



Gren

ESG report 2023



THIS IS GREN. Gren develops and delivers energy solutions ranging from sustainable district heating to industrial energy. Gren is already an established energy supplier in Northern Europe, running approximately 600 km pipelines under cities in Estonia, Latvia, Lithuania, and UK and warming nearly 180,000 homes and 600 commercial premises. Gren’s managed networks, replacing individual boilers in homes and premises, are growing the heat delivery capacity in Baltics and the UK.

Partners Group, a leading global private markets firm, acting on behalf of its clients, acquired Gren in 2021.

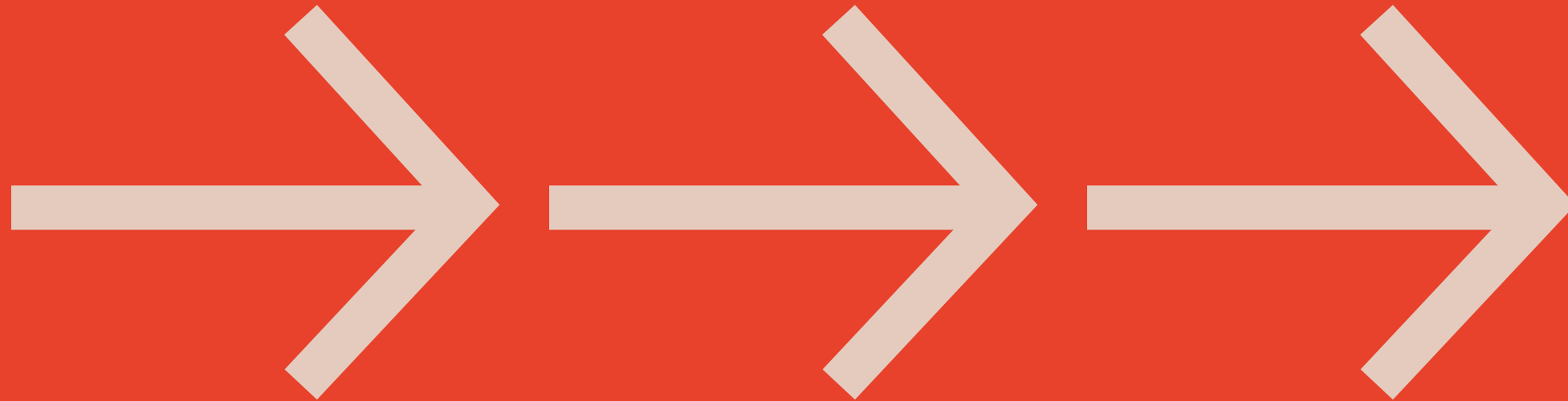
Gren entered the UK market in May 2023 when it acquired 11 energy assets including Combined Heat and Power, industrial energy solutions, waste-to-energy, and biomass plants.

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Year 2023





Our people and strong safety record are the cornerstones of our success, enabling us to operate effectively and make meaningful contributions to a greener future.

CEO'S REVIEW

Foreword by our CEO

As a company committed to generating sustainable energy from local renewables, waste, and excess heat, Gren plays a significant role in decarbonizing the energy sector across Northern Europe.

The year 2023 was a momentous one for Gren in terms of our Environmental, Social, and Governance (ESG) actions. We relaunched the company under the Gren brand in 2021, continuing to offer low-carbon district heating and cooling services in the Baltics. In the following year, we reinforced ESG as a strategic matter for the company. Our Board of Directors appointed an ESG Committee to manage our efforts to promote environmental and social responsibility and corporate governance.

By spring 2023, we approved Gren's ESG strategy as an integral part of our renewed business strategy and began implementing it in each of our operating countries, centralizing coordination at the group level. Throughout the year, we redoubled our efforts to achieve operational excellence and expand our operations. We facilitated customers' efforts to reduce their environmental footprints by enabling them to switch to district heating networks.

With projects such as Estonia's biggest heat accumulator in Tartu and a flue gas condenser in Pärnu, we have achieved a strong profile in advancing technologies that improve energy efficiency and decrease environmental impact. In 2023, we also gained controlling ownership of Eleport, one of the fastest-growing electric vehicle charging network providers in the Baltics and Poland.

Throughout the year, we concentrated on our responsibility to manage our fuel supply chain and protect biodiversity. Our sustainability certifications demonstrate our ongoing efforts on this topic. Furthermore, of our investments for the year amounting to more than 30 million euros, none were in the proximity of areas of significant biodiversity values.

Although European energy markets continued to suffer the repercussions of the turbulence that had plagued the market in 2022, our operations exhibited remarkable resilience amidst market volatility. This allowed us to make significant progress in achieving our purpose: Energizing the future today.

It is our firm belief that sustainability is essential for Gren as a company, for our customers, and for the future of our planet, and that providing affordable and sustainable products and services is the key to our success.

Daily operations at our plants typically involve high temperatures and the handling of waste streams, making safety a critical consideration for our staff and the surrounding community and environment. Constructing new facilities and extending networks are



important activities in our value chain, involving our partners and employees. Oftentimes, work on these projects must be performed outdoors in Northern European winter conditions. Hundreds of personnel work onsite at our facilities and numerous trucks visit our plants each day. For these reasons, safety and induction practices, including work phase and shift planning are crucial.

Safety is a vital topic that grants Gren our license to operate. Therefore, we monitor our safety behaviour, including those of our contractors, testing systems and developing processes with our employees and partners. Due to our concerted efforts, no serious accidents took place in our operations in 2022 and 2023, and we managed to exceed our target level of 95% on our Safety Index.

Upon acquiring our UK portfolio in May 2023, we adopted a model where we continued to outsource operations to the experienced partners managing the sites, ensuring continuity of EHS standards and permit management. This decision has further bolstered our work safety culture.

At present, Gren's workforce demonstrates strong diversity, encompassing various nationalities, age

groups, genders, and skill sets. As we embark on a phase of rapid growth, recruiting skilled personnel is both a challenge and an opportunity. We continue exploring carbon capture, utilization, and storage technologies for making efficient use of the high concentrations of biogenic CO₂ emitted by industrial activities. We are currently developing potentially game-changing projects.

Building on our successful track record of acquiring and integrating complementary companies both locally and internationally, our focus on inorganic growth will remain high on our agenda in 2024. We will continue collaborating on decarbonization projects with public and private industry partners and working towards our ESG goals. At the same time, we will focus on developing employees' skills and nurturing our shared expertise as our organization grows.

I would like to thank our customers, partners, and employees for their unwavering trust and support as we continue our growth journey and strive towards sustainable success.

Ilkka Niiranen
Chief Executive Officer

KEY FIGURES

CO ₂ emissions (tCO ₂ e)	192,500
CO ₂ decrease from baseline	36%
Sustainable fuel sourcing: Sustainability certification of biomass fuel*	95%
Lost time incident frequency rate (LTIFR)**	2.48
Employee engagement index survey result	81.0
Share of women in Gren management team	40%
Number of employees	534

* In Baltic operations, ** Gren employees

Highlights

Employees by gender

(head count)

	Number of employees, women	Number of employees, men
Estonia	45	133
Finland	8	7
Latvia	32	75
Lithuania	52	143
Poland	11	14
UK	7	7

Gren expanded its green energy portfolio in Lithuania



Our acquisition of UAB Šiluma miestams strengthens Gren's presence in Lithuania's heat production sector. The assets use biomass for over 90% of energy production, supporting the utilization of local renewables and waste. The integration included heat production and supply companies in the Akmenė and Trakai districts, as well as independent heat producers in Vilnius and Visaginas, ensuring service continuity for clients, employees, and partners.

Industrial energy services project for E-Piim finalized



Gren successfully completed an industrial energy services (IES) project for E-Piim, a dairy cooperative owned by more than two hundred farmers in Estonia. Gren developed a cutting-edge, ammonia-based cooling system with a heat recovery for E-Piim's factory located in Paide, supporting the producer's vision of a climate-neutral dairy industry by 2040.

Gren acquired 11 heat and power generation assets in the UK



By focusing on district heating and local energy systems in its expansion to the United Kingdom, Gren aims to contribute to the UK Government's Net Zero commitment by 2050. Gren has confirmed its plans to invest up to £1 billion in district heating and local energy systems in the UK, providing affordable low-carbon energy to over 200,000 homes and thousands of businesses. This initiative builds upon the Gren's network of 11 recently acquired waste and biomass-fuelled assets, which are integral to supplying baseload energy to customers while reducing waste and waste wood volumes sent to landfill.

EUR 300 million debt financing package secured to boost growth investments



In addition to a previously awarded EUR 522 million, the funding supports Gren's expansion in sustainable district heating, renewable energy, and industrial energy solutions. The investment also enables Gren to pursue promising investments in the Baltics and new markets, driving growth beyond existing businesses.

