finland, which covered approximately 17.8% of Finland's total electricity consumption. In 2023, Exilion Tuuli produced a total of approximately 0.9 TWh of wind electricity, which is approximately 6.1% of all wind electricity produced in Finland. The produced wind electricity thus covered a around 1.1% of all electricity consumed in Finland in 2023. This corresponds to the annual electricity consumption of all households in Helsinki.

Positive Societal Impacts

Profits to pensions

As a domestic investment and asset management company focused on renewable energy, operations of Exilion Tuuli creates added value for Finnish citizens. The company directs the profits of the operation to the pensions of Finnish citizens. In 2023, the profits directed to pensions was around 55 million euros. This is about 1.5 times more than in the previous year. In addition to this, Exilion Tuuli paid property tax in total of around 2.6 million euros to 10 municipalities with wind farms. The amount of property taxes paid was also about 6.2% higher than in the previous year.

During 2023, approximately 51 million euros were invested in new development and construction projects, which is almost double the previous year. The investments, as well as the maintenance of the wind farms during operation, bring economic added value to society by employing many people.



*Responds to contractors' notifications

Positive Societal Impacts

Systematic risk management

Wind power is a safe way to generate electricity and it rarely poses a danger to outsiders. An important part of Exilion Tuuli's sustainability work is the identification and management of operational risks to ensure safety. Identifying risks produces information to support decision-making and increases awareness of opportunities and threats.

Exilion Wind's risk management is guided by a risk policy established in 2023, which outlines the responsibilities and process for identifying risks. The risk policy is valid until further notice and risks are reviewed annually in accordance with the policy through a separate monitoring and evaluation table. Operational responsibility for risk management and monitoring lies with the responsible Investment Managers.

Risk management includes an annual risk assessment, which takes into account the technical, operational and financial risks of wind power operations. In addition, the risks and opportunities of climate change are also monitored.

Regular monitoring helps to avoid risks and improve risk management. It also increases risk and safety awareness and supports decision-making.

Sustainability throughout the supply chain

As an investment and asset management company, Exilion Tuuli utilizes a lot of cooperation partners in its operations. The operation of the wind farms is the responsibility of the partners, and in addition, several different partners are involved in the development and construction projects.

Exilion Wind's procurement is guided by Exilion's procurement policy. In addition, during 2023, Exilion Wind developed a Supplier Code of Conduct, i.e. ethical guidelines for partners, suppliers and subcontractors. The code outlines the kind of behaviour we expect from all the actors we work with.



Ethical guidelines also for partners

During 2023, a Code of Ethics for Exilion Wind's partners and suppliers was developed, based on the UN Universal Declaration of Human Rights, the fundamental rights of workers as defined by the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

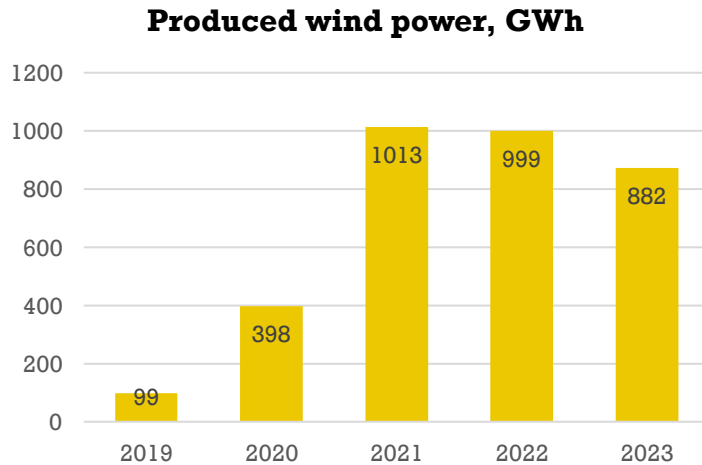
The guidelines contain a total of 13 different areas that Exilion Wind expects its partners and suppliers to comply with. The areas cover issues such as forced and child labour, safe and healthy working environment, working hours and wages, and environmental impact.

In 2023, we will set up a Whistleblowing reporting channel. This channel will allow people to report, in confidence, any misconduct or ethics violations they have observed.

Role in Minimizing Climate Change

We help mitigate climate change

In 2023, Exilion Tuuli produced a total of approximately 0,9 TWh of wind electricity, which is approximately 6,1% of all wind electricity produced in Finland. The greenhouse gas emissions avoided by wind power production were therefore approximately 411 008 tCO₂* in 2023. This corresponds to the carbon footprint of more than 42 500 average Finns*. For comparison, the maintenance and service of wind power parks and the waste generated in them produced approximately 49.6 tCO₂e during the year 2023.



