

nevel

Nevel sustainability report 2024





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1. INTRODUCTION



1.1 CEO REVIEW

Building a solid and sustainable platform for climate-positive growth

At Nevel we view the climate challenge as an opportunity to transform the world for the better. Through our sustainability journey we are helping to build a more responsible energy system for the future. A system that embraces a wide mix of sustainable energy sources, forward-thinking material efficiency solutions and innovative technologies. By working together with all our stakeholders we can turn the climate challenge into a solid and sustainable platform for climate-positive growth.

During 2024 we continued our strong performance, making significant progress across our key metrics. During the year our sustainable energy systems and local circular economy ecosystems continued to bring real value. Our positive impact is best seen locally, in the communities where we operate and within our industrial customers' value chains.

Our focus during the year was on mitigating excessive rises in consumers' district heating tariffs caused by large biofuel cost increases, ensuring security of supply and managing the supply chain, and widening the mix of fuels and energy sources – including further investments in new technologies such as electrification.

"Through our sustainability journey we are helping to build a more responsible energy system for the future."

Our Årjäng site saw our largest ever investment in Sweden, strengthening operational reliability and production capacity as well as providing major environmental benefits.

We continued to collaborate closely with customers in 2024 to advance their journey towards more sustainable energy production. We also took numerous investment decisions in electrification that will make a significant positive contribution to reducing CO₂ emissions across all our business areas in the coming years. Key examples include the expansion of our collaborations with Atria and Fazer in Finland.

Another positive development during 2024 was Nevel's participation in the electricity reserve market in Finland. Our participation as a supplier supports security of supply in the national grid and contributes to electricity market flexibility.

Material efficiency remains the core focus of Nevel's efforts towards climate-positive growth, with notable examples being our Forssa and Pori biogas plants in Finland. These key assets help to mitigate climate change by displacing fossil-based fuel.

While CO₂ emissions exceeded the target for 2024, Nevel continues to be committed to achieving Scope 1 and Scope 2 carbon-neutral energy production in its Real Estate solutions business by 2030 and to transforming the energy supply chain for its industrial customers by 2035.

I would like to express my sincere thanks to all our customers, employees and stakeholders for their hard work, support and unwavering commitment during what has continued to be a challenging period for the business. We remain fully focused on our efforts to achieve our ultimate ambition of climate-positive growth.

Thomas Luther, CEO





"Through our sustainability journey we are helping to build a more responsible energy system for the future."

"Nevel believes that increased transparency supports its sustainability ambition."

1.2 INCREASED TRANSPARENCY SUPPORTS THE SUSTAINABILITY APPROACH

Nevel is a utility infrastructure company that helps its customers reach their climate goals. Specifically, we help our customers to reduce CO₂ emissions by supporting their transition away from fossil-based energy production towards circularity. As a company with strong values and principles, Nevel is committed to upholding the highest environmental, social and governance standards.

Nevel has continued to develop and improve its sustainability assessment and reporting approach. While our reporting conforms to regulatory requirements it is ultimately driven by our own ambition and the needs of our stakeholders. Nevel believes that increased transparency supports its sustainability ambition.

Reinforcing Nevel's commitment to climate change mitigation, the company's measurement and reporting of Scope 1, 2 and 3 greenhouse gas (GHG) emissions follows the GHG protocol and is externally assured. Due to business growth and to ensure consistency with previous years' publications, Nevel's 2024 sustainability report distinguishes between the company's energy production and biogas businesses with regard to emissions information. Nevel is committed to continuously improving its sustainability reporting and hopes that these activities highlight the company's joint ambitions towards climate-positive growth with its customers.

Hanna Viita
Director, Sustainability



1.3 2024 KEY OUTCOMES



Climate

108 g CO₂/ kWh

Scope 1 CO₂ emissions
intensity in energy production

116 kt

Industrial business accumulated
contracted and planned Scope 1 CO₂
emission reductions (2021–2035)

89%

Scope 2 CO₂ emissions decreased



Material efficiency

38 GWh

Total biogas production

66,687 tons

Waste utilisation from biogas sites

3,882 tons

CO₂e emission savings through
biogas replacing fossil fuels



Safety

2.0

Lost time injury
frequency rate (LTIFR)

Decarbonisation and security of supply – the consistent core of Nevel's strategy

At the start of the previous fuel procurement window, Nevel took the decision to increase the planned amount of peat purchased for the Real Estate solutions business in 2024. This decision was taken for three main reasons: to address the continual fuel supply challenges, to mitigate excessive rises in consumers' district heating tariffs caused by large biofuel cost increases and to ensure security of supply for Nevel's customers. As a result, the planned Scope 1 emissions intensity increased compared to 2023.

Numerous investment decisions in electrification were taken in 2024 and these will make a significant positive contribution to reducing CO₂ emissions across all our business areas in the coming years. All these efforts lay the groundwork for a path towards our decarbonisation and carbon neutrality commitments.

An example of this commitment

In 2024 we made our largest investment to date in Sweden, at our Årjämg production site, strengthening both operational reliability and production capacity and providing major environmental benefits. This investment will reduce annual CO₂ emissions at the site by 310 tons and will also reduce emissions of sulphur dioxide (SO₂) and nitrogen oxides (NO_x).





Customer collaborations focused on emissions reductions

In 2024 Nevel continued to collaborate closely with customers on a number of different fronts. Our investments in electrification, cooling and the circular economy provide vital support for customers in achieving their own sustainability targets and will make a significant contribution to reductions in overall CO₂ emissions in the coming years.

Examples of this commitment

1. During 2024 we announced the expansion of our collaboration with Atria, which aims to support Atria's goal to achieve a carbon-neutral food chain. As part of this collaboration Nevel has invested in two 10 MW electric boilers and a 100 MWh heat accumulator at Atria's Nurmo production site in Finland. The solution, which will begin operating at the end of 2025, will reduce the site's annual CO₂ emissions by as much as 5,800 tons. In connection with our work with Atria, we began participating in the electricity reserve market in Finland.
2. We have continued to expand our cooperation with Fazer through investments in Fazer's Lappeenranta confectionery factory in eastern Finland, supporting Fazer's goal to achieve carbon neutrality by 2035. We have invested in a comprehensive electric boiler and heat pump system for the site, which will enable almost carbon-neutral energy production. This electrification project will reduce the site's annual CO₂ emissions by approximately 90% and the Fazer Group's overall annual carbon emissions by more than 10%.

A growing platform for material circularity

Nevel has implemented a number of initiatives to support sustainable energy production and build its material circularity platform, including investments in biogas production.

An example of this commitment:

In 2024 Nevel announced further investments in utility infrastructure expansion in collaboration with Puljonki Oy, a subsidiary of Solina. The two companies are expanding cooperation at the Puljonki factory in Juuka, Finland. Nevel will provide industrial-scale refrigeration-as-a-service for the factory's processes and cold chain. The surplus heat generated by the refrigeration plant will be used to heat the factory and for other process needs. The cooperation supports Solina Group on their sustainability journey, contributing to their goal to achieve 100% renewable energy and reduce Scope 1 and Scope 2 GHG emissions at the Puljonki factory by 42% by 2030.