Sustainable energy innovations



Gren completed several major improvements, including a flue gas condenser in Pärnu, a heat accumulator in Tartu, in addition to major modifications and capacity increase in Klaipėda. The company also invested in pellet boilers, which have reduced gas-based peak production in several locations. Gren has invested into Eleport which is the fastest growing EV charging providers in the Baltics and Poland. This investment further enables the decarbonization of road transportation.

"We are Gren" united colleagues from all operating countries



In autumn, the "We are Gren" event in Jurmala, Latvia, united 250 Gren colleagues across borders to exchange ideas, build connections, and celebrate the company's success.



Our business and strategy



OUR BUSINESS

How we create value

Our purpose is to energize the future today. Gren develops and provides green energy solutions ranging from sustainable district heating and cooling to industrial energy services.

As a company that operates at the forefront of the climate and energy transition, we are dedicated to converting assets from the fossil fuel-based economy to a renewable and circular business model.

IN ESSENCE, DECARBONIZING THE ENERGY SECTOR IS OUR BUSINESS

We deliver heating, cooling, and electricity to households, businesses, and municipalities in the Baltic region, solidifying our position as a trusted energy supplier in Estonia, Latvia, and Lithuania. Our industrial customers receive best-in-class expertise and tailored energy services, from our dedicated team of specialists.

In May 2023, Gren expanded into the UK market by acquiring 11 energy-generating assets. Our objective is to play a pivotal role in aiding the country in reaching its ambitious goal of net-zero emissions by 2050.

GREN'S DIRECTION – TOWARD SUSTAINABLE SUCCESS

The world is experiencing a broader transition towards cleaner energy sources. Advances in technology and economies of scale are contributing to decreasing costs of renewable energy production, making it increasingly competitive with traditional energy sources.

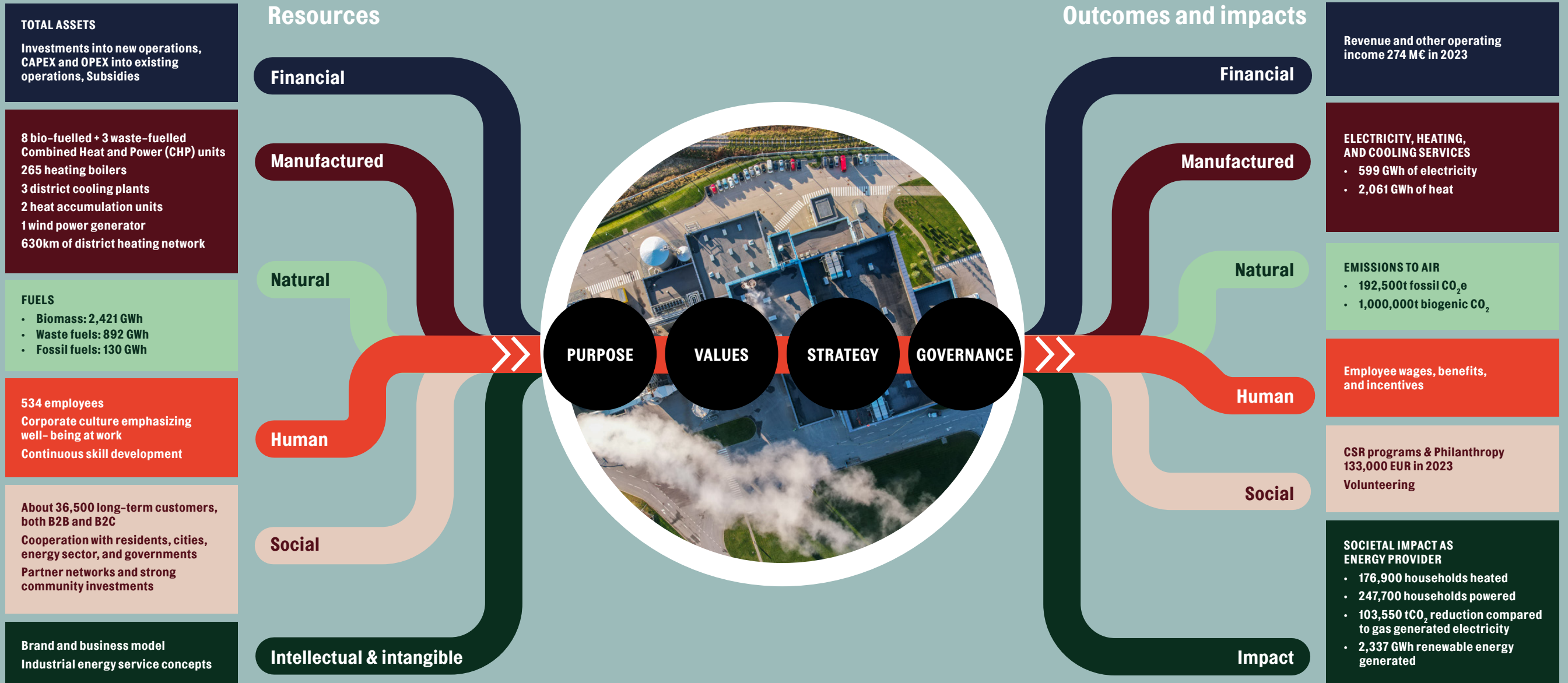
Our strategy guides us toward a sustainable success that benefits everyone – our employees, customers, investors, communities, business partners and the environment.

We provide solutions that not only promote economic prosperity but also positively impact our planet. By advancing the adoption of technologies that cut down on greenhouse gas emissions, we actively contribute to society's ongoing efforts to address climate change.



We actively contribute to society's ongoing efforts to address climate change.

OUR VALUE CREATION MODEL



WE SUSTAINED OUR GROWTH TRAJECTORY IN 2023

The year brought significant advances and achievements for the group. We developed our operations and partnerships in our current locations while successfully entering new markets.

Gren Estonia grew despite challenging market conditions in 2023.

We continued to achieve outsized organic growth in Estonia by expanding our district heating network, improving our generation assets and investing into innovative low-carbon infrastructure, despite the slowdown in the growth of the real estate sector. These included a heat storage project in Tartu, the installation of a flue gas condenser in Pärnu, and the renovation of a heat-only boiler plant in the same city. Collectively, these projects increased production of sustainable energy and a reduction of fossil gas consumption in Estonia. An integral development for Gren Estonia was the smooth integration of VKG Soojus, the district heating network company operating in the Jõhvi and Kohtla-Järve regions, which we acquired at the end of 2022. The integration process was crucial for our operations, and we completed it successfully within the anticipated timeframe. All personnel from the Viru business have become valued members of the Gren family, reinforcing our commitment to cultivating a cohesive workforce.

We also implemented a reorganization in Tartu, which positively impacted employee satisfaction numbers in 2023, setting up a good trajectory for our operations in the country.

In Estonia, we delivered a total 1,304 GWh of heat, cooling, and power.

For Gren Latvia, combined results reflected a successful year in 2023.

The impact of new customers acquired in 2022 became evident during the year, significantly contributing to Gren Latvia's good results.

We effectively integrated the Gulbene business, which provides district heating services to the municipality's residents and businesses. Gren Gulbene celebrated one year of operations in December 2023

demonstrating strong team performance. Gulbene municipality is our customer, and its citizens value Gren as a reliable partner.

Operating for the first full year in Riga, our Combined Heat and Power (CHP) plant acquired in spring 2022 marked one year of operations in 2023. Competition in the market was challenging; nevertheless, we overcame difficulties, and the new asset has shown excellent performance. Buoyed by this success, we also concluded a new acquisition to double our operations in Riga at the beginning of 2024. We are confident in the potential for us to make further infrastructure investments in the capital.

In Latvia, we delivered a total 516 GWh of heat and power.

Gren Lithuania continued to pursue its growth strategy, concluding a deal with E energija group and securing UAB Šiluma miestams.

The newly acquired entity managed heat production and supply in Akmenė and Trakai districts, along with independent heat producers in Vilnius and Visaginas. It employs 91 people and contributes around 204 gigawatt-hours (GWh) of heat energy annually. More than 90% of the energy produced by the acquired assets is derived from sustainable biomass.

In addition, we seamlessly completed a major overhaul at the Gren Klaipėda CHP plant in June. Besides adding approximately one and a half megawatts to our capacity, the efficiency improvements were completed safely, within budget, and on schedule. This was no small feat, as the work involved 120 contractors and took place over a six-week period. As a further positive outcome, we managed to reduce our emissions last year.

In Lithuania, we delivered a total 728 GWh of heat and power.

Gren UK's principal achievement in 2023 was the establishment of a business dedicated to investing in the decarbonization of towns and cities across the country.

We focused our acquisitions on sustainable energy sources and opted for biomass, aligning with our

commitment to environmental responsibility.