*Calculated according to Finland's 2022 residual distribution (471.27 g/kWh). The residual distribution shows the distribution of the production of electricity of uncertified origin consumed in Finland and the average carbon dioxide emissions from production. The average specific carbon dioxide emissions of electricity production according to the residual distribution doubled from 2021, which also explains the increase in Exilion Wind's carbon handprint regardless of the decrease in wind power production (Energy Agency, 2023).

**Sitra 2018



DNA acquires wind power from Exilion's new Palokangas wind farm


DNA Corporation made a significant contribution to the production of green domestic energy by signing a 10-year supply agreement with Statkraft for the purchase of wind power. From the beginning of 2025, the electricity purchased directly by DNA will be renewable and more than 80% of it will come from the Palokangas wind farm in Exilion Tuulen I, which will be completed in late 2024. Under the agreement, Exilion will supply DNA with 85 gigawatt-hours per year from the Palokanka wind farm.


"Sustainable development is important to us, and by committing to this ten-year agreement, we can contribute to increasing renewable energy capacity in Finland. At the same time, we are securing DNA's long-term supply of renewable energy from a domestic source," says Jaakko Hoppo, DNA's Director of Finance and Administration.


Role in Minimizing Climate Change

We acknowledge environmental effects

The most important environmental effects of wind power are the reduction of carbon dioxide and climate emissions from energy production, because its production does not create emissions into the air, water or land. However, we are aware that the operation has regional effects, which we can influence by careful planning of the investment.

 **The landscape impact** is always evaluated in the planning phase in advance with the help of a map of the visible area and observational photos. In this way, nationally valuable landscape areas can be taken into account in particular.

 **Impacts on biodiversity** and vegetation are always assessed in the project phase. When choosing new locations, aspects related to environmental protection are always taken into consideration.

 **Effects on fauna** are evaluated along with biodiversity during the projects. If necessary, bird monitoring will also be continued in wind farms in during their active operation.



Green Carbon Finland calculated the environmental footprint of the Simon solar project

Exilion has made an investment decision to build a ground-mounted solar power plant in Simo. The plant is one of the first industrial-scale projects in Finland.

As additional renewable energy construction always has an impact on nature, Green Carbon Finland carried out a nature footprint assessment for the project. The direct quantification of the nature impact of the project area of approximately 84 hectares was assessed according to the ecological status of the habitat types in the area, the area of the impact and the magnitude of the impact. The results were used to modify the plans, for example by excluding the high nature value fen in the northern part of the site.

The project's emissions impact had already been studied earlier. The loss of carbon stocks and carbon sinks during construction is equivalent to about one year of CO₂ emission reductions from solar power plant production.

Role in Minimizing Climate Change

We monitor our own emissions

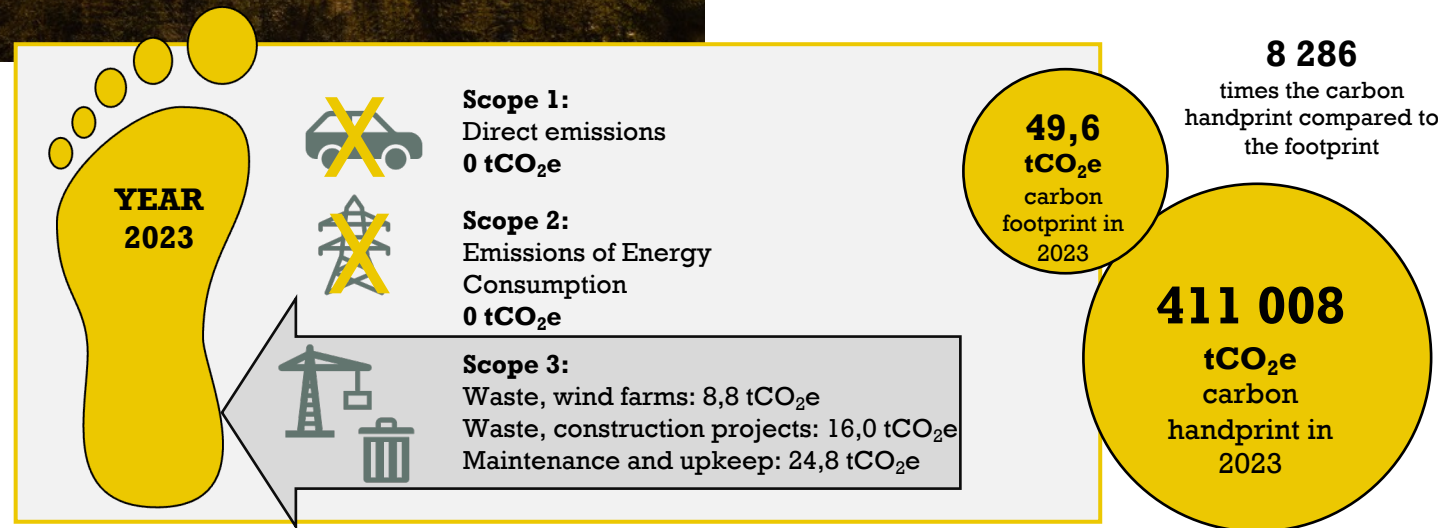
No emissions are generated from the production of wind energy, but they are generated through the supply chain from the construction of wind turbines and maintenance. In addition, wind farms generate some waste, which requires processing and that produces emissions.