Health and safety – protecting people and assets, and ensuring security of supply

Nevel remains committed to building a healthy and safe working environment with a zero-injury principle.

An example of this commitment:

We have implemented several corrective actions targeted at reducing the lost time injury frequency rate (LTIFR), which has improved considerably during the past five years thanks to our systematic work on preventive safety measures. An example of these measures is our safety and environmental observations and preventive risk assessments, a record number of which were performed for the second year in succession. In addition, regular fire safety assessments continued across all markets and businesses, and special emphasis was put on aligning work permit procedures. Safety remains our number one priority, and the company is continuing its efforts to implement this preventive approach to safety with all its subcontractors.



A photograph of two men in business attire. The man on the left is smiling and looking towards the man on the right. The man on the right is wearing glasses and smiling at the camera. They are in front of a large screen displaying the 'nevel' logo and the text 'YOUR NEXT UTILITY'. A laptop is visible in the bottom right corner.

2. STRATEGY

2.1 COMPANY BACKGROUND

Helping people, communities and business prosper through climate-positive growth

Nevel's future-proof industrial and real-estate solutions support material efficiency and drive climate-positive growth. Our solutions for industries, municipalities, real-estate businesses and households help to achieve carbon neutrality and enhance quality of life and competitiveness.

130



Energy
production
sites

40



District
heating
networks

150M



Turnover

190



Experts



2.2 STRATEGY

We are a trusted utility infrastructure partner

We work together with our customers and stakeholders to support both the transformation of utility infrastructure towards a carbon-neutral future and our customers' sustainability targets.

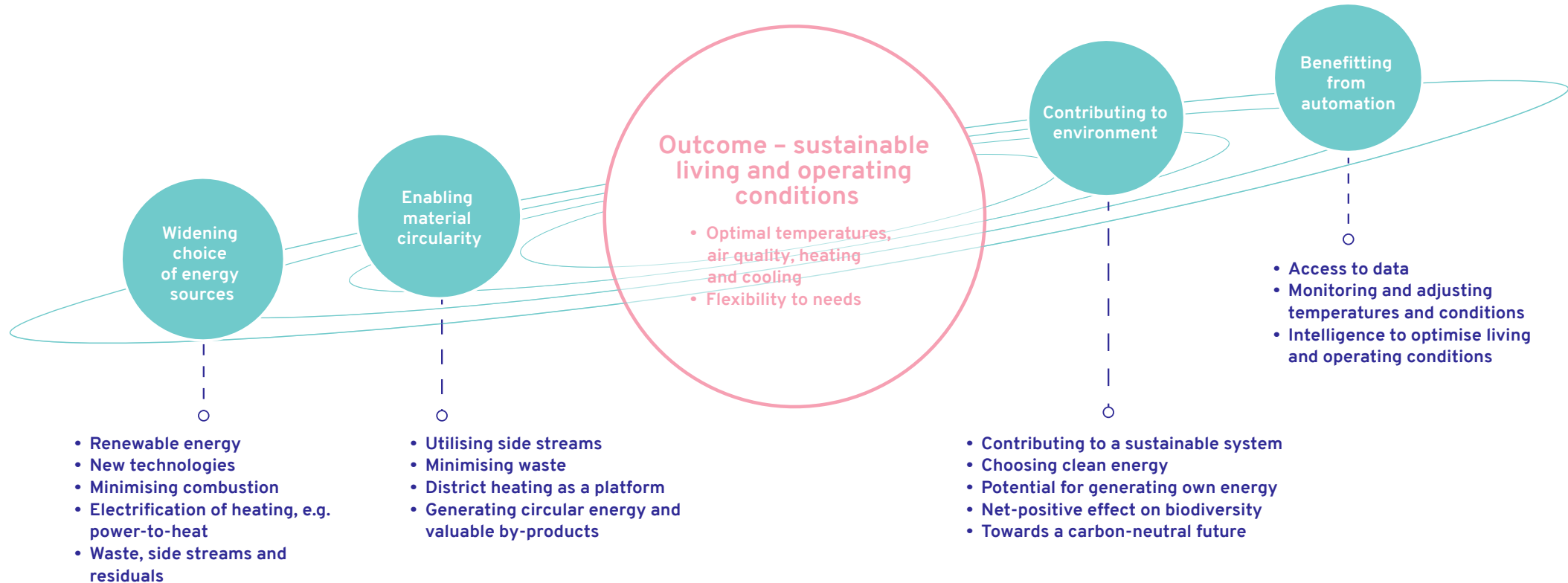
The energy system of the future must be a responsible one, with a wide mix of sustainable energy sources, material efficiency solutions and technologies securing optimal living conditions for society and operating conditions for business.

"The energy system of the future must be a responsible one, with a wide mix of sustainable energy sources, material efficiency solutions and technologies."



Towards a responsible and circular energy system

The energy system of the future will be responsible, smart and flexible. There are several sources of energy and several ways of consuming energy. Energy and materials generate a circular system and a platform.



We build next-level utility infrastructure

We are committed to building next-level utility infrastructure and upgrading existing infrastructure to make it more resource efficient using clean, environmentally sound technologies.

Using our advanced digital operations and maintenance platform and state-of-the-art remote operations platform, we have built a strong and well-developed asset portfolio that leverages the full value of performance data to ensure continuous improvement.

We work together with industries, real estate owners and municipalities to create and implement transformation roadmaps that help them to plot a clear path towards a climate-positive future.

"We help industries, real estate owners and municipalities plot a clear path towards a climate-positive future."

