



Sustainability report

Auris Energia Group 2023

Published in March 2024

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Greetings from our CEO

In 2023, Auris Energia continued its determined transformation into a more sustainable, service-oriented and versatile energy company. Our goal is to help companies to reduce their carbon footprint and increase their energy efficiency significantly and quickly. We are committed to cutting emissions from both our own operations and our customers, and we have already achieved many concrete results.

We continued the restructuring programme of our gas distribution network as planned and further reduced our methane emissions from gas distribution. Our heat business also continued its transition to be low-carbon last year.

We produced approximately 110 GWh of heat and steam for our customers. The share of heat in our energy production decreased slightly, while our steam production increased, which is proof of our flexibility and ability to meet our customers' needs. In 2023, a larger share of the energy purchased by our customers was produced from renewable energy sources, such as green electricity and biogas.

Our commitment to the future of clean gases is illustrated by the acquisition of a majority shareholding in a biogas production plant in Mäntsälä. The plant processes renewable energy and recycled nutrients from municipal and industrial side streams. Following the transaction, we became not only a biogas seller and distributor, but also a producer of domestic carbon-neutral biogas. This increases our opportunities to serve both the environment and our customers better and more responsibly.

While we strive for more environmentally friendly energy production, we also insist on responsibility in other areas of business. Without skilled employees, we will not achieve any of our sustainability goals. At Auris, we have always invested in taking care of our employees, which is reflected in excellent results in employee satisfaction measurements. Our headcount reached 40 employees in 2023.

Safety is of paramount importance to us, and we have invested significantly in the safety of our employees, contractors and customers. We continuously work to improve our safety culture and provide comprehensive training and support to our employees.

Last year, we put studying, maintaining and developing customer satisfaction at the forefront of our development projects. Customer satisfaction is dear to us, and the customer is also at the heart of our renewed strategy. We are constantly improving our services according to the needs of our customers. We have received very positive feedback from our customers, which indicates that we are on the right track. We will continue to listen to our customers with a keen ear and develop our services according to their needs.

The ongoing war in Ukraine has arisen deep concern and sadness in us, but at the same time, it has strengthened our decision to invest more in sustainable energy solutions. We want to be part of a solution that promotes peace and stability in the world. Therefore, we have ensured that all of the fuels and services sold by us come from countries that do not support the war in Ukraine.

Overall, 2023 was an important step for us towards a more sustainable and responsible future. We are proud of our achievements and know that there is a lot of work ahead. We look forward to the challenges and opportunities ahead, and are ready to continue our transformation towards a better tomorrow. Auris Energia's role as a change driver in the energy sector will be even more pronounced as we head towards a more sustainable and diverse energy future.

Anni Sarvaranta, Auris Energia Group, CEO

The goal of our environmental responsibility is carbon neutrality

Our environmental targets are an integral part of our strategy. In 2040, we will be a carbon-neutral group in terms of direct emissions from our own operations. We have set as our milestone that by 2030, 50 per cent of the gas distributed by us is carbon neutral and 75 per cent of the heat and steam we produce is emission-free.

In accordance with our environmental responsibility targets, we will materially increase the proportion of biogas and other low-emission gas of the gas sold and distributed by us. Our goal is for low-emission gas to make up 50 per cent of the gas sold by us by the year 2030.

Our second main milestone is to ensure that at least 75 per cent of the heat and steam produced by our energy service company will be emission-free by 2030. Our energy service company promotes the electrification and decarbonisation of the Finnish heat and steam market. The most significant means for this are solutions based on electricity and biomethane.

In addition, we will continue to develop our gas distribution network by investing further in the reduction of methane leaks. For several years, Auris' methane leaks have been less than 0.1 per cent of all the gas we distribute, i.e. significantly below the limit required by the authorities. In addition to reducing methane emissions, continued investments in the renovation of our network will ensure high safety of the network as well as readiness for growth in the distribution of renewable gases in the near future.

In addition, we continuously improve our customers' energy use by modernising and optimising their sites and the equipment they use for energy production. All of our sites and projects are implemented in a way that minimises greenhouse gas emissions and impacts on the environment.