Embracing hybrid work is a strategic choice in attracting talented experts from across the country. This allows us to prioritize a healthy work-life balance within our culture. However, what truly sets us apart is our shared purpose. Candidates are attracted to Gren because they believe in creating a lasting legacy and making a meaningful impact in supporting the UK's energy transition to Net Zero.

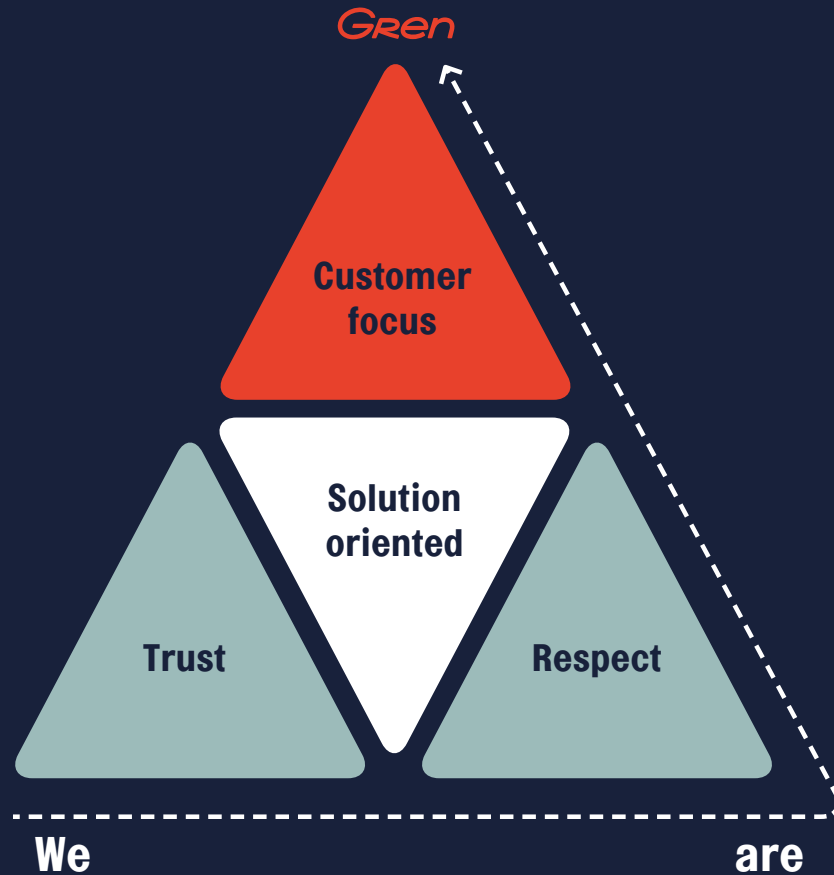
On a practical level, we have started to integrate Environmental, Social, and Governance (ESG) topics into Gren UK's operations to ensure clarity within our team regarding reporting, obligations, and governance practices. The first step taken in doing this has been the appointment of a Head of Health, Safety, Security, and Quality (HSSQ) & ESG. Our efforts have not only streamlined our internal processes but also extend to our Operations and Maintenance (O&M) contractors who manage our operational sites.

In the UK, we delivered a total 112* GWh of heat and power. (*May-December 2023)



OUR STRATEGY

Energizing a sustainable future



We are committed to growing through our core business and actively seeking new and efficient energy solutions and opportunities.

Our values—trust, respect, solution orientation, and customer focus—along with our purpose of energizing the future today, provide a framework for achieving sustainable success. The future is taking shape now, and our actions today will impact our lives tomorrow. Our strategy empowers us as we strive to lead the green transition by advancing our position in clean energy solutions, transitioning assets from fossil fuel-based systems to a renewable and circular economy.

It is our belief that what's good for the environment is also beneficial for people, businesses, and communities. Our sustainable growth sets us apart from competitors by allowing us to attract the best talent as well as focus on adding value for our customers. It also enables us to continually improve our operations beyond the industry average.

The success of the green transition is a win for everyone—our customers, partners, society, and the planet.

STRATEGIC INITIATIVES

We first defined our strategy in 2022 and continue to implement it with a renewed focus on developing Gren in line with these five main initiatives:

- **Empower businesses with Industrial Energy Services**
- **Capture large-scale Greenfield Opportunities** - strengthening our outside connections, growing energy production and developing new district heating and cooling networks.
- **Invest into new assets through inorganic growth** - expanding by investing in existing energy companies and assets, expanding market area and actively participating in the transformation of energy production and solutions.
- **International expansion** – ensuring broad access of our energy sector excellence to our customers and partners internationally.
- **Secure operational excellence for growth** - cultivating an innovative culture and creating a strong platform for our growth initiatives and business integrations that build on our secure and efficient operations.

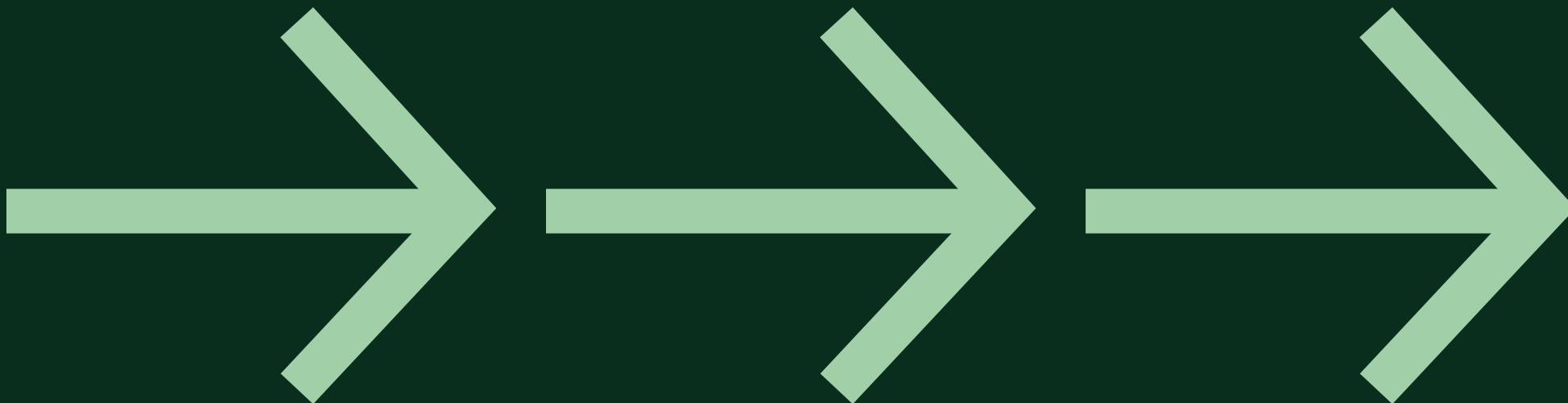
2023 was a rewarding year in our operations as well as in the expansion of our business. During the year we introduced two new strategic initiatives to take hold of emerging opportunities in the industry:

- advancing carbon capture and utilization across our markets, and
- an extended growth strategy in the UK.

Both of these latest initiatives have significant potential to broaden our positive impact in the long term.



Sustainability



ESG AT GREN

Driving progress for our customers, partners, and society

Gren was established with the core principle of pursuing sustainable success.



As a Northern European energy company, Gren's purpose is to energize the future today. We are positioned at the forefront of the climate and energy transition, and are dedicated to transitioning assets from the fossil fuel-based economy to renewables and the circular economy.

At Gren, we recognize that sustainability is the primary driver of our business and our societal legitimacy. Environmental, Social, and Governance (ESG) factors are becoming increasingly crucial for investors, customers, regulators, and other stakeholders as they assess a company's performance and impact. As a renewable energy company, we are committed to firmly aligning our strategy, operations, and reporting with the highest ESG standards.

GOVERNANCE

The Gren Supervisory Board is the highest governing body for ESG topics at Gren. The Board has the authority to adopt and amend Gren's Group-wide policies related to anti-bribery, whistleblowing, health and safety, risk management, environment, and sustainability, as well as corporate and social responsibility policies. The Gren Management Team and our CEO are responsible for the implementation of the policies and procedures in practice.

In late 2022, Gren's Board nominated an ESG committee, which started its work during 2023. The ESG Committee (EC) is a sub-committee of the Board. The Board determines the instructions for and the composition of the EC. The EC is composed of 3-5

members appointed by the Board. One of the members is appointed the Chairperson of the EC.

The purpose of the ESG Committee is to:

- assist the Board in strategy, policy and plans relating to environmental impact, social demands, and governance (ESG)
- act as a preparatory body in connection with the Board’s supervisory role with respect to ESG reporting and operational initiatives
- support the Board with any other tasks assigned to the ESG Committee

The ESG Committee:

- reviews the annual ESG report of the Company
- supervises the ESG reporting process
- monitors ESG compliance at Gren
- assesses the ESG performance of Gren annually

The EC has authority to:

- direct Gren’s management relating to any matters within its scope of responsibility
- take other relevant actions or activities as requested by the Board

The Head of ESG is responsible for overseeing daily ESG management at Gren. This includes setting and driving our strategic sustainability goals, leading communication and engagement with stakeholders on ESG matters, and advocating for ESG initiatives both within and outside the company.

Double materiality assessment

To advance our ambitious objectives and realize our vision of sustainable success, we will focus on prioritizing our sustainability efforts for 2024–2026 through a double materiality assessment.

We embarked on our first steps toward conducting a double materiality assessment in 2023, aligning with the Corporate Sustainability Reporting Directive (CSRD) and adhering to the reporting standards outlined in the European Sustainability Reporting Standards (ESRS). The results of this assessment will be finalized in 2024.

Key policies and management systems

Our key policies include our Code of Conduct, Supplier Code of Conduct, and HR policies. Additionally, we continuously monitor our operations to comply with the requirements of ISO 9001, ISO 14001, and ISO 45001 management system standards.

Gren’s Code of Conduct

Our Code of Conduct (CoC) describes the fundamental ethical standards that we are obligated to uphold at all times. It mirrors our values and the belief that conducting business ethically and transparently is the only acceptable approach. These universally agreed-upon principles serve as our guide in making the right decisions.

Gren’s Supplier Code of Conduct

Our Supplier Code of Conduct (SCoC) is applicable to Gren’s operations in every part of the world and to any supplier that delivers goods, services, work, or other business activities to Gren. Read our Code of Conduct and Supplier Code of Conduct [here](#).

Environmental standards, policies, and principles

At Gren, we adhere to comprehensive Environment, Health and Safety (EHS) management guidelines, which outline our EHS management principles, practices, and procedures. We are committed to the continuous improvement of our operations, and we actively manage our impacts through the ISO management system standards mentioned above.

Sustainable finance

Our ESG framework for inorganic growth centres on aligning each new acquisition with our ESG Key Performance Indicators (KPIs), Gren’s alignment with the EU taxonomy, and our adherence to the Sustainable Finance Disclosure Regulation (SFDR) and applicable UK legislation.

Our primary objective is to prioritize investments that significantly contribute to Gren’s sustainability goals. To reinforce this commitment, we’ve initiated the establishment of a reporting process for compliance with the Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy Regulation and applicable UK legislation.

Business resilience

We are prepared to navigate through disruptions stemming from energy market fluctuations, climate change, socio-political events, or advancements in digital technology. Our customers can rely on the security of their energy supply. We operate with transparency and integrity, maintaining a zero-tolerance stance towards illegal or unethical business practices.

Our primary objectives include achieving a production availability rate of 98%, ensuring zero information security incidents affecting Gren services or resulting in data breaches, and reporting no incidents related to Anti-Money Laundering (AML) and Anti-Bribery and Corruption (ABC) policies.

Sustainability certifications

Our Sustainable Resources Verification Scheme (SURE) certification in Latvia underscores our ongoing commitment to due diligence and transparency in environmental and biodiversity matters related to biomass fuel sourcing. We also hold a Programme for the Endorsement of Forest Certification (PEFC) chain of custody certificate in Estonia.

In 2023, we achieved an exceptional outcome, with 95% of our procured biomass fuels certified in the Baltic region, where we obtain our PEFC and Forest Stewardship Council (FSC) certified biomass fuels. In the UK, our sourcing adheres to the Woodsure certification scheme.

All Gren district heating systems in Estonia – Gren Eesti, Gren Tartu, and Gren Viru – hold the Efficient District Heating label, demonstrating compliance with the European Union Energy Efficiency Directive 2012/27/EU. This label indicates that our systems are efficient, utilizing at least 50% renewable energy, 50% waste heat, 75% cogenerated heat, or a combination of these energy sources.

Stakeholders

Our business has an impact on a variety of stakeholders every day. Engaging with our stakeholders pervades every aspect of Gren’s operations, constituting an integral part of our daily work and management. This involvement extends to understanding our customers’ needs and actively

participating in local communities. Furthermore, we consistently update our shareholders and debtholders on ESG-related matters.

At Gren, we communicate openly, in a timely manner, and in ways that reflect our shared values. Pursuing this approach consistently is instrumental in building and sustaining a strong public brand image and reputation. This, in turn, supports the implementation of our strategy, our 2024–2026 ESG roadmap, and our business activities in general.

We are committed to providing accurate and reliable information, and we seek to foster close relationships with our employees, customers, investors, communities, and business partners through regular communication marked by integrity and transparency.

Cities and towns in Estonia, Latvia, Lithuania, Finland, and the United Kingdom are crucial partners for us in building sustainable environments for both people and businesses.

Within the cities where we operate, we contribute to local communities through educational initiatives related to energy efficiency. Additionally, we extend our support to schools, local sports clubs, and arts associations.

STRATEGY

Strategic sustainability drivers and 2024–2026 roadmap

In 2023, we established a clear ESG strategy and roadmap for the next three years. This roadmap, spanning from 2024 to 2026, focuses on six core drivers within the three ESG themes. Additionally, we outlined actions to enhance these drivers of change.

Gren's ESG strategy themes and drivers

GREN'S PURPOSE: energizing the future today
GREN'S DIRECTION: sustainable success

GREN'S VALUES: trust, respect,
customer focus, solution orientation

GREN'S STRATEGY: driven by its purpose and values. Committed to growth, providing the best heating and cooling solutions, industrial energy solutions, and moreover seeking growth opportunities beyond the existing business

Environmental	Social	Governance
<p>CLIMATE CHANGE & BIODIVERSITY We provide energy solutions that consider our shared future for generations to come. We respect the planetary boundaries and take responsibility for our contribution to mitigating the current climate crisis. Our actions are immediate and ambitious, supporting global GHG reduction and biodiversity protection targets for limiting global warming. Excuses off. Planet-saving actions on!</p> <p>CLEAN PRODUCTION Responsibility starts by avoiding undesirable impacts on the environment and society from the outset. We achieve it by operating our assets resource-efficiently and by employing cutting-edge clean technological innovations to minimize inevitable impacts to land, air, water or people. Our planet and people deserve it.</p>	<p>ENERGIZING SOCIETY Gren's ESG ambitions contribute to society's advancement. We not only provide clean, secure, affordable and innovative energy solutions, but empower communities to make sustainable choices. Gren's respect for people extends to all stakeholders: our customers, suppliers, partners or authorities. We foster engagement for people, their rights, wellbeing and safety.</p> <p>ENGAGING EMPLOYEES Our employees make our strategy and sustainability ambitions come alive. Constantly aiming to be better and pushing for innovation. Based on mutual trust and respect, we strive to create a strong corporate culture and working environment where safety is never compromised, equality is a fundamental principle and people feel fully engaged.</p>	<p>SUSTAINABLE INVESTMENT Gren is on a growth trajectory. We invest boldly in our current operations, while actively seeking opportunities beyond our existing business. How and where we invest therefore matters greatly. By including ESG in our decision-making, and monitoring of sustainability related financial and extra-financial performance we can maximise positive sustainability impacts for our stakeholders and avoid unnecessary risks.</p> <p>BUSINESS RESILIENCE We are ready and resilient to disruptions, whether energy market related, driven by climate change, socio-political or arising from the digital world. Our clients can trust us in ensuring energy supply security. We work transparently and honestly with no room for illegal or unethical business practices. Reliable and transparent.</p>

EU sustainability ambitions

Sector insights

Stakeholder opinion

Gren's environmental impact

Gren's social impact

Financial risk and opportunities

IMPACT, RISKS, AND OPPORTUNITIES

Risk Management

Gren has established a Risk Management Policy and Framework to support both Group management and country unit operations in effectively managing risks and ensuring compliance with relevant regulations. This includes identifying, assessing, and reporting material risks facing the business. The Risk Management Policy is officially approved by the Supervisory Board.

The objectives of Gren’s risk management are to:

- Support Gren Group’s management in developing and refining Gren’s strategy from a risk perspective
- Assist in executing business strategy through comprehensive risk assessments
- Help the business achieve agreed-upon financial and operational targets while maintaining acceptable risk levels
- Ensure a clear understanding of the Group’s significant risks and uncertainties
- Safeguard the well-being of all employees and third parties involved in Gren’s operations
- Address environmental and sustainability matters
- Support Gren Group’s management in considering and evaluating the needs of various stakeholders.

In essence, Gren’s risk management empowers employees to embody Gren’s values and purpose and aligns with the overall direction set by the Board.

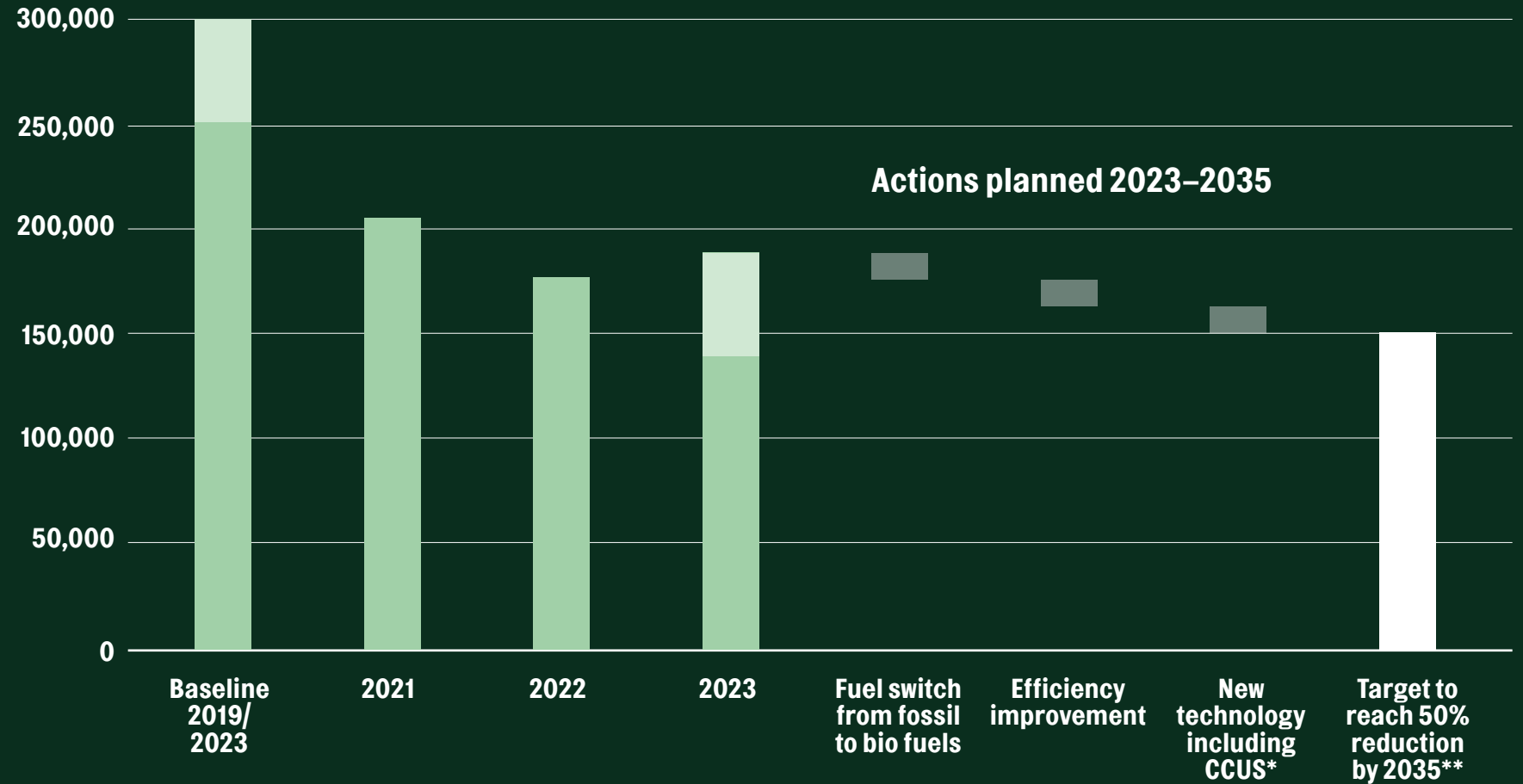
Sustainability risk encompasses not only climate-related risks but also factors such as Environmental, Health, and Safety, social impact, and human rights. Our risk management approach also considers legal risks, reputational risks, and those associated with fraud and anti-competitive behaviour.

OUR SUSTAINABILITY TARGETS AND KPIS

To implement and monitor our strategy, we take action towards achieving our 2024–2026 ESG roadmap targets and measure the results year on year. Our targets include climate targets, environmental pollution targets, health and safety targets, initiatives and campaigns to engage local communities, and also specific EU-level compliance targets related to anti-corruption, information security and production availability.

Actions and resources related to climate change mitigation and adaptation

tCO₂e



New acquired companies in UK and Lithuania are accounted for since May 2023.

*Carbon capture utilization and storage

** Minimum target for GHG reduction

→ **Environment:**

- GHG reduction -50% by 2035 from the base year 2019
- Reach 100% sustainably sourced biomass fuels by year-end 2025
- Develop and test new customer solutions, specific to Industrial Energy Services
- Pollutant levels of plants stand lower than the levels associated with the best available techniques (BAT-AEL)
- Maintain District Heating and Cooling (DHC) system and production efficiency in line with EU Directive 2012/27/EU
- Develop production efficiency, minimise network heat losses and network water losses

→ **Social:**

- Conduct Corporate Social Responsibility (CSR) related awareness campaign yearly
- Deploy cooperation with schools and NGOs
- Ramp up risk-based monitoring approach to supplier base
- Achieve a representation of women exceeding 40% in both the Supervisory Board and the Management Team
- Attain a less than 1% gender pay gap for comparable functional level by 2025, using compensation and benefit structures for comparison
- Achieve balanced distribution of employees by age group and gender by 2030
- Zero incidents of discrimination, harassment, human and labour rights violations
- Zero cases of fatalities, permanent disability, injuries, or occupational diseases for both Gren employees and contractors
- Gain an employee engagement level exceeding 80% by 2025

→ **Governance:**

- Disclose sustainability related financial information according to EU taxonomy regulation.
 - » Taxonomy-aligned Revenues (%)
 - » Taxonomy-aligned OPEX (%)
 - » Taxonomy-aligned CAPEX (%)
- Comply with the European Sustainability Reporting Standards
- Achieve production availability of 98%
- Achieve zero information security incidents impacting Gren services or resulting data breach
- Achieve zero incidents related to AML/ABC policies

Case: Estonia’s largest heat accumulator set to reduce natural gas usage and stabilize prices

The new system will reduce the City of Tartu’s annual natural gas consumption by the same volume as would be used to heat 18 large apartment blocks.

In autumn 2023, Gren unveiled a new heat accumulator in Tartu, Estonia’s second largest city.

The heat storage facility will be the largest of its kind in the Baltic states. Also, it will reduce gas dependency in district heating and stabilize prices.

Additionally, the new asset allows Gren to use wood chips as alternative to natural gas – a costly fossil fuel that must be imported. By reducing natural gas use, the company will cut CO₂ emissions by approximately 2,000 tonnes a year.

Standing at 45 metres high with a 17-metre diameter, the solution features a steel-framed, insulated water tank with a capacity of 10,000 cubic metres. Heat

accumulators are designed to handle daily and seasonal fluctuations in heat demand. During spring and fall months, warmer days result in less usage, while colder nights lead to higher consumption.

“The logic is that if there is surplus heat during the day, it will be stored as hot water. At night, when more heat is required, it is retrieved and fed into the district heating network,” explains Margo Külaots, Country Head of Gren in Estonia.

Without heat storage facilities, boilers continue to operate during the cold hours of the night. Switching boilers between operational and idle states is inefficient, as frequent toggling can result in equipment breakdowns.

“For district heating customers, the impact on their bills will be minimal,” Külaots clarifies. “Although it will help to regulate prices. If we consume less gas and replace it with wood chips, this will likely lower prices and improve supply security, stabilising both in the process.”



ENVIRONMENT

The future of energy is green

At Gren, we are committed to environmental protection, promoting responsible use of natural resources, and mitigating the adverse effects of our operations. Through our services, we assist customers in reducing their environment footprint.

One of our primary sustainability goals is to cut our greenhouse gas (GHG) emissions by at least 50% by 2035. By the end of 2023, we had already reduced our emissions by 36% compared to our operational baselines. We also adhere to environmental laws and regulations, managing environmental matters through ISO management systems.

Our plants primarily use biomass fuels for heat production, making sustainable biomass procurement crucial for our business. As part of our critical work in this area, in 2023, we initiated certification processes for procured biomass fuels, to reach our target of using 100% sustainably sourced biomass by 2025.

Key figures in 2023:

- Heat delivery: 2061 GWh
- Electricity supplied: 599 GWh
- Share of non-fossil fuels: 96%

Gren is guided by the EU's regulation on the Sustainable Finance Classification System, also known as EU Taxonomy, which is a system for defining environmentally sustainable economic activities.

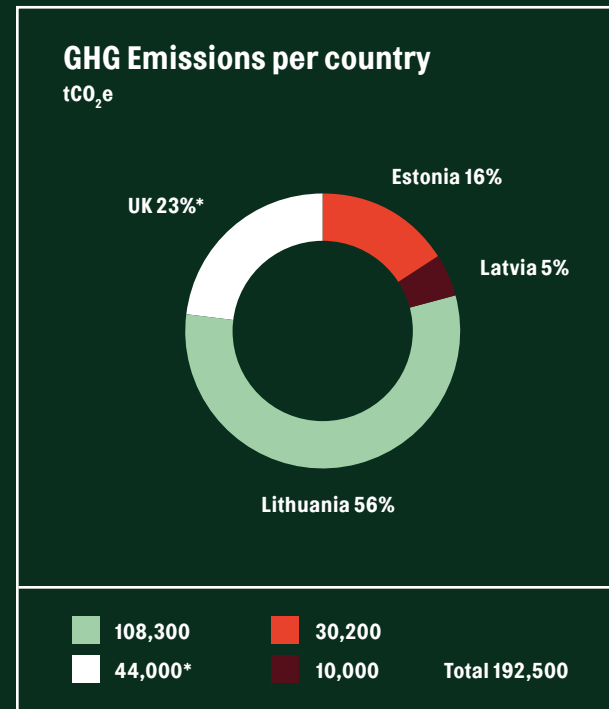
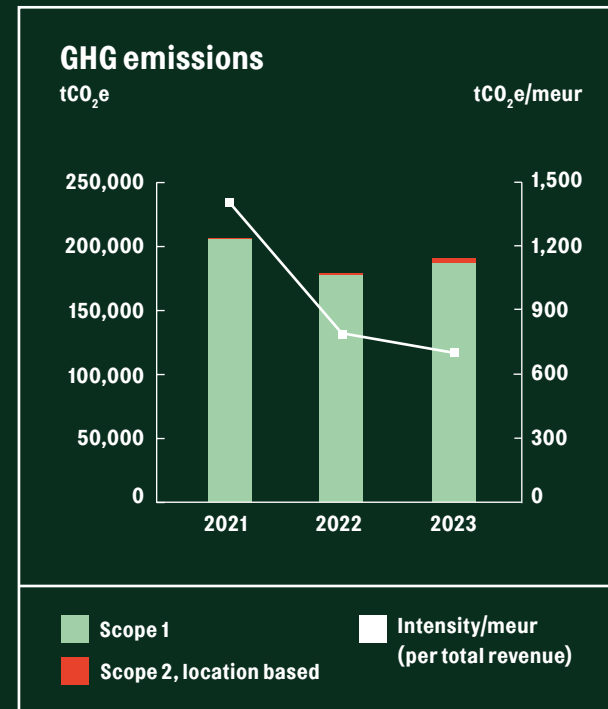
According to the Taxonomy, an economic activity is deemed as environmentally sustainable if it significantly contributes to one or more of the six environmental objectives, avoids significant harm to other environmental objectives, and complies with Minimum Safeguards related to the OECD Multinational Enterprises Guidelines, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labor Organization's Declaration on the Fundamental Principles and Rights at Work, and the International Bill of Human Rights.

The EU Taxonomy regulation and Corporate Sustainability Reporting Directive will apply to Gren starting from the financial year 2025.

CLIMATE CHANGE AND DECARBONIZATION – SCOPE 1 & 2 EMISSIONS

Gren reports GHG emissions following the Greenhouse Gas Protocol by the World Business Council for Sustainable Development (WBCSD) and World Resource Institute (WRI). Gren generates greenhouse gas emissions in its own operations (Scope 1 and Scope 2) and throughout its value chain (Scope 3).

Scope 1 refers to direct emissions, mainly from Gren's combustion of fuels for heating and power



*May–Dec 2023

production. Scope 2 includes indirect emissions from purchased energy generation. Scope 3 encompasses other indirect emissions across the value chain. Gren's 2023 GHG inventory comprises Scope 1 and Scope 2 location-based emissions.

In 2023, our Scope 1 and Scope 2 location-based emissions totalled 192,500 tCO₂e (178,000 tCO₂e in 2022). This calculation covers Gren's core business as of 2022, with emissions from newly acquired UK and Lithuania companies over eight months added.

Our goal is to slash GHG emissions by 50% by 2035 compared to relevant baselines (2019 & 2023*).

By the end of 2023, we successfully reduced our GHG emissions by 36% compared to our baseline year. This reduction was made possible through several initiatives, including transitioning from fossil fuels to biomass, initiating efficiency improvements through our Operational Excellence Program, and investing in technologies like flue gas condensers and heat accumulators.

Our investments in technology

In 2023, we undertook significant environmental actions and investments. For instance, we installed a flue gas condenser in Pärnu, Estonia, and a heat accumulator in Tartu, Estonia. Read more in our case study.

Additionally, we adjusted fuel mixes in Latvia and Lithuania and renovated district heating networks. We formalized these actions as part of our 2023 ESG Strategy and the Gren Operational Excellence Program.

During the reporting period, our Operational Excellence Program completed its first full year of implementation, launching a total of 71 projects, with many still in progress.

Fuel usage

We use a combination of biomass fuels, waste fuels, and a small portion of fossil fuels to produce heat, electricity, and cooling. In 2023, renewable biomass fuels accounted for 2,421 GWh, waste fuels for 892

Fuel mix 2023 (GWh)

	Biomass	Waste fuels	Fossil fuels	Total
Estonia	1,242	0	71	1,313
Latvia	693	0	10	703
Lithuania	145	689	26	860
UK	341	203	23	567
Total	2,421	892	130	3,443
% of total	70.3%	25.9%	3.8%	100%

Emissions to air, waste, water consumption

	2022	2023
Emission to air (tonnes)	1,340	1,230
Non-Hazardous ashes (tonnes)	77,400	99,800
RDF fly ashes (tonnes)	8,900	12,400
Other sorted wastes (tonnes)	3,400	4,100
Water consumption (1000m3)	356	589

GWh, and fossil fuels for only 130 GWh. Our waste fuels typically consist of 50% of biogenic and 50% fossil origin, with the fossil portion accounted for as CO₂ emissions in our GHG inventory.

Total energy delivery

Our total energy delivery reached 2,660 GWh for heating, cooling, and power compared to 2,830 GWh in 2022.

Four electric vehicles taken into use

When it was time to upgrade the vehicles for our Heat Supply Service unit in Jelgava, Latvia, we opted for a cleaner and greener transport solution by introducing electric vehicles (EVs). To support their use, we installed electric car charging stations at both the Heat Supply Service unit and the biomass CHP plant. Here, green electricity from sustainably sourced biomass is used to charge the EVs.

Future plans

Moving forward on our ESG journey concerning climate change, our next steps involve developing specific strategies for reducing GHG emissions, assessing their impact, and determining the feasibility, timelines, and necessary investments. Additionally, in 2024, we will commence a GHG Scope 3 emissions assessment. Our ongoing focus on promoting district heating and cooling empowers our customers to choose more efficient and renewable solutions compared to other alternatives.

PREVENTING AND CONTROLLING POLLUTION Minimizing pollutants to air, water, and soil

We prioritize minimizing pollutants released into the air, water, and soil beyond what is legally required. It's our responsibility to avoid negative environmental and social impacts. We achieve this by operating efficiently

and leveraging technology to minimize harm to land, air, water, and communities.

Our policies not only govern our own operations but also extend through the entire upstream and downstream value chain. We work to mitigate negative impacts related to air pollution, water contamination, and soil pollution.

Emissions to air

Our aim is to produce energy and operate our systems with minimal adverse environmental effects.

In 2023, our total pollutants emitted into the air amounted to 1,230 tonnes compared to 1,340 tonnes in 2022.

Our actions during 2023 included establishing baseline emission levels for our plants and monitoring to track year-on-year developments. We anticipate stricter pollutant emission limit values in future regulations.

We actively monitor noise pollution as needed, particularly during the initial commissioning of production units. One notable initiative in 2023 involved implementing noise isolation in a turbine hall.

We are committed to maintaining the quality of our wastewater and reducing the environmental burden on waterways caused by our operational facilities. To achieve this, we strive to minimize potentially harmful impurities in our wastewater. Rather than discharging wastewater directly into waterbodies, we directed it to local water treatment facilities.

WATER AND MARINE RESOURCES

Water consumption

In Gren's operations, water plays a crucial role in various stages of heating and power production. We heat water in boilers to create steam, which powers turbines generating electricity. After use, the steam is condensed back into water for recycling in the system.

Water is also integral to our district heating networks. Thermal energy from production plants is transmitted to customers through a closed network of two pipes: one for supply and one for return.

In this system, hot water enters buildings through supply pipes, releases heat to customers via heat exchangers, and then returns to the production plant through the return pipe for reheating.

Regular maintenance of the network is essential to prevent leaks and water losses. We continually monitor the network for leaks and invest in its renewal and reconstruction as needed.

Furthermore, Gren adopts Best Available Techniques to minimize water consumption. For instance, at our Tartu facility, water released from the cogeneration plant's condensing unit is treated, neutralized, and filtered to remove suspended solids. The purified water is then reused in the plant.

In 2023, our operations consumed a total of 589,000 m³ of water, compared to 356,000 m³ in 2022.

PROTECTING AND ENHANCING BIODIVERSITY AND ECOSYSTEMS

Ecosystem and biodiversity protection through sustainable sourcing

At Gren, protecting biodiversity is a high priority. We recognize the strong link between biodiversity loss and climate change, so efforts to combat climate change must also address biodiversity loss. To achieve this, we prioritize sourcing biomass fuel with sustainability certification. We procure certified fuels and maintain chain of custody certificates for our operations in Latvia and Estonia.

Our key target is to achieve 100% sustainably sourced biomass fuels by the end of 2025. To reach this goal, we closely monitor the percentage of certified biomass fuel we procure.

In 2023, we conducted a gap analysis to assess our status and future needs regarding the sustainability of the fuels we use, in line with RED III, the European Union's Renewable Energy Directive. This directive is integral to the EU's strategy to reduce net GHG emissions by at least 55% by 2030.

Monitoring the percentage of certified biomass fuels is a key performance indicator (KPI) for Gren. In 2023, we achieved 95% of the certification target for our Baltic operations. In the UK, biomass procurement is certified through the Woodsure wood fuel quality assurance scheme.



ENHANCING CIRCULAR ECONOMY ACTIONS

At Gren, we actively pursue a reduce, reuse, recycle approach to contribute positively to the circular economy.

We minimize waste from operations by ensuring our fuel sources meet design specifications and have minimal ash content, this way we can also reduce the ash produced. Additionally, we implement various measures to boost production efficiency, reducing waste generation per unit of product.

The main waste from our heating and power production is biomass ash. This can be reused for landscaping, quarry recovery, fertilizers, including fertilizers for forestry applications, and for neutralizing hazardous waste.

In our construction operations, we collect the demolition and construction-related waste in special containers, sending it to local municipal waste management companies for recycling.

In our Waste to Energy (WtE) plants using Refuse Derived Fuels (RDF), we collect non-hazardous bottom ash, also known as slag, and send hazardous fly ash to specialized treatment facilities.

In 2021, we announced in Lithuania that we used slag collected from our operations to build a road, marking a first in the country's history. This road serves as an experiment to assess the suitability of slag for road construction.

We also handle other waste types in small amounts, such as scrap metal, sorted and non-sorted municipal waste, lubricants, oils, and absorbents, collecting them separately for potential recycling.

In 2023, our operations produced 99,800 tonnes of non-hazardous ashes (2022: 77,400 tonnes); 12,400 tonnes of RDF fly ashes (2022: 8,874 tonnes); and 4,100 tonnes of other sorted wastes in 2023 (2022: 3,400 tonnes).

Case: Gren Group's Latvian divisions receive the region's first SURE EU certification

Gren Latvia and Gren Riga obtained SURE EU certificates that enable both divisions to implement a verification system for sustainably sourced wood chips.

The new certification establishes Gren Group's companies as the first in Latvia to receive SURE certificates. Gren began implementing the Sustainable Resources Verification Scheme (SURE) in 2023, responding to the need to verify sustainable wood chip sourcing.

Certifying biomass sustainability is important under the revised EU Renewable Energy Directive 2018/2001/EU (RED II), and Gren selected the EC-approved SURE scheme due to its industry-leading standards.

"The main task of Gren's companies is to provide safe and competitive heat supply for our customers," states Mārtiņš Priževoits, Fuel Management Specialist in Latvia. "The new requirement for sustainable biomass risks higher fuel prices. To avoid this, certifying the sustainable extraction of wood chips becomes a priority."

Despite the challenges faced during implementation, the adoption of the scheme marks a significant milestone in Gren's commitment to sustainability and cements the Group's pioneering role in using biomass for energy production in Latvia.

"The successful integration of the SURE system boosts Gren's performance and instils confidence in our customers and partners regarding the sustainability of their energy production," observes Marija Slaidiņa, EHSQ Manager.



SOCIAL

Social sustainability

We at Gren are committed to sustainability in all our operations. By providing clean, secure, affordable, and innovative energy solutions, we empower communities to make sustainable choices.

We seek to actively engage with stakeholders to continue improving our performance. Our respect for people extends to all stakeholders in our value chain, including our employees and customers, suppliers, partners, and authorities.

We strongly believe that an ethical business culture is the cornerstone of every sustainable company. Our Code of Conduct outlines the essential ethical standards for all Gren employees to follow, embodying our values.

We are firm in our commitment that conducting business ethically and transparently is the only viable approach, and our Code's universally accepted

principles steer us in making sound decisions. Our goal is to become a dependable and trusted partner for customers, communities, and business partners.

Our suppliers and contractors play an important role in our efforts to promote sustainability in our operations. Gren's Supplier Code of Conduct defines the basic sustainability requirements for our suppliers and is based on the principles of the United Nations Global Compact. Our Supplier Code of Conduct applies to Gren's operations in every part of the world and to any supplier that delivers goods, services, work, or other business activities to Gren.

In addition to describing our approach to Human Resources (HR), Gren's People Policy also provides guidelines regarding workplace health and safety.

MANAGEMENT SYSTEMS

The safety of our operations is our utmost priority. Operating successfully in the energy business requires outstanding Environmental, Health and Safety (EHS) management and performance. For this reason, excelling in sustainability, including EHS, is an integral part of our strategy.

Board and management diversity

	Women	Men	Total	Share of women
Supervisory Board	1	5	6	17%
Management Team	4	6	10	40%

Safety performance

	2022	2023
LTIFR (Gren Employees)	1.92	2.48
TRIF (Gren Employees)	1.92	3.71

Gren's EHS Management Guidelines define minimum requirements and additional recommendations to ensure that sufficient focus is given to the environment, health, and safety in all our operations. These requirements are used alongside local laws and instructions. In case of contradictions between our EHS management guidelines and the legal requirements or local instructions, the stricter requirements should always be followed.

Full regulatory compliance is an absolute requirement in all Gren's operations. Gren employs established procedures for the following:

- Keeping up-to-date documentation of valid EHS legislation and other requirements, such as permit conditions relevant to our business operations
- Safeguarding effective implementation of the requirements, resulting in full compliance
- As a responsibility of our managers, ensuring that employees are aware of the policies and instructions that apply to their work and that all legal requirements, licence conditions and other external or internal requirements are clear, understood and complied with.

Gren's EHS management is based on continuous improvement and follows the principles given in ISO standards and all operational units should apply to ISO 14001 and ISO 45001 standard requirements. It is recommended that all Gren's operational activities be both ISO 14001 and ISO 45001 certified.

Safety performance

In 2023, our Lost Time Injury Frequency Rate (LTIFR) reached 2.48, (2022: 1.92). We conducted a total of 484 safety walks during 2023 representing a 13% increase from the previous year (2022: 426).

The Gren Safety Index is our leading safety indicator. It is measured using a combination and weighting of conducted safety walks, EHS improvement proposals, the quality of work permits and the results of EHS inspections. To further promote our safety culture, we link the Safety Index to our incentive plans.

In 2023, Gren achieved a Safety Index of 98.5%, (96% in 2022), a remarkable accomplishment worth celebrating. However, safety remains a top priority that requires ongoing attention. In 2024, we plan to engage our personnel in a safety theme week centred around the "stop and think" approach, emphasizing

the responsibility of all employees to be safety ambassadors in their daily work. In 2023, our safety week theme focused on eye safety.

At Gren, everyone has access to a cloud-based IT system for reporting our performance in health, safety, environment, and quality management. This solution is dedicated to monitoring and managing these topics within our company.

While we don't directly manage our facilities in the UK, we've partnered with experienced Operations and Maintenance (O&M) professionals to handle safety systems on site. Each site is accountable for developing and maintaining its own environmental, health and safety management systems as part of its operating contract.

Actions and key achievements in 2023

Our Human Resources (HR) team ensures that our processes support and enable the organization in reaching its goals. Having relaunched as Gren in 2021, successfully establishing and streamlining the operation of fundamental people processes and systems has been a key achievement for us in 2023.

During the year, we also implemented the Learning Management System (LMS) platform as a means of facilitating learning and development at Gren. Going forward, we will explore the types of training courses required to maximize the system's potential for employee learning and development.

In autumn, the "We are Gren" event in Jurmala, Latvia, brought together 250 Gren colleagues from Estonia, Finland, Latvia, Lithuania, and the UK. The event gave employees an opportunity to interact and make new connections while also marking the company's achievements thus far.

Engaging people in our purpose

We place a particular emphasis on caring for the well-being of our employees, who play a vital role in realizing our strategy and sustainability goals.

We aim to foster a strong corporate culture grounded not only in our values of trust, respect, solution orientation, and customer focus but also in a foundational commitment to equality. This commitment is especially evident in the Baltic countries where we maintain lengthy relationships with many of our personnel. Our aim is to secure long-term employment for people by engaging them in Gren's purpose.

In addition to contributing positively to society by providing essential services such as heat and electricity, Gren's activities play a significant role at the grassroots level. We typically operate in small locations where energy services are critical.

We work with communities to provide heating, cooling, and power that is secure and low carbon, delivering at scale to households, businesses, and industry. This effort involves our employees closely and continuously engaging with cities and municipalities, strengthening our company's integral connection with the local community.

We conducted our first Gren Employee Engagement Survey in 2022. Held in spring and autumn, the latest survey in 2023 received a response rate of 89% (2022:77%). In addition, the Engagement Index improved by two points to 81 compared to the results from the same period of the previous year (2022: 79).

Furthermore, Gren received a Net Promoter Score (NPS) of 44 (2022: 51). According to NPS methodology, a grade above 0 is considered to be a good score, and a score of 50 or higher is seen as excellent.

Social contributions in 2023

Gren continued to support emergency relief efforts in Ukraine through UNICEF. The company also donated funds to charitable institutions and causes in Estonia, Latvia, and Lithuania during the year.



Employee satisfaction

	2022	2023
NPS	51.0	44.0
Engagement index	79.0	81.0
Response rate	77%	89%

Case: Planned maintenance on time, with zero accidents, and within budget

Gren Klaipeda successfully completed its longest and most challenging scheduled maintenance break in its ten-year history in June 2023.

Formerly known as Fortum Klaipeda, Gren Klaipeda was commissioned in 2013 and became the first waste-to-energy plant to operate in the Baltics. Situated in the free economic zone of Lithuania's third-largest city, this Combined Heat and Power (CHP) plant caters to approximately half of the city's heating demand in winter and up to 100% in summer.

By utilising waste as fuel, the plant not only supplies electricity to the grid, meeting about a tenth of the energy demands of Klaipeda city, but also provides non-hazardous waste treatment services for the local community and industry. It also fulfils about 40% of Lithuania's total demand for waste treatment by incineration.

In June 2023, a scheduled maintenance break was initiated at Gren Klaipeda to renew a sizeable portion of its key equipment, replacing about a fifth of its boiler walls and modernising its turbine. The refurbishment of both major components was designed to enhance the overall efficiency of the power plant.

Throughout the six weeks of the maintenance effort, the plant's own personnel along with contractors performed challenging tasks. These included welding inside the plant's combustion chamber, where several contractors needed to operate in the same area at once.

ADDITIONAL SAFETY INSPECTORS WORKED ONSITE 24/7

"It was our most significant outage, the most complex, and involved the highest number of contractors and high-risk tasks," said Laboratory and EHS Engineer Ramūnas Jakovlevas, who oversees onsite safety at Gren Klaipeda. To maintain the plant's zero-accident target, additional safety inspectors worked onsite around the clock.

To prepare for the shutdown, every contract worker underwent a comprehensive safety induction training, including a review of emergency response actions—an imperative highlighted by Jakovlevas. Each morning meeting began with a discussion of the safety topic, and plant managers actively joined daily group safety walks. Dedicated toolbox meetings focusing on safety were also conducted with the contractors' employees.

The plant operates on a solid foundation of safety systems and processes. For instance, signage using universally understandable symbols proved even more beneficial during the maintenance break, when additional contract workers were necessary to complete tasks.

"Safety is never achieved through the oversight of one person – we must have the entire workforce on board," Jakovlevas said, referring to the plant's maintenance and operations team's efforts in upholding health and safety standards at the site. "It's really good to work when management also understands that safety is important and allocates time and effort for it," he added.

Reporting principles

ASSURANCE SCOPE AND INFORMATION PROVIDED

An independent assurance provider has performed limited assurance review over the figures presented in this report for greenhouse gas emissions Scope 1 and Scope 2 location-based emissions. The limited assurance report under the International Standards on Assurance Engagements 3000 Revised ("ISAE 3000") is directly provided to Gren's shareholder Partners Group.

The ESG information presented has been collected and compiled with the following reporting principles:

Roles and responsibilities in the reporting process

The Gren Supervisory Board, with advice from Gren's ESG committee, is responsible for the report content. Gren's management compile the ESG information and oversee the assurance work. The reporting process is led by Gren's Head of ESG, and Gren's HR organization is responsible for collecting, managing, and controlling workforce-related data.

1. GREENHOUSE GAS ACCOUNTING (GHG) – SCOPE 1 & SCOPE 2

1.1 Definitions and boundaries

The approach adopted for GHG accounting in Gren is to follow the [GHG Protocol](#).

Gren Management has adopted operational control approach for boundary setting. The Gren Group of companies as at 31.12.2023 is in the scope with the following exceptions:

All office only locations, such as group-, branch- or sales office with no production, Eleport and Retrofit Lighting are omitted from reporting based on non-material Scope 1 and Scope 2 GHG emissions. New acquired companies in UK and Lithuania are accounted for since May 2023.

Scope 1 emissions sources include:

- Stationary combustion – fuel used for combustion in boilers.
- Mobile combustion - fuel used for company leased and owned vehicles in production related tasks.
- Fugitive emissions – equipment leakage e.g., refrigerant leakage from air conditioners, chillers and heat pumps which have been installed into Gren production unit.

Indirect GHG emissions produced as a result of operations or business needs of the reporting company, but at sources that are owned or controlled by another entity.

Scope 2 emissions sources include:

- Electricity purchased from grid for own use.

1.2 Data collection

Data collection for GHG accounting is conducted on a yearly basis in January and February for the reporting period of previous year. Data is collected from different systems of production units and aggregated to the GHG accounting work file according to legal entity and country.

Data collection for Scope 1 emissions:

- Stationary combustion - fuel usage data for calculating stationary combustion emissions is gathered from different sites' fuel and production systems.
- Mobile combustion – fuel usage data for Gren owned and controlled vehicles is collected from invoices and/or gas station e-portals when available. These are filled into the excel based data collection templates.
- Fugitive emissions –top up values are reported only. Data is received from service providers or are metered at site.

Data collection for Scope 2 emissions:

- Electricity purchased from grid – data collection done by invoices and/or e-portals.

1.3 Calculation methodology

For calculating greenhouse gas emissions Gren uses a worksheet GHG calculator.

- Steps undertaken for calculating Scope 1 stationary combustion emissions:
 - » Fuel consumption data is provided by Gren country QEHS managers from different fuel and production systems and aggregated to GHG calculator.
 - » CO₂ emission factors are derived from publicly available sources with reference to the latest published data. Most emission factors are derived from DEFRA emission factor database.
- Steps undertaken for calculating Scope 1 mobile combustion emissions:
 - » Fuel data taken from invoices, e-portals and inserted to GHG calculator.
 - » Emissions factors are referred from DEFRA.
- Steps undertaken for calculating Scope 1 fugitive emissions:
 - » Data collection of air conditioners, heat pumps and chillers are from the documentation of equipment or service providers providing the top up of refrigerant.
 - » The emission factors for all the refrigerants are referred from DEFRA.
- Steps undertaken for calculating Scope 2 emissions:
 - » Method used for Scope 2 calculation is location-based.
 - » AIB production mix emission factors are used for the calculation.

1.4 Roles and responsibilities

Main responsible for aggregated GHG accounting at the group level is Head of ESG. Responsible for data collection at the country and entity level are Gren EHSQ managers.

2. HR-RELATED DATA

2.1 Definitions and boundaries

In the scope of HR related KPIs are the entities where employment activities have happened and where Gren has operational control.

‘Total number of employees’ refers to the total number of individual employees. ‘Employee’ is defined as an individual who is in an employment relationship with the organization, according to national law or its application. An employee may provide services to an entity on a full-time, part-time, permanent, casual, or temporary basis.

2.2 Data collection

Data collection and management is done at the group level and aggregated to the Grenpersonnel system. Data collection is done yearly in January for the previous reporting year.

2.3 Calculation methodology

Total number of employees is calculated as of 31.12.2023 and includes employees having an employment relationship with the organization, according to national law or its application.

Summary: Reference to ESRS (European Sustainability Reporting Standards)

ESRS 2	Driving progress for our customers, partners, and society, pages 13–14
ESRS E1	Climate change and decarbonization, pages 15–20
ESRS E2	Preventing and controlling pollution, page 19
ESRS E3	Water and marine resources, pages 17, 19
ESRS E4	Protecting and enhancing biodiversity and ecosystems, pages 15, 19
ESRS E5	Enhancing circular economy actions, page 20
ESRS S1	Own workforce, pages 21–22
ESRS S3	Affected communities, page 22
ESRS G1	Governance, pages 13–17

Gren