In 2023, Exilion Tuuli's emissions were around 49.6 tCO₂e. The emissions included waste generated by wind farms and their construction projects. In addition, the emissions from the maintenance and upkeep of the wind farms were estimated according to their costs.

Emissions from maintenance and servicing increased by around 3.8% compared to the previous year, as costs increased. Emissions of waste from wind farm operations also increased by about 10% due to an increase in volumes. Compared to the previous year, emissions also included the waste from the Isokokanka and Palokokanka construction projects, which will start in late 2022.



The calculation of emissions does not take into account the life-cycle emissions of the farms, i.e. the amount of emissions caused by the manufacture of the wind or solar farm components. The aim is to refine the emissions calculation in the coming years to include these through the LCA assessment. For example, we have already mapped the emissions from the components of the planned solar power plant in Simo. In addition, we will require our partners to calculate emissions for the services they provide to us.

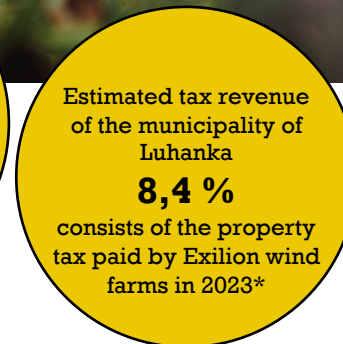
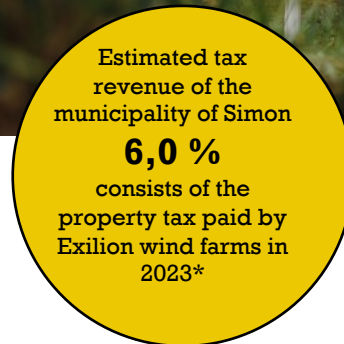


Local Significance of Actions

Positive impact on communities

Wind power production has many positive effects both societally and locally. Wind power municipalities receive property tax income from wind power, as an average of 30% of the investment costs of an onshore wind farm is covered by property tax. The amount of the cumulated tax varies depending on many factors. The effect is great, especially for small municipalities, where there are many wind turbines and the tax collection is a significant addition to the income of the municipal economy. In 2023, Exilion Tuuli paid a total of 2.6 million euros in real estate taxes to various municipalities.

In addition to property taxes, landowners are compensated for the operation of wind turbines. Compensation is paid to the group of owners of a land area larger than the site of the foundation of the individual power plant, what I call the wind extraction area. Since the parks are often located in already cultivated forestry terrain, the yield of wind power is better than the yield of the same area only used for forestry.



*The share of property taxes paid by Exilio Wind in the total tax revenue of municipalities is calculated on the basis of municipal budgets..



Public event for the Luumäki solar power project brought people together

The Palanutkanka solar power project planned for the municipality of Luumäki was discussed at a public event in late 2023, organised in cooperation with Exilion Tuule and the municipality of Luumäki.

The public event was attended by more than 20 people and was moderated by Tommi Riski, Investment Manager of Exilio Wind. The participants were particularly interested in the power plant's efficiency and keeping the panels clean. The event was praised for its realistic approach to the project and its lack of over-promise. There were no speeches directly opposing the project, but there were a few words of encouragement.

"The fast eat the slow. This is an important project for the municipality and I hope that it will be launched as soon as possible," said Markku Huopainen, chairman of the municipal council.

Local Significance of Actions

We employ locally

The employment impact of wind power is generated by the design, construction, operation and maintenance of wind power projects. We have outsourced operational activities to partners. Most jobs are created in the operation phase, which includes the operation, maintenance, repair and management of the turbines. Ten power plants require an estimated two maintenance staff per work area. We will also use local partners where possible for road and electricity network maintenance and rehabilitation works.

We take care of safety at work

Maintaining the safety level of wind turbines requires regular maintenance and servicing of the turbines. As operations are outsourced, we require our partners to ensure an adequate level of occupational safety. Maintenance staff must be adequately trained and qualified for the work they do.

Service technicians, on the other hand, are required to be trained for specific working conditions. We monitor the number of accidents and near misses each year and always respond as required. In 2023, there was one accident at work and a total of four near misses. There were five environmental incidents.

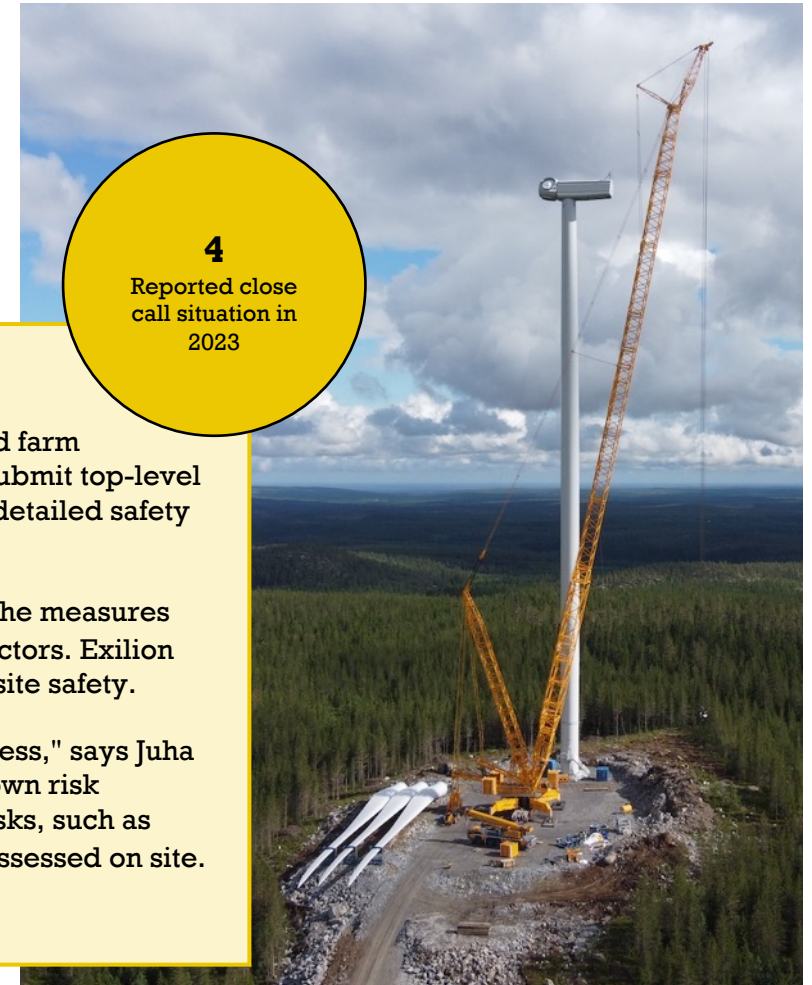


Safety at work as a priority

Exilion actively monitors occupational safety in wind farm construction projects. Contractors are required to submit top-level safety plans before the start of the works and more detailed safety plans before each phase of the works is authorised.

Safety at work is discussed at site meetings, where the measures required by the client are discussed with the contractors. Exilion receives a monthly report, including indicators, on site safety.

"Developing occupational safety is an ongoing process," says Juha Parkkari, Project Manager at Carelin. Contractors' own risk assessments are carefully reviewed and seasonal risks, such as forest fire, slippage or dust hazards, are regularly assessed on site.



4
Reported close
call situation in
2023

Local Significance of Actions

Active cooperation with locals

Active cooperation with locals is particularly emphasized during the planning phase of projects. When developing wind power areas, we talk about our plans and wind farm projects currently under construction with the locals, and we listen to landowners, nearby residents and other municipal residents. We cooperate closely with the municipality's authorities throughout the project

It is important to consider the effects caused by wind power, especially noise and flickering, already in the planning phase. Questions regarding the location are resolved on a project-by-project basis. The planned location in relation to the settlement is part of the initial data for the assessment, and thus the distance sufficient for the settlement will be assessed as part of the project's impact assessment. The distances of wind power to traffic routes and the effects on air traffic are already taken into account in the project development phase.



Wind farm areas in normal use

Movement in the area around active wind farms is not restricted, and after the construction phase, agriculture and forestry can be practiced in the area as it normally would, with the exception of the areas directly adjacent to the wind turbines. The area can also be used for hunting, picking berries and other outdoor activities. A well-maintained road is available to everyone and makes access to forest areas easier.



We set up an annual communications calendar for active communication

In a stakeholder survey conducted in late 2022, we received a lot of feedback on how to make our communication and cooperation more active. We responded to our stakeholders' expectations and developed an annual communication calendar over the past year.

The main ways and channels of communication between stakeholders were scheduled in the Annual Calendar. Measures to increase communication and outreach were also outlined.

Visits to wind farms, meetings with local authorities, possible residents' events together with municipalities and the opening of the Ii wind farm were planned and scheduled in the annual communication calendar for 2024.



Exilion Management Oy

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In cooperation:  **Sustera**

Sources:

Sitra 2018: <https://www.sitra.fi/artikkelit/keskivertosuomalaisen-hiilijalanjalki/>

Energiavirasto 2023: <https://energiavirasto.fi/-/vuoden-2022-jaannosjakauma-julkaistu>