

**WE CREATE DECISIVE POWER TO
STRENGTHEN COMPETITIVENESS AND
CONTRIBUTE TO A BETTER TOMORROW**

SKILFULLY – RELIABLY – TOGETHER

Approved by the Board of Directors on 23 October 2024



POHJOLAN VOIMA ENVIRONMENTAL AND ENERGY EFFICIENCY POLICY

1. OVERVIEW

This policy describes the principles followed by Pohjolan Voima in environmental and energy matters. The policy also includes principles related to climate change and adaptation to it, as well as biodiversity. In addition to this policy, Pohjolan Voima's sustainability principles are determined in the Code of Conduct and the Personnel Policy.

The purpose of Pohjolan Voima is to create decisive power to strengthen competitiveness and contribute to a better tomorrow. We produce electricity and heat at cost price for our owners, and we indirectly create jobs and wellbeing in Finland. One of the themes in our strategy is "sustainable production on market terms". Here, by sustainability we mean taking into account the different dimensions of responsibility in our operations: economic, environmental and social. Pohjolan Voima's sustainability supports the UN Sustainable Development Goals, from which we have identified four that are most relevant to us.

We annually confirm our climate, environmental, energy efficiency, and biodiversity goals in our sustainability programme and action plan. The sustainability aspects are also integrated into the policies that guide our operations. Our Board of

Directors annually sets the sustainability goals and the policies to guide our operations.

2. OPERATING PRINCIPLES

We know the environmental impact of our operations

We recognise and determine the environmental impact and risks resulting from our operations, the natural values related to our operations, and the opportunities to make our production and energy use more efficient throughout our entire value chain. When preparing impact assessments, we take into account the entire life cycle of a power plant, from project planning to decommissioning. We monitor and measure the impact of our operations on the air, climate, water, soil and biodiversity. We are committed to reducing greenhouse gas emissions and other emissions and to safeguarding biodiversity. Our aim is to increase the efficiency of energy production and reduce energy consumption.

We manage environmental impact as a whole

We comply with legislation, permits and other binding requirements in energy production and the

management of environmental matters. We operate and manage all power plants and other sites for which we are responsible in a careful and appropriate manner.

In our production, we generate greenhouse gas emissions that accelerate climate change. We aim to reduce our negative impact on climate change by increasing the amount of our carbon-neutral production. Additionally, we have set a goal to reduce the use of peat. We identify the impacts of climate change on our operations during our risk assessment process and define measures to adapt to them.

We produce energy and use raw materials such as fuels, chemicals, and water efficiently and in an environmentally friendly manner. Our main fuels are by-products of the forest industry, peat, and solid recovered fuels (SRF). However, we strive to reduce the use of peat. We use and store only the necessary amount of chemicals for the power plant process and ensure chemical safety. We use water resource-efficiently. Water is recycled in parts of the power plant process where it makes sense from a holistic perspective. We operate our power plants energy-efficiently. All our production companies have signed energy efficiency agreements, which define specific energy efficiency targets for each.

We prevent emissions to air, water, and soil. Our thermal power plants are equipped with devices to clean flue gases. The flue gas emissions from thermal power plants are cleaned to at least the level required by environmental permit regulations. The wastewater from all plants is treated at wastewater treatment plants. To prevent chemical spills into the ground or water, the plants have protective basins, oil separation systems, and other tools for combating chemical spills. The functionality of equipment related to minimizing emissions is ensured through regular maintenance and lifecycle management. We observe and report any exceptional environmental events. In the case of a disturbance or an accident, we do everything in our power to prevent environmental damage. The causes of any abnormal environmental events and incidents are investigated, and corrective action is taken to avoid their reoccurrence.

We utilize, process, and dispose of by-products and waste generated in our operations safely. We aim to minimize the amount of non-hazardous and hazardous waste. Significant amounts of fly ash and bottom ash are produced in the combustion process of our thermal power production. Our goal is to direct all generated ash to beneficial use. We strive to direct waste generated in the maintenance and decommissioning of power plants to beneficial use as efficiently as possible.

Our most significant negative impacts on biodiversity are caused by the damming of rivers required for hydropower and the use of wood-based fuels for thermal power. We aim to minimize our impacts by setting goals and implementing measures to promote biodiversity. The impacts of hydropower are mitigated, for example, by developing the natural reproduction cycle of migratory fish through broad-based cooperation. The wood-based fuels we use must meet sustainability criteria. Our long-term biodiversity vision is to understand our most significant impacts on biodiversity and move towards net positivity. We strengthen our expertise and update our goals as knowledge increases.

Our employees recognise environmental and energy efficiency matters

Every Pohjolan Voima employee must recognise the environmental and energy efficiency matters related to their own work, as well as the associated development opportunities. We train, guide and encourage our personnel to be aware of the principles of our Environmental and Energy Policy and their own role in their implementation. We require our personnel and service providers to have the necessary competence to carry out their work responsibly and professionally.

We take our stakeholders into account in our operations

We engage in open and constructive interaction with the communities and residents in our operating locations, the authorities and our other stakeholders. The aim of our stakeholder cooperation is to find environmentally friendly and cost-effective solutions.

We continuously develop our operations

We monitor the changes taking place in our operating environment, and we take environmental and energy-related aspects into account when developing our operations. We ensure the continuous development of our operations through appropriate management and monitoring methods and by participating in collaboration projects in the energy industry. Through investments in its current and future power plants, Pohjolan Voima strives to decrease its environmental impact and improve the energy efficiency of its operations, and for its part, to promote the securing of a carbon neutral future in 2035 in Finland. In addition to tackling climate change, our aim is to safeguard biodiversity. We regularly assess the actions that we have taken to decrease the environmental impact and improve the energy efficiency of our operations.

3. POLICIES AND DECISION-MAKING

The policies steer the Group's operations and management. If necessary, the Group management or companies complement the policies with more detailed procedures derived from the policy principles.

The Environmental and Energy Policy is approved by Pohjolan Voima Oyj's Board of Directors. The Executive Vice President responsible for environmental matters is responsible for the Environmental and Energy Policy and its updates.

Pohjolan Voima is a long-lived Finnish energy company. We are one of Finland's largest energy producers – our production accounts for approximately 20% of the nation's total electricity production. The electricity we produce is almost completely carbon neutral. We produce electricity and heat at cost price for the needs of our owners – Finnish industrial and energy companies – with reliable and adjustable hydropower, thermal power and nuclear power that ensures security of supply. We are a team of top professionals, and a proven great place to work. At Pohjolan Voima, we pride ourselves on doing meaningful work in line with our values, skilfully, reliably, together. We are committed to carbon neutrality and improving biodiversity. Our objective is to create decisive power to strengthen competitiveness and contribute to a better tomorrow. www.pohjolanvoima.fi/en



POHJOLAN VOIMA