“This, our third sustainability report, was drawn up in accordance with the principles of the GRI standard and is verified by EY. The key sustainability themes identified by the materiality analysis have guided our operations for a long time. We recognise both our positive and negative impacts on the environment, economy as well as society.”

Anni Sarvaranta, Auris Energia Group, CEO

Our key sustainability themes based on the materiality analysis:

1. Greenhouse emissions
2. Occupational health and safety
3. Adapting to climate change, flexibility and green transition
4. Security of gas supply
5. Asset integrity and critical event management

Auris Energia Group

Auris Energia Group provides its customers with fuel and energy solutions and helps companies improve their energy efficiency. The Group’s business is divided into several subsidiaries, which are described in the diagram below. In addition, Auris Energiapalvelut Oy has a minority shareholding (27.3%) in Quantitative Heat (“QHeat”).

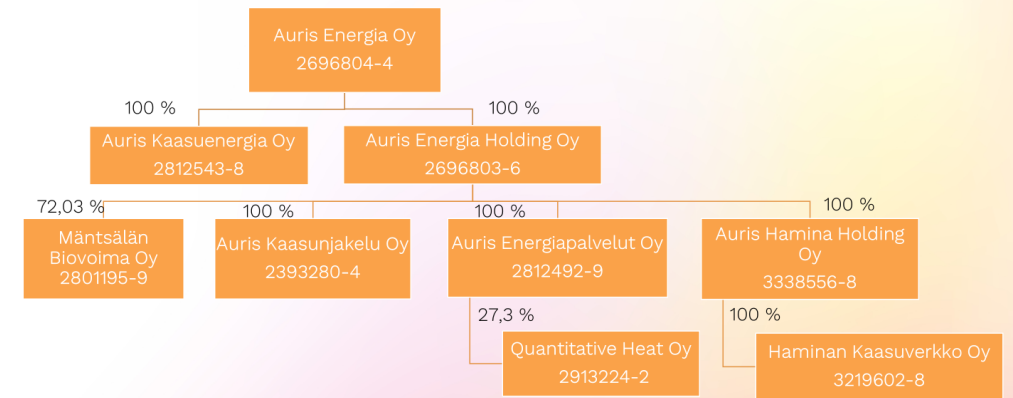
Auris Kaasuenergia Oy is a large gas retailer in the Finnish scale. The company is responsible for the procurement and retail of both natural gas and biogas. In 2023, the company sold approximately 881 GWh of energy to approximately 20,000 customers. The company focuses on increasing the efficiency of its customers’ energy consumption and supporting a controlled transition to cleaner energy.

Auris Energiapalvelut Oy produces turnkey services for the industry and large properties. They include hybrid heating and cooling services, industrial energy services, energy produced with a geothermal energy solution based on QHeat’s technology as well as heating and temporary heating produced from gas. As a technology-independent and fuel-independent operator, the company can choose the cleanest and most effective energy solution for each customer’s individual needs, and deliver that solution as a service.

Auris Kaasunjakelu Oy is Finland’s largest gas distribution company. The company’s gas distribution network covers 22 municipalities in Southern Finland. In 2023, the company distributed approximately 1,225 GWh or energy via its approx. 1,200-km-long gas distribution networks.

This sustainability report covers all of the subsidiaries of Auris Energia Oy. In this report, these companies are referred to as Auris Group, Auris Energia Group or the Group. The Group is a limited liability company, with its head office located in Kotka.

The report covers the Group’s calendar year 2023, which is also the Group’s financial reporting period. We publish a sustainability report annually, coinciding with our financial statements.



Auris Energia Group in 2023

REVENUE

115 MEUR

EBIT

0.99 MEUR

PROFIT

-5.2 MEUR

TAX FOOTPRINT, TOTAL

36,9 MEUR

LENGTH OF THE GAS PIPELINE

approx. 1,200 km

NUMBER OF CUSTOMERS, APPROX.