Making carbon neutrality a reality

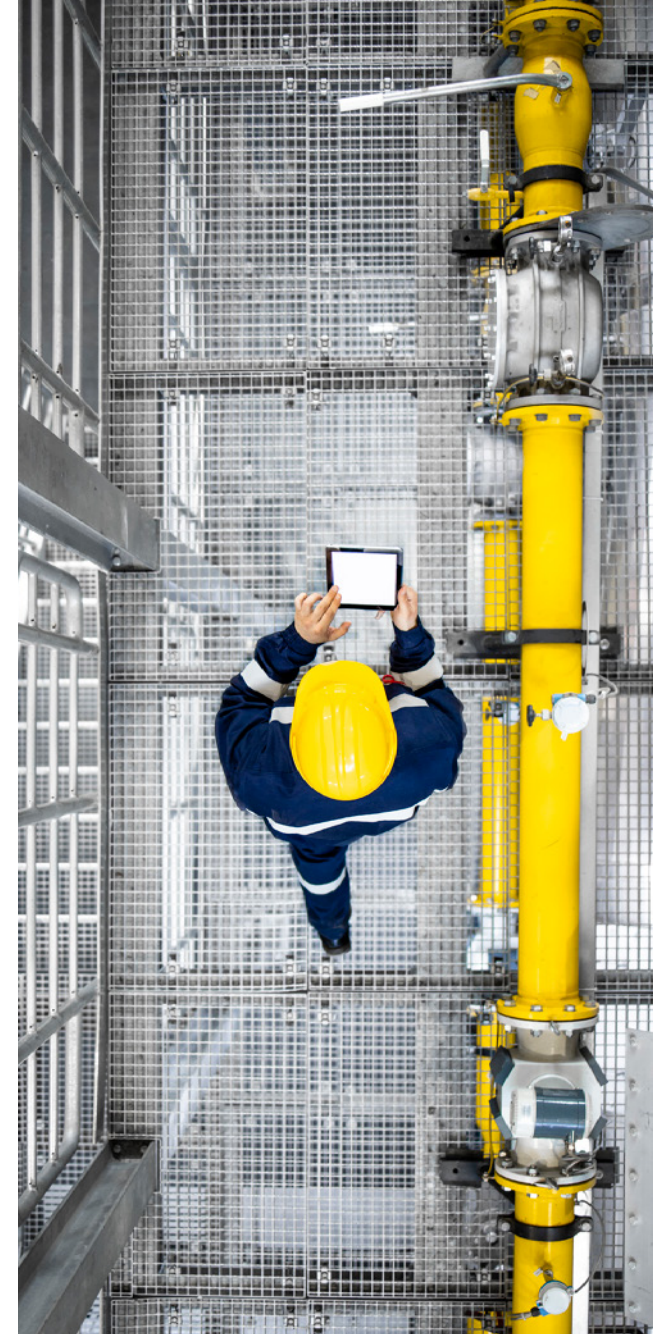
We are committed to achieving Scope 1 and Scope 2 carbon neutrality in our Real Estate solutions business by 2030 and in our Industry business by 2035.

The path towards decarbonisation and carbon neutrality consists of investing in and adopting new technologies and widening the energy mix, gradually scaling down Scope 1 CO₂ emissions to zero. As we progress along this path, fossil fuels will be replaced by renewables, side streams and waste and heat recovery. We are also investing in non-combustion heating solutions such as power-to-heat.

In our Real Estate solutions business, our plan is to phase out peat during 2027 and phase out fossil oil during 2029. Compensation for use of Solid Recovered Fuel (SRF) at Forssa power plant is planned for 2029.

For Scope 2 emissions in our Real Estate solutions business, we are committed to 100% of purchased electricity coming from CO₂ emission-free sources by 2026.

Our ambition is to foster sustainable business throughout the supply chain by 2035 in Finland and by 2045 in Sweden (Scope 3 emissions).



Helping industries transform for a cleaner tomorrow – together

Improving sustainability and minimising carbon emissions are the two biggest challenges facing modern industry. To decarbonise, industrial companies need to use energy that is free from CO₂ emissions, take advantage of side streams through material and heat recovery, and optimise processes and energy efficiency by adopting intelligent digital solutions.

By taking ownership of new energy infrastructure, we also take ownership of its emissions on behalf of our customers. As we grow, so does our environmental footprint, and it is our responsibility and ambition as an industrial partner to grow sustainably by investing to reduce our overall carbon footprint. With Nevel as a partner, industrial operators can focus on their core business and improve sustainability and competitiveness – all while enhancing the efficiency and transparency of their operations.

At Nevel, sustainability is the key driver for our entire business and the core of our strategy. Our goal is to support industries on their sustainable transition towards a climate-positive future where they can prosper.

Co-creating material efficiency for the benefit of society

Nevel has an impact on the wellbeing and lives of thousands of individuals, including employees, customers, suppliers and other members of society.

We are committed to driving sustainable societies and to enabling material efficiency. Our utility infrastructure business model is based on using side streams, minimising waste and offering district heating as a platform. We invest in biodegradable materials processing, including production of biogas, and enable generation of valuable by-products. Nevel's utility infrastructure platform provides wider opportunities for our customers in terms of energy and material efficiency solutions.

For side-stream management, we develop solutions to improve environmental performance and open up new revenue-generating opportunities. This includes identifying opportunities for new sources of clean energy.

Building a strong health and safety culture

Nevel is committed to building a culture that provides a safe, healthy working environment for its employees, customers and partners. We believe that every act counts. Nevel's safety agenda is based on the principle of zero injuries and focuses on preventive safety measures. All employees have access to Nevel's safety and environmental case handling system, and Nevel expects all its partners to adhere to the same stringent safety practices.

Corporate citizenship based on ethics, transparency and compliance

Nevel is committed to high ethical standards and transparent, accountable governance; proactive dialogue with local communities; and state-of-the-art risk management practices to ensure the compliance of its business and operations. Nevel sets annual sustainability targets through its sustainability programme and focuses on climate-positive growth across the organisation.


Sustainability is the responsibility of all Nevel employees. The company expects everyone to act responsibly and to follow its Code of Conduct. Nevel's enabling functions support the business in its sustainability practices by developing standards and practices to improve health and safety, ensure compliance and enhance the economic, social and environmental impacts of the company's operations. A whistleblowing channel is available for anonymous reporting across all markets.

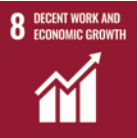




2.3 SUPPORTING THE UNITED NATIONS 2030 SUSTAINABLE DEVELOPMENT GOALS

The United Nations 2030 Agenda for Sustainable Development, adopted by all United Nations member states in 2015, provides a shared vision for global sustainability. Nevel is committed to supporting the implementation of the UN Sustainable Development Goals (SDGs). In the company’s business the focus is on the following goals in particular: 7 – Affordable and Clean Energy; 8 – Decent Work and Economic Growth; 9 – Industry, Innovation and Infrastructure; 10 – Reduce Inequalities; 12 – Responsible Consumption and Production; 13 – Climate Action; 15 – Life on Land; and 16 – Peace, Justice and Strong Institutions.

"Nevel is committed to supporting the implementation of the UN Sustainable Development Goals (SDGs)."

SDGs	Commitment	Actions
<div><div>SDG 7 - Affordable and Clean Energy</div><div></div></div>	To provide affordable and sustainable energy for all customers across all locations, increase the share of renewable energy and improve energy efficiency, Nevel is committed to achieving Scope 1 carbon-neutral energy production.	<ul style="list-style-type: none">• Gradually scaling down Scope 1 and 2 emissions to zero• Supporting a just transition - i.e. taking into consideration social, economic and environmental impacts to minimise negative side effects• Driving transformation in all municipalities where Nevel is present, not only in the biggest cities• Increasing the share of renewable energy and widening the mix of fuels and energy sources• Managing an asset portfolio roadmap that takes into account regulatory changes, efficiency upgrades and asset lifecycles• Optimising fuel use• Piloting and implementing the use of new technologies• Exploring potential compensation schemes

SDGs	Commitment	Actions
<p>SDG 8 - Decent Work and Economic Growth</p> 	<p>To promote a safe and secure working environments for all, Nevel's commitment is to offer employees, partners and visitors a safe, healthy working environment and build a strong health and safety culture.</p>	<ul style="list-style-type: none"> • Developing and implementing a common safety culture and standards across the organisation • Continuously improving methods that prevent injuries and accidents and promote wellbeing at work • Utilising employee competence and clear working instructions to identify and mitigate risks and hazards • Protecting labour rights and adhering to anticorruption principles • Committing to complying with the UN Guiding Principles on Business and Human Rights and Principles of International Labour Organisation (ILO) Conventions as well as OECD Guidelines • Respecting all applicable local collective agreements • Communicating policy commitments to all employees via the company's information management system during the induction process and in employee meetings • Promoting good leadership, work-life balance and development opportunities

SDGs	Commitment	Actions
<p>SDG 9 - Industry, Innovation and Infrastructure</p> 	<p>To upgrade infrastructure and make it sustainable through increased resource-use efficiency and greater adoption of clean and environmentally sound technologies, Nevel's commitment is to invest in and build advanced utility infrastructure.</p>	<ul style="list-style-type: none"> • Ensuring security of energy supply • Taking into consideration economic, social and environmental impacts • Investing in the development of utility infrastructure • Developing and innovating new concepts • Promoting and co-creating local circular economies • Enabling a technology-neutral transition to carbon-neutral operations • Working together with customers and stakeholders to make the energy and utilities supply sustainable • Utilising local side streams and minimising waste
<p>SDG 10 - Reduced Inequalities Within and Among Countries</p> 	<p>To empower and promote social, economic and political inclusion for all, Nevel's commitment is to promote equal opportunities, good leadership and personal development.</p>	<ul style="list-style-type: none"> • Developing Nevel's recruitment process and welcoming job applications irrespective of e.g. race, sex, age, physical ability or religion • Developing our leadership practices and supporting our line managers in their work • Enhancing a just transition, i.e. sustainable energy in all municipalities where Nevel is present, not only in the biggest cities

SDGs	Commitment	Actions
SDG 12 - Responsible Production and Consumption 	To achieve sustainable management and efficient use of natural resources and reduce waste through recycling and reuse, Nevel's commitment is to develop the sustainability of its energy production and supply-chain management practices, to provide district heating and real estate customers with easy access to energy and a reliable and secure future-proof energy platform, and to enable district heating to be connected to almost any type of power plant and energy source.	<ul style="list-style-type: none"> Implementing transformation together with customers to help them achieve their sustainability targets Promoting sustainable utility infrastructure development by utilising renewable energy and side streams and co-creating circular economies Promoting the responsible and sustainable sourcing of biofuel Supporting customers with reporting practices and providing transparency to Nevel's own sustainability performance Enabling material and energy circularity and minimising waste Investing in and optimising energy efficiency Promoting and increasing understanding of the circular economy
SDG 13 - Climate Action 	To take urgent action to combat climate change and its impact and to strengthen resilience against climate-related hazards, Nevel's commitment is to ensure risk mitigation planning for major natural and environmental disasters and raise awareness about climate change mitigation.	<ul style="list-style-type: none"> Generating and documenting company-wide or site-specific risk mitigation plans Educating employees on risks and potential situations requiring crisis management

SDGs	Commitment	Actions
SDG 15 - Life on Land 	To promote sustainable forest management and halt the loss of biodiversity, Nevel's commitment is to support the preservation of biodiversity.	<ul style="list-style-type: none"> Working together with biofuel suppliers and ensuring sustainable sourcing practices through agreement terms and audits Initiating sourcing of certified biomass Recognising potential impacts on biodiversity at our production sites and complying with environmental requirements Driving sustainable practices to safeguard biodiversity at our locations
SDG 16 - Peace, Justice and Strong Institutions 	To promote peaceful and inclusive societies for sustainable development and develop effective, accountable and transparent institutions, Nevel's commitment is to become a sustainable and transparent corporate citizen in all locations where the company operates and to ensure compliance in its business and operations.	<ul style="list-style-type: none"> Following the rules and regulations defined by the Articles of Association and the Finnish Limited Liability Companies Act and respective laws and regulations in Sweden and Estonia Maintaining its governance structure and developing its management system and processes to fulfil the company's obligations Communicating policy commitments to all employees Educating all employees to have high ethical standards and requiring them to adhere to the company's code of conduct in all their work Conducting proactive dialogue with local communities Implementing and developing sophisticated risk management practices Monitoring our business performance with regular assessments and reporting of our sustainability practices

2.4 COOPERATION WITH STAKEHOLDERS AND MATERIALITY ASSESSMENT

2.4.1 Cooperation with stakeholders

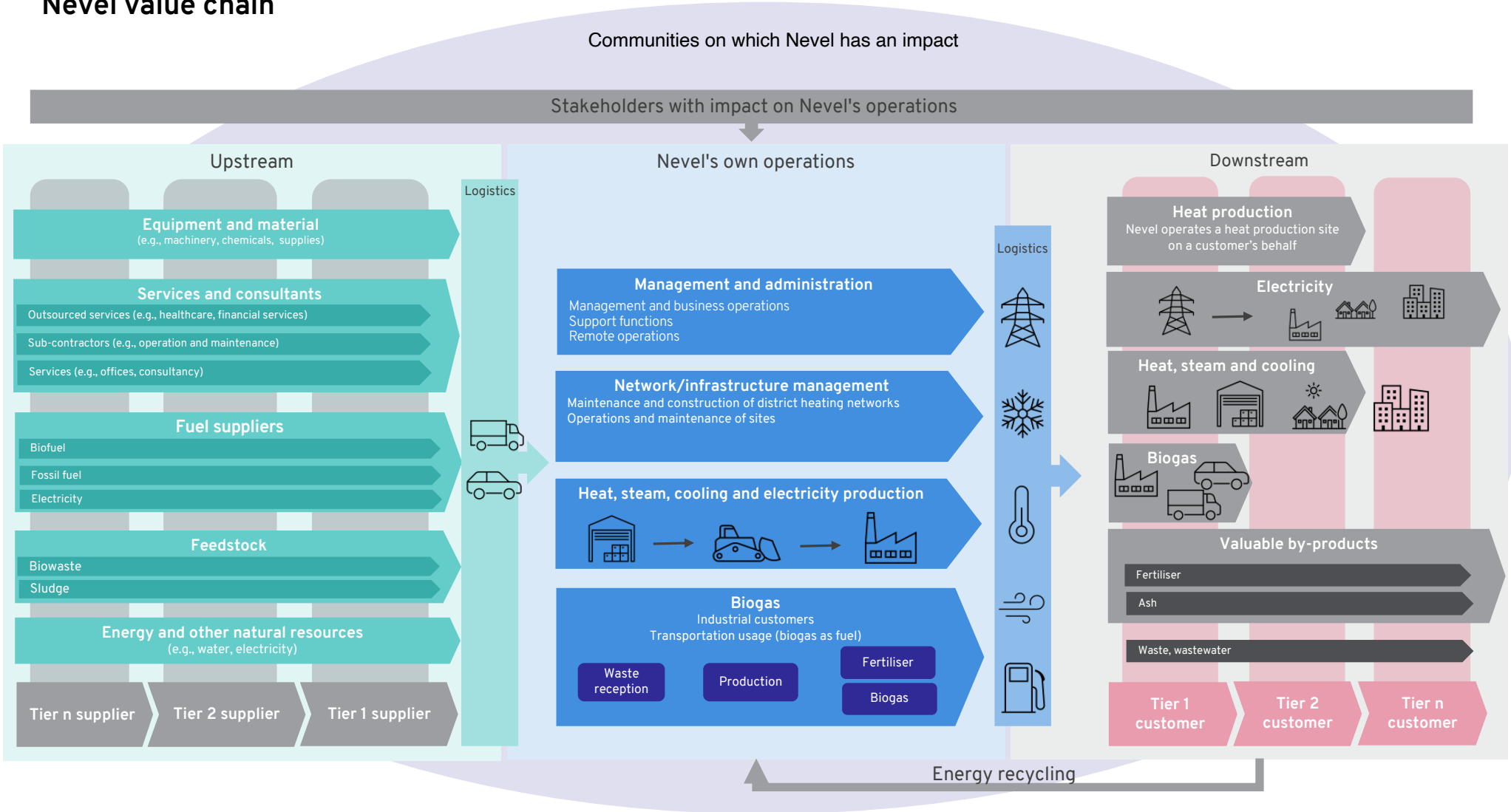
Nevel regularly maps its stakeholder groups to understand how they are impacted throughout the value chain. These groups include, but are not limited to, employees, customers, business partners, fuel providers, local communities, public institutions and media outlets.

We engage with our stakeholders to inform our sustainability strategy based on full value chain mapping. Nevel's value chain including upstream and downstream operations is illustrated on page 21.

As part of our annual strategy review a stakeholder assessment was performed in 2024 to determine changes and need for actions. An important part of the review was to determine changes in requirements and expectations but also to evaluate whether a sufficient level of stakeholder information and knowledge is available.



Nevel value chain



2.4.2 Materiality assessment

During 2024, Nevel conducted its first double materiality assessment to help better define the sustainability priorities for the business.

This assessment confirmed the key focus areas that already serve as the foundations of Nevel's sustainability strategy, including climate change, resource use and material efficiency, health and safety, a safe and sustainable supply chain and energy availability for all. Nevel aims to continue to develop these sustainability themes within its strategy and business operations as the company grows.



3. NEVEL'S SUSTAINABILITY PERFORMANCE



3.1 OUR ENVIRONMENTAL RESPONSIBILITY

3.1.1 Decarbonisation in energy production

Because Nevel is a growing company, absolute emissions will not necessarily decrease year on year as we continue to invest and acquire new sites. However, as we grow it is important that both our absolute emissions and the carbon intensity of our energy production decrease over time. Nevel monitors its carbon footprint and reports greenhouse gas (GHG) emissions annually, supporting the company’s ambitions to decarbonise its value chain and deliver on its carbon-reduction goals.

The graph demonstrates Nevel’s total Scope 1 CO₂ emissions intensity (g/kWh) and absolute emissions (tons) 2020–2035.

In 2024 Nevel took the decision to increase the planned amount of peat purchased for its Real Estate solutions business. This decision was taken for three main reasons:

- 1. To address ongoing fuel supply challenges
- 2. To mitigate excessive rises in consumers’ district heating tariffs caused by large biofuel cost increases
- 3. To ensure security of supply

As a result, planned Scope 1 emissions increased compared to 2023.

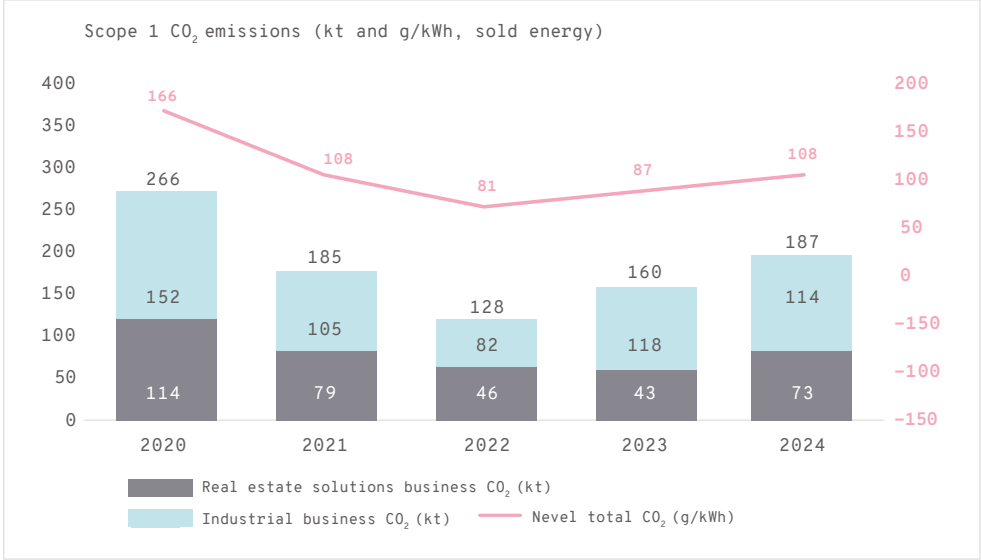


Nevel is committed to achieving total Scope 1 carbon-neutral energy production in our Real Estate solutions business by 2030 and in our Industry business by 2035.

Nevel’s total Scope 1 CO₂ emissions intensity per unit of sold energy increased from 87 g CO₂/kWh to 108 g CO₂/kWh. The main reason behind this increase was the planned increased use of peat in Nevel’s Real Estate solutions business to ensure security of supply in energy

production and distribution, to mitigate excessive rises in consumers’ district heating tariffs caused by large biofuel cost increases and the challenging operational conditions caused by extreme cold weather during Q1 2024.

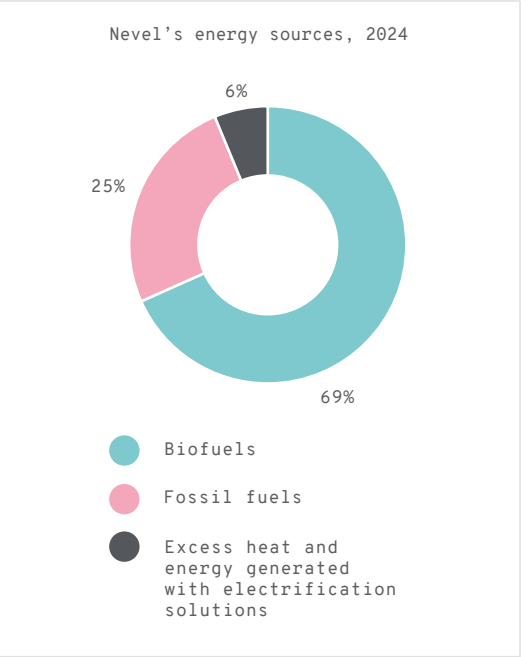
In 2024 Nevel achieved a 75% share of energy from renewables, excess heat and electrification solutions at group level. The company also made a number of additional electrification investment decisions that will make a significant positive contribution to emission reductions in the coming years.



Scope 1 emissions intensity in energy production in Nevel’s Real Estate solutions business and Industry business

Scope 1 emissions intensity (g CO ₂ /kWh, sold energy)	2021*	2022	2023	2024
Real Estate solutions business	79	49	45	78
Industrial business	147	127	133	144

*The 2021 calculation method differs from other years.



3.1.2 Phasing out fossil fuels and widening the energy mix in Nevel’s Real Estate solutions business

Nevel is committed to Scope 1 and Scope 2 carbon-neutral energy production in its Real Estate solutions business by 2030. To help reach this goal, Nevel has set three clear targets:

- 2026: 100% of purchased electricity is emission-free
- 2027: Peat use phased out
- 2029: Fossil oil consumption phased out

Significant progress has already been made in decarbonising Nevel’s Real Estate solutions business by switching to renewable fuels and widening the energy mix.

At the start of the previous fuel procurement window Nevel took the decision to increase the planned amount of peat purchased for its Real Estate solutions business in 2024, deviating from the peat phase-out plan. This decision was taken to address ongoing fuel supply challenges, to mitigate excessive price increases and to ensure security of supply for Nevel’s customers. As a result, the planned Scope 1 carbon intensity increased compared to 2023.

3.1.3 Supporting sustainable growth and carbon reduction for our Industry business customers

Nevel’s Industry business takes responsibility for customers’ energy production and therefore also their emissions. Nevel strives to align its goals with those of our customers and define a strategy to reduce the carbon footprint of the operating assets. Before any investment decisions are made, Nevel develops a full understanding of the environmental impact and decarbonisation potential that we can drive.

Since 2021 Nevel’s Industry business has enabled its customers to achieve 20 kt in CO₂ reductions. Given Nevel’s new industrial agreements from 2024, the accumulated contracted and planned CO₂ emissions reduction for the period 2021 to 2035 is 116 kt.

In our Industry business in 2024, while absolute Scope 1 emissions decreased the Scope 1 CO₂ emissions intensity increased. This increase was driven by a higher share of fossil-based fuels used at some of the larger energy production sites in our portfolio compared to the previous year.



3.1.4 Carbon footprint of Nevel's energy production as CO2 equivalent (CO2e)

Reinforcing our commitment to climate change mitigation, our methodology for measuring and reporting our carbon footprint follows the GHG Protocol. We are continually improving the quality of our carbon footprint data. In 2024 we further developed our methodology for measuring Scope 3 emissions and received external assurance on our overall carbon footprint. The calculation methodology is based on the operational control principle, which provides the best insight into the most material categories of emission sources in Nevel’s value chain, enabling the company to better identify potential opportunities to reduce emissions further.

The table shows Nevel's total carbon footprint calculated as fossil CO2 equivalents (CO2e) as required by the GHG Protocol. CO2e emissions include methane (CH4) and nitrous oxide (N2O) emissions.

In 2024, 91% of electricity consumed at Nevel's energy production sites was emission free. Compared to 2023, this represents an 89% reduction in Scope 2 market-based emissions and demonstrates significant progress towards our goal of 100% emission-free electricity by 2026 for our Real Estate solutions business and by 2030 for the Group.

Based on calculated Scope 3 CO2e emissions, Nevel's total Scope 3 emissions decreased by 7% in comparison to 2023. This sustainability report is our first to include Scope 3 emissions.

Carbon footprint of Nevel’s energy production (CO2e)

Carbon footprint: Energy production (t CO2e)	2020	2021	2022	2023	2024
Scope 1*	276,158	195,888	139,539	173,231	197,926
Scope 2**					
Market-based			18,486	17,487	1,976
Location-based			3,082	3,766	2,275
Scope 3				80,424	74,458
C1: Purchased good and services				5,742	8,827
C2: Capital goods				17,885	16,988
C3: Fuel- and energy-related activities not included in Scope 1 or 2				50,335	43,722
C4: Upstream transportation and distribution				4,722	3,967
C5: Waste generated in operations				928	491
C6: Business travel***				683	330
C7: Employee commuting***				129	133
Total CO2e emissions (market-based)				271,142	274,360
Total CO2e emissions (location-based)				257,421	274,659

*2020 and 2021 data does not include company vehicles and calculation method differs from other years
**Data for 2020 and 2021 not available
***Emissions from biogas production included

3.1.5 Promoting the displacement of fossil fuels through biogas production

Nevel operates three biogas production plants in Finland: Forssa, Pori and Juuka. These plants use biodegradable side streams including biowaste and sludge. Biogas production allows for near total utilisation of organic waste and helps to further decarbonise the energy system through the displacement of fossil fuels such as natural gas.

In 2024, Nevel’s biogas production of 38,360 MWh avoided 3,882 t CO₂e emissions when compared to conventional fossil energy sources, and as our biogas business grows, we expect this important contribution to mitigating climate change to increase.

During 2024, 95% of biogas distributed to our customers fulfilled the sustainability criteria of EU Renewable Energy Directive (RED II/III). Compliance with the sustainability criteria is demonstrated with a certified sustainability system covering the entire supply chain. The system ensures sustainable raw materials are used in Nevel’s biogas production and the required level of greenhouse gas emission reduction is met.

We are convinced of the positive impact that biogas production has with respect to decarbonising the energy mix, and we aim to achieve Scope 1 carbon negativity in our biogas business by 2030.

Carbon footprint of Nevel’s biogas production (CO₂e)

Carbon footprint: Biogas (t CO ₂ e)	2024 (first year of operations)
Scope 1*	1,178
Scope 2	
Market-based	0
Location based	120
Scope 3	3,804
C1: Purchased good and services	603
C2: Capital goods	1,149
C3: Fuel- and energy-related activities not included in Scope 1 or 2	127
C4: Upstream transportation and distribution	1,046
C5: Waste generated in operations	879
C6: Business travel**	
C7: Employee commuting**	
Total CO ₂ e emissions (market-based)	4,982
Total CO ₂ e emissions (location-based)	5,102

*456 tons Scope 1 CO₂e emissions were caused by a malfunction in a flaring system. Due to a broken valve surplus biogas that could not be stored was released into the atmosphere instead of being flared.
**Reported as part of energy production emissions

3.1.6 Air emissions

Energy production generates emissions to air such as sulphur dioxide, nitrogen oxides and particulates. Regular monitoring and technological reduction measures, such as flue gas condensers, enable Nevel to appropriately control air emissions and their environmental impacts. Air emission limits are set in environmental permits and any exceeding of these threshold limits is reported to the environmental authorities.

In biogas production, some fugitive methane emissions are unavoidable and arise, for example, from handling and storing biogas at the site. Systematic leak detection is carried out regularly at all plants to prevent and remedy biogas leaks. Pressurised devices and safety valves in the gas system are regularly checked.

Odour gas management

Biogas production can cause odour nuisance in the vicinity of production sites even though effective odour control technologies are used. Nevel works continuously to improve odour management and to reduce any possible harm caused by odours. Odour levels are continuously monitored and reported to the local authorities. In 2024 an improvement was made in odour gas management at the company’s biogas plant in Pori, Finland.

Air emissions 2020–2024 in tons and kg/MWh sold energy

Sulphur dioxide (SO ₂)	2020	2021	2022	2023	2024
SO ₂ (t)	324	247	184	144	194
SO ₂ (kg/MWh)	0.20	0.14	0.12	0.08	0.11
Nitrogen oxides (NO _x)	2020	2021	2022	2023	2024
NO _x (t)	877	855	790	809	775
NO _x (kg/MWh)	0.55	0.50	0.50	0.44	0.43
Particulates	2020	2021	2022	2023	2024
Particulates (t)	236	268	193	153	142
Particulates (kg/MWh)	0.15	0.16	0.12	0.08	0.08

3.1.7 Water

Nevel uses surface water mainly for cooling and as a process water, e.g. to provide steam for industrial customers. Municipal water is also used as a source of process water.

In compliance with our permit allowances, cooling water is returned to water bodies at above ambient temperature but in a chemically unaltered state. Nevel also discharges small amounts of process water and flue gas condensate to water bodies. Wastewater is purified if needed at the plant where it is produced before being discharged into a nearby water system or directed to a municipal wastewater treatment plant for further processing, depending on the water quality. Wastewater may contain solids, nutrients like nitrogen and phosphor, and heavy metals, and can have an impact on local water bodies. Nevel measures and monitors water quality

Water withdrawal and discharge 2023-2024

	2023	2024
WATER WITHDRAWAL	m³	m³
Surface water for cooling	611,685	520,852
Surface water for process and sanitary water	634,857	649,417
Raw water from municipality for process and sanitary water	278,675	275,825
WATER DISCHARGE	m³	m³
Cooling water discharge for surface water	611,685	520,852
Process and wastewater discharge for surface water	25,919	44,262
Process and wastewater discharge for municipal sewage	103,672	125,625

using on-line meters and regular analysis according to the requirements set by legislation, permits and local municipal water treatment plants. In certain areas the impact of Nevel’s operations on the surface water and groundwater is also monitored.

Nevel assesses local conditions and the company’s impact on water bodies in the areas where it operates. Nevel works to reduce water use, limit discharge volumes and minimise impact on water bodies.

In 2024 wastewater volumes increased compared to the previous year due to business growth.

3.1.8 Waste

Waste is generated during the operation and maintenance of Nevel’s plants. The company’s primary goal is to minimise all types of waste generated in its plants. Unavoidable waste is handled in accordance

with the waste hierarchy: the priority is reuse, followed by recycling, energy recovery and finally disposal. Waste is managed within the framework of applicable national laws and regulations. All the waste management service providers Nevel cooperates with are properly licensed waste management companies for the waste in question.

Incineration of solid fuels generates ash, which accounts for the majority of waste from Nevel’s energy production. The volumes generated are related to the quantity of fuel. In 2024, 84% of the ash generated was used as forest fertiliser or in construction, for example road construction or groundworks. Nevel is continuously looking for new uses for ash, including contributing to research projects. Other types of waste generated in Nevel’s plants include construction waste, wood waste and waste soil and oils.

In 2024 the amount of non-hazardous waste decreased compared to the previous year due to a higher than normal amount being generated in 2023 as a result of periodic maintenance at the company’s Åmotfors site in Sweden.

Waste volumes 2023-2024, excluding ash

Waste (tons)	2023	2024
Hazardous waste	24	38
Non-hazardous waste	34,641	1,335
Total waste	2023	2024
Amount of waste generated	34,665	1,373
Amount of non-recycled waste	1,064	57
Share of non-recycled waste	3%	4%

3.1.9 Biodiversity

Nevel supports biodiversity by working together with biofuel suppliers, ensuring sustainable practices in its fuel supply chain through, for example, a procurement policy, agreement terms and audits. The company uses sustainable residual wood that is fit for purpose, recognises biodiversity impacts at its production sites and complies with environmental requirements. Nevel drives sustainable practices to safeguard biodiversity in all its locations. For example, Nevel works to recognise the potential impacts of newbuild projects on biodiversity.

During 2024 Nevel further developed its biodiversity roadmap and mapped the company's presence in key biodiversity areas (KBAs). Based on the results of the assessment, Nevel does not have assets in locations identified as KBAs. In addition to KBAs, the mapping included distance to Natura2000 areas and water bodies. Mapping is updated annually.

3.1.10 Environmental compliance

Environmental work at Nevel is supported by externally certified environmental management systems. All production sites in Finland and Sweden are ISO 14001 certified. Any companies and businesses with which Nevel signs cooperation agreements will be integrated into Nevel's certified management system within a reasonable period of time.

Environmental management, risks and operations are reviewed as part of investment decisions such as potential mergers, acquisitions and divestments. Nevel identifies and systematically monitors changes in regulatory and other requirements that apply to its business and operations. All environmental deviations are addressed to determine corrective and preventive actions. The management team reviews all potential non-compliance and incident cases. Environmental deviations that have an impact on the environment are reported to the relevant authorities.

In 2024 Nevel further progressed in its compliance work and centralised change review processes.

"Nevel supports biodiversity by working together with biofuel suppliers, ensuring sustainable practices in its fuel supply chain."

3.2 MATERIAL EFFICIENCY

Nevel's biogas business is a perfect example of how applying material efficiency principles can enable near total utilisation of side streams, reinforcing the company's positive environmental impact:

- During 2024 Nevel's biogas sites utilised 66,687 tons of waste.
- Biodegradable waste is sourced from local municipalities, industries and retail sites.
- In addition to producing biogas, Nevel's biogas plants produce digestate as a by-product. This digestate contains the same nutrients as the feedstock, and these nutrients are converted through the digestion process into a more usable form.
- All 79,607 tons of digestate generated in 2024 was used to produce fertiliser for agricultural needs.

During 2024 Nevel progressed its business plans in Kotka, Finland in cooperation with Kymen Vesi, the city of Kotka and the Kotka-Hamina regional development company Cursor. The goal is to build a biogas plant with an annual energy production capacity of approximately 22 GWh. The plant would enable side streams from industrial production and the municipality to be utilised in the energy value chain. The facility is scheduled to be

operational during 2026. Finland's Ministry of Economic Affairs and Employment has granted the project an investment subsidy of EUR 4.7 million.

In addition to biogas production, Nevel operates a waste-to-energy plant in Åmotfors, Sweden, providing services for the production of steam, heat and electricity as well as energy recovery.

In 2024 Nevel increased the use of solid recovered fuel (SRF) at its Forssa plant in Finland to 26% (17% in 2023); the plan is to achieve 50% in the coming years. SRF is comprised of processed industrial and construction waste.

In 2024 Nevel also announced investments in a utility infrastructure expansion project in collaboration with Puljonki Oy, a subsidiary of Solina, in Juuka, Finland. Nevel will provide industrial-scale refrigeration-as-a-service for the factory's processes and cold chain. The surplus heat generated by the refrigeration plant will be used to heat the factory and for other process needs. During the year an agreement was also made with Vaasa University in Finland to supply biomethane for use in tests conducted at the university's EnergyLab engine laboratory.

These investments are fundamental to Nevel's ambition to develop local utility infrastructure, and the company expects to continue expanding its partnerships to support further opportunities.

"Nevel's biogas business is a perfect example of how applying material efficiency principles can enable near-total utilisation of side streams."

3.3 OUR SOCIAL RESPONSIBILITY

3.3.1 Health and safety

Maintaining a safe operating environment for our employees, contractors, customers and partners is a core value at Nevel, ensuring that everyone goes home safe and well.

During 2024 the number of safety observations increased by 8% and the number of preventive risk assessments increased by 12% compared to the previous year. A total of 355 safety walks and 380 fire safety rounds were conducted at Nevel's production sites. Special emphasis was put on aligning work permit procedures. Nevel's health rate based on short-term and long-term sickness rates was 98.3% (98.7% in 2023).

In 2024 the lost time injury frequency rate (LTIFR) dropped significantly to 2 (7.6 in 2023). This figure includes lost time injuries reported by both Nevel employees and employees of our contractors. For Nevel employees, there has been a positive downturn in the number of lost time injuries over the past five years, and in 2024 the LTIFR for Nevel employees was zero. Safety measures are analysed regularly. Potential cases of incidents or injuries are investigated in order to identify root causes, determine corrective actions and develop learnings that can be applied across the company.

These cases are also discussed during employee meetings. Collaboration with safety representatives across the group continued through established safety and wellbeing forums to further drive improvements. Nevel provides occupational health services for all its employees. Another key focus area for the company moving forward is contractor safety.

3.3.2 Employee engagement and satisfaction

Nevel is part of the Great Place To Work® (GPTW) employee programme through its annual Trust Index Survey™. The programme gives employees the opportunity to provide feedback and influence their working culture. In 2024 a record 90% (88% in 2023) response rate was achieved in the survey, which helps to quantify Nevel's company culture and increases employee engagement. The Trust Index was 67, a slight decrease from the previous year's score of 68. As part of this programme, Nevel introduced new employee benefits to further promote health and wellbeing at work. An employee Pulse survey was performed during the year to gather feedback on employee satisfaction, wellbeing and development recommendations.



3.3.3 Equal opportunities, good leadership and personal development

In 2024 Nevel developed its competence development programme to identify and ensure key competencies across its businesses. Line manager meetings were continued to ensure use of key processes related to personnel and supporting leadership work. A new leadership programme was also introduced, providing training opportunities for all managers with staff reporting to them. To support new employees joining Nevel, inductions were provided including input into company strategy, business, processes and tools. Eight internal webinars were facilitated to improve competences and understanding regarding sustainability.

With regard to gender equality, the share of female employees in Nevel's Board of Directors is 0% (0/7 members) and in Nevel's management team 20% (2/10 members). Of the total workforce, 16% are female.

3.3.4 Affordable energy and security of supply

Nevel's focus in 2024 remained on ensuring security of supply in energy production and distribution. This meant managing the supply chain, enhancing and investing in circular economies, widening the fuel mix and energy sources including new technologies such as electrification, and continuing to collaborate closely with customers on sustainable energy and material efficiency solutions.

The use of solid recovered fuel (SRF) has been increased at Nevel's Forssa power plant in Finland, enabling a local circular economy.

Sourced biofuel met sustainability criteria in the Nordics and national sustainability criteria in Estonia for traceability, and sustainable sourcing practices were managed, for example, through Nevel's procurement policy, agreement terms and supplier audits.

3.3.5 Cooperation with our suppliers

Since Nevel operates a complex energy infrastructure business, the company works with approximately 2,500 suppliers and subcontractors, ensuring reliability and safety of operations across the whole supply chain. Nevel aims to build partnerships that are focused on enhancing the transparency and sustainability of the supply chain. In addition to quality and price, the company's criteria include ethical business, which concerns our suppliers and subcontractors as well as all employees in the supply value chain. During 2024 Nevel introduced a sustainability survey to collect input on partners' sustainability practices and their impact on Nevel's operations. In addition, Nevel conducts regular supplier audits. Nevel's ambition is to achieve a carbon-neutral supply chain by 2045 to meet the EU's carbon-neutrality goal.

"Nevel aims to build partnerships that are focused on enhancing the transparency and sustainability of the supply chain."

3.4 GOVERNANCE

3.4.1 Nevel's governing bodies lead the company's sustainability work

The Nevel Board of Directors in close cooperation with the management team ensures the continuous improvement of sustainability via the work of the Environmental, Social and Governance (ESG) and Operations committees. The Board approves Nevel's sustainability report. The goals related to sustainable development are reported to the Board as part of the monthly management report, and the ESG committee is convened at least six times a year to oversee the implementation of Nevel's sustainable development strategy and actions. The reporting covers material concerns, which during 2024 included, for example, safety and environment-related cases and market and business impacts on CO₂ emissions as well as four whistleblowing cases reported via the company's dedicated whistleblowing channel. These cases were handled according to the defined process in alignment with the EU Whistleblowing Directive and implemented national legislation.

The management team implements the business plan and the strategic and sustainability objectives approved by the Board as well as making investment decisions within its authorisation.

3.4.2 High ethical standards

Following the code of conduct helps Nevel to promote fair business practices and shows that the company expects the same from its business partners and all other stakeholders in its value chain. The Nevel code of conduct is part of all employees' employment contracts and induction process and communicated on Nevel's website. In addition, the supplier code of conduct is included in supplier agreements.

3.4.3 Transparent and accountable governance and uncompromised compliance

Nevel's management system is designed to support the organisation in achieving targets and offering a safe and efficient way of working while complying with requirements and expectations. The management system is continuously developed based on lessons learned, internal and external changes, and the needs of the organisation. As part of regular management review meetings, the management system is evaluated and the agreed focus areas are scrutinised.

Nevel's internal audit programme is regularly evaluated and developed. Internal auditors from different functions of the organisation have been trained and qualified, which not only enables independent internal audits but also significantly contributes to cross-functional learning. During 2024, internal audits were performed in Finland and Sweden.

A periodic external certification audit was performed by Kiwa, confirming our management system compliance with both ISO 9001 (Quality) and ISO 14001 (Environment) standards.

In addition, our independent partner PwC performed risk-oriented audits of selected focus areas. In 2024 these audits covered the processes merger and acquisition as well as the process for integrating new business.

3.4.4 Sophisticated risk management

Risk management is an important tool used in the organisation on different levels and with different perspectives, from practical risk assessments of activities to strategic risk management evaluation. Risk activities conducted during 2024 included risk assessments at site level and job-specific risk assessments. In addition, Enterprise Risk Management (ERM) risks and opportunities were assessed, providing valuable input for business development with prioritised mitigation activities.



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