20,000

SHARE OF FINNISH CONTRACTORS

100%

GAS SOLD, TOTAL

875 GWh

GAS DISTRIBUTED, TOTAL

1,226 GWh

THERMAL ENERGY SOLD, TOTAL

109 GWh

EMISSIONS, TOTAL

167,457 tCO₂e

SCOPE 1 EMISSIONS

23,799 tCO₂e

SCOPE 2 EMISSIONS

163 tCO₂e

SCOPE 3 EMISSIONS

143,494 tCO₂e

PERSONNEL

41

NUMBER OF OCCUPATIONAL ACCIDENTS

0

CUSTOMER SATISFACTION, NPS

62%

SICKNESS ABSENCE %

1.0%

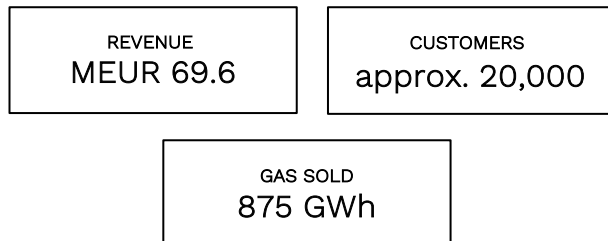
The Group's subsidiary – Auris Kaasuenergia Oy

Auris Kaasuenergia ("AKE") sells natural gas and biogas in all of Finland's gas distribution networks. In terms of the number of customers, consumer customers are the Group's largest customer category. Our customers also include industrial plants, heating plants, terraced houses, blocks of flats, and restaurants. In accordance with our strategy, we are constantly increasing the share of biogas of all the gas we sell. At the beginning of 2023, Auris Kaasuenergia acquired parts of Hamina Energia's gas sales business. Measured by the number of customers, AKE is the largest gas retail company in Finland.

Russia's war of aggression against Ukraine, which began in 2022, has had a significant impact on the European gas market and gas prices in Europe, and therefore also in Finland. In Finland, the price of gas is generally tied to the monthly Front Month price indices of the major European gas exchanges (TTF and THE). The price of gas, which rose exceptionally high in the autumn of 2022 due to Russia's war of aggression against Ukraine, decreased significantly during 2023, being below EUR 40/MWh in late 2023. With the price level decreasing, some of the customers of Auris Kaasuenergia who had switched to alternative fuels in 2022 returned to using gas.

As a result of Russia's senseless war of aggression, we have banned the use of Russian gas in all of our gas procurement contracts.

FINANCIAL YEAR 2023



The Group's subsidiary – Auris Energiapalvelut Oy

Auris Energiapalvelut ("AEP") sells energy to the industry and large properties as a turnkey service. In 2023, Auris Energy Services continued to invest in selling electricity-based hybrid systems.

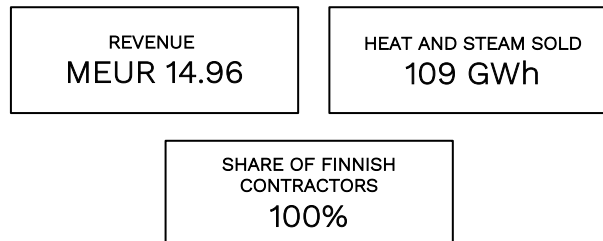
Various hybrid systems based on heat pump technology combined with energy recycling and storage enable sustainable and cost-efficient energy production.

At the end of 2023, such sites, including those under construction, already represented numerically a significant part of Auris' energy service sites.

The investment in the affiliate company QHeat is part of the company's strategy. QHeat's operations are based on geothermal heat wells that utilise the heat energy stored in the earth. The wells can also be used as heat storages, which can be used to level out seasonal fluctuations in the site's energy requirement.

In the QHeat solution, the geothermal energy of the medium (approx. 800–2000 metres) well is used with the help of a heat pump solution. QHeat's technology also enables the efficient construction of regional low-temperature networks.

FINANCIAL YEAR 2023



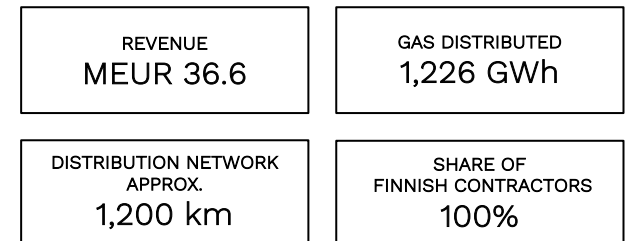
The Group's subsidiaries – Auris Kaasunjakelu Oy & Haminan Kaasuverkko Oy

Auris Kaasunjakelu ("AKJ") owns and operates gas distribution networks in 22 municipalities in Finland. Gas is distributed in the Kymenlaakso region, Helsinki Metropolitan Area and Eastern and Western Uusimaa regions. Our company was awarded a high Rating Alpha credit rating during the 2012–2023 period. In early 2023, the company acquired Haminan Kaasuverkko Oy from the Haminan Energia group through a share transaction. In connection with the transaction, five employees were transferred to Auris. AKJ provides gas distribution services to a total of approx. 20,000 customers.

The volume of gas distributed increased compared to the previous year and was 1,226 GWh (2022: 787 GWh). The increase was partly due to the decrease in the market price of gas and partly due to the acquisition of Haminan Kaasuverkko Oy. In 2023, Haminan Kaasuverkko Oy's share of all gas distributed by Auris Energia was 17.5 per cent (215 GWh). Compared to a normal year, the use of gas was reduced by exceptionally warm temperatures in the first months of the year. The termination of connections that began due to the exceptionally high price level in 2022, especially in smaller customer segments, also continued, albeit at a slightly lower level than in the previous year.

In 2023, over seven per cent of the gas transferred by Auris Kaasunjakelu Oy was biogas. The company's security of supply was 100% throughout the year.

FINANCIAL YEAR 2023



Our new business area – Biogas production, Mäntsälän Biovoima Oy

On 17 March 2023, our Group company Auris Energia Holding Oy acquired a majority shareholding (72%) in Mäntsälän Biovoima Oy through a share transaction. Following the transaction, Auris became not only a biogas seller and distributor, but also producer. The plant's former owners Watrec Oy and Nivos Energia will continue as the plant's minority shareholders and Juhani Suvilampi as the company's acting CEO.

The company's biogas plant based on digestion technology is located along Helsingintie in Mäntsälä. Mäntsälän Biovoima processes renewable energy and recycled nutrients from municipal and industrial side streams. The plant produces environmentally friendly, renewable, domestic energy from biowaste from restaurants and shops, for example.

The completed acquisition contributes to Auris Energia's goal to increase the share of renewable gases in its business and to help its customers towards carbon neutrality. The plant produces about 10 GWh of biomethane per year, and there are plans to expand its capacity.

FINANCIAL YEAR 2023

<p>PRODUCTION approx. 10 GWh/year</p>
<p>SHAREHOLDING OF AURIS 72%</p>

Governance

AURIS ENERGIA OY'S BOARD OF DIRECTORS IN 2023:

Chair of the Board	Stig Gustavson	Former CEO of Konecranes, industrialist, experienced board professional (previous track record from, e.g. Konecranes, Hackman, Cramo, Alhström Capital and many others)	Board member since 2015, independent board member
Board member	Dominic Helmsley	Head of Abrdn Economic Infrastructure Group	Board member since 2015, represents the owner of our company
Board member	Antero Jännes	Previous CEO of Gasum	Board member since 2015, independent board member
Board member	Arto Rätty	Former Permanent Secretary of the Ministry of Defence, former member of Fortum's executive team	Board member since 2017, independent board member
Board member	Albert Winid	Abrdn Economic Infrastructure Group, Senior Investment Manager	Board member since 2022, owner's representative (resigned from the Board in December 2023)

GROUP'S EXECUTIVE TEAM:

CEO, Auris Energia Group (former CEO since 15 January 2024)	Mika Paloranta	Chief Operating Officer	Timo Harju
Deputy CEO and CEO of Auris Energiapalvelut	Perttu Lahtinen	Procurement Director	Pekka Karinen
Deputy CEO, CEO of Auris Kaasuenergia and Auris Kaasunjakelu (CEO of the Auris Energia Group since 15 January 2024)	Anni Sarvaranta	Director, Marketing, Communications, Sustainability	Maria Elojärvi
Chief Financial Officer	Karoliina Liimatainen		

Ethical principles and other governance

Ethical principles

We are committed to maintaining a sustainable, fair and inclusive organisational culture. In addition to compliance with laws and regulations, we adhere to the Group's ethical principles and other mutual rules in all of our operations.

Our Group has a zero-tolerance policy for the giving and receiving of bribes. We continuously develop safe operating practices and our safety culture, and we treat each other equally and with respect. We have prohibited all forms of harassment, bullying and discrimination and any conduct suggestive of these.

We respect the privacy of all of our customers, employees and other parties with whom we cooperate, and we do not use the information we obtain to pursue personal interests. We process confidential information in a responsible manner and protect it through both physical and digital measures.

Conflicts of interest

We take potential conflicts of interest into account in our Code of Conduct, daily operations and board meetings.

To avoid conflicts of interest, we plan divisions of responsibility in advance. We do not pursue our personal interests, or the interests of our related parties, in carrying out our duties. When a conflict of interest emerges, we transfer the responsibility for the decision to an impartial and unbiased person.



Ethical principles and other governance

Remuneration of the management

The Board of Directors has approved a Remuneration Policy that covers all of the Group's employees as well as the company's senior management.

The management's bonuses are reviewed on an annual basis. The remuneration of the Executive Team is decided by the Board of Directors.

The remuneration of the Board of Directors, on the other hand, is discussed by the General Meeting of Shareholders.

The remuneration of our company's management is based on personal targets and it may include non-financial bonuses. The highest available bonus percentage is 20–50 per cent of the management's annual salary. In addition, some of our executives are covered by a long-term, performance-based remuneration scheme.

ESG remuneration

Our company's remuneration related to ESG or sustainability targets is based on maintaining a high level of safety and customer satisfaction, among other factors.

The ESG remuneration of our personnel is based on the competence of the employees, the capacity of processes and systems to support growth targets as well as the profitability of our business operations.

Due to the increased number of employees and use of remote work, the Group has needed to develop its instructions, communications and data security. We have also incorporated targets related to these areas into our personnel's remuneration criteria during the review period.

The Board of Director's ESG monitoring

ESG topics are reported on at each board meeting, which take place approximately every two months. The most significant ESG performance indicators reported to the Board of Directors include accidents involving our employees and subcontractors, burst pipes, gas losses, sickness-related absences and employee training.

The Group's senior decision-maker on ESG issues is our CEO, Anni Sarvaranta (Mika Paloranta during 2023). In addition, member of the Executive Team, Maria Elojärvi, is responsible for ESG matters together with our CFO Karoliina Liimatainen.

ESG reporting

We report on ESG matters to our owners and customers as well as the authorities on a regular basis. For example, we provide the authorities with annual reports on the methane emissions of our gas networks. We also report on the emissions and water usage of our heat and steam plants to the authorities and our customers on an annual basis. We issue reports to our owners at the minimum twice a month at board meetings.

Shareholders' rights

With regard to shareholders' rights, we observe the Finnish Limited Liability Companies Act,* in accordance with which all of the Group's shareholders have equal rights.

Our General Meeting of Shareholders, the Board of Directors or the CEO shall not make decisions or take other measures that are conducive to conferring an undue benefit to a shareholder or another person at the expense of the company or another shareholder.

**Limited Liability Companies Act 2006/624*

Economic responsibility

Financial profitability, the continuity of operations and business growth are amongst Auris Energia Group's key objectives. We take into account the impact of our operations on the environment and our stakeholders. They are key aspects of our financial reporting.

Economic responsibility indicators

Our group’s revenue decreased in 2023. In the 2023 financial year, our revenue decreased by nearly EUR 16 million compared to the 2022 financial year. The annual fluctuation in revenue is significantly affected by the market price of gas, which decreased significantly in 2023. In contrast, the sales volume increased as customers that had replaced gas with other energy sources during the previous year returned to gas use as prices fell closer to normal.

Our balance sheet total at the end of the year amounted to EUR 199.4 million (2022: EUR 203.6 million). Our Group has had access to a separate loan, of which we have withdrawn an agreed share annually for investments. In 2023, we withdrew EUR 11.0 million of the loan. The remaining loan is no longer sufficient for the investment needs of the coming years, so we began to investigate additional financing in summer 2023. The loan shares to be arranged are recognised as current loans in the financial statements. We completed the financing project in spring 2024. The Group’s liquidity was at a satisfactory level throughout 2023.

In 2023, three new companies joined our group structure, as described earlier in this report (p. 6).

Tax footprint

We pay all of our taxes to Finland. We adhere to the OECD transfer pricing guidelines in business transactions between our group companies.

In the 2023 financial year, our tax footprint increased, which was mainly due to strongly increased energy taxes. The amount of energy taxes we paid increased purely due to the increase in our sales volume. With regard to energy taxes*, we applied for tax liability in 2022 and, since then, we have remitted our taxes to the Finnish Tax Administration. Until 2022, the transmission network company Gasgrid Finland Oy invoiced our Group for energy taxes and paid them to the Tax Administration.

Our tax footprint represented 32% of our revenue. Our group companies have no tax debt entered in the Finnish Tax Debt Register.

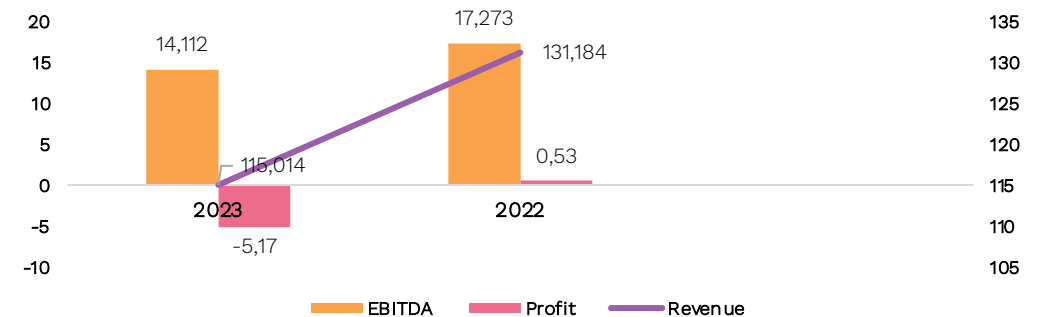
Group, EUR 1,000	2023	2022
Revenue	115,014	131,184
EBITDA	14,112	17,273
Profit excluding group write-offs	2,238	5,848
Group write-offs*	7,408	5,318
Profit	-5,170	530

* Group eliminations are not tax-deductible

Financial year, EUR 1,000	2023	2022
Income taxes	576	1,457
VAT	8,684	15,353
Withholding taxes	1,458	1,126
Pension insurance contributions	743	579
Energy taxes	26,140*	15,041
Tax footprint* total	36,858	32,100

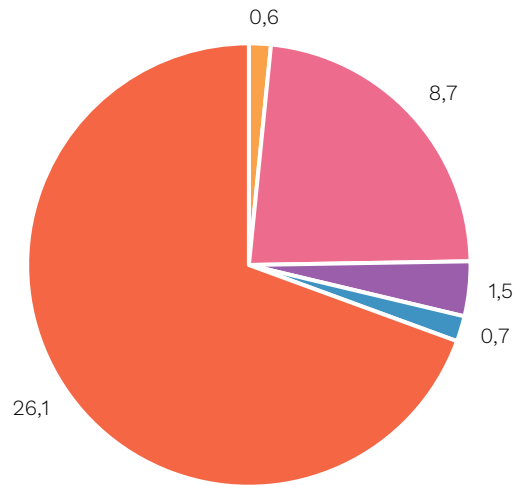
*Actually paid taxes

Financial indicators, EUR million



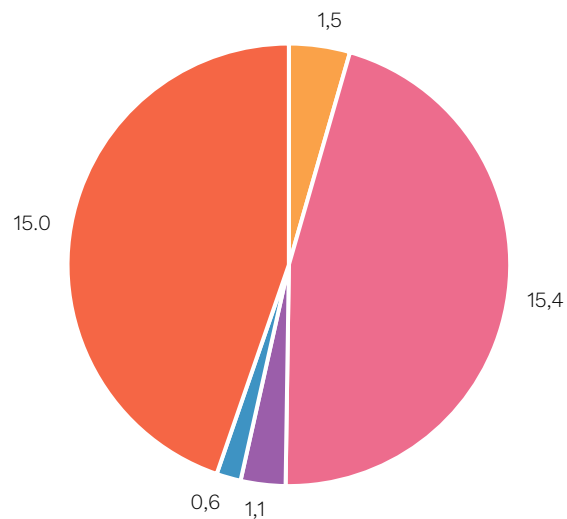
Tax footprint 2023, MEUR

- Income taxes
- VAT
- Withholding taxes
- Pension insurance contributions
- Energy taxes



Tax footprint 2022, MEUR

- Income taxes
- VAT
- Withholding taxes
- Pension insurance contributions



Vuoteen 2022 asti siirtoverkkoyhtiö Gasgrid Finland Oy laskutti energiaverot konserniltamme ja tilitti ne verottajalle. Vuodesta 2022 alkaen olemme tilittäneet energiaverot itse suoraan verottajalle.

Personnel expenses

In 2023, the Group received 11 new employees. Five of them were transferred to us as a result of the acquisition of Hamina Energy and six were hired by us. The Group's personnel expenses have decreased, as has the average pay per employee.

Financial year	2023	2022
Group personnel expenses, EUR 1,000	3,736	4,322
Number of personnel*	41	31
Average pay per employee, EUR 1,000	91.1	139

*Excludes seasonal workers

Investments with a direct effect on sustainability

The sustainability investments we made in 2023 were focused on renewable energy solutions on our customers' sites, the modernisation, renovation and development of our distribution network and the automation of monitoring operations. We provide energy services that are increasingly based on renewable energy, such as biogas and geothermal energy.

The modernisation of the gas distribution network reduces methane emissions and is therefore a sensible investment both environmentally and financially. Automating the monitoring of the distribution network enhances network maintenance and the delivery of high-quality customer service.

Financial year	2023	2022
Group, EUR 1,000	3,460	3,362

Other investments

Our other significant investments were focused on the maintenance and new construction of the gas distribution network. We have also invested in the development of our information systems.

Financial year	2023	2022
Group, EUR 1,000	375	741

Material procurement

In 2023, the natural gas we sold came to Finland from the Baltic countries via the Balticconnector offshore pipeline, until the pipeline was damaged at the beginning of October 2023. The gas we have sold since then has come to Finland through the Inkoo liquefied natural gas (LNG) terminal. All of the gas sourced by us has come from operators that have been able to certify that the gas does not originate in a country that supports Russia’s senseless war in Ukraine.

Until the end of 2021, the biogas we sold was exclusively sourced from Finland. In 2022, our Group has also begun to sell European biogas subject to a certificate of origin, and we also continued this in 2023.

Year	2023	2022
Natural gas, GWh		
Purchased, GWh	825	756
Sold, GWh	826	756
Distributed, GWh	1,166	727
Biogas, GWh		
Purchased, GWh	49	55
Sold, GWh	49	51
Distributed, GWh	60	60
Total, GWh		
Purchased, GWh	874	811
Sold, GWh	875	807
Distributed, GWh	1,226	787

The amount of gas we sold drastically rose in 2023, mainly due to a decrease in the price of gas compared to the peak level of 2022. Much of the gas demand is temperature-dependent, and especially the beginning of 2023 was warmer than average. This, in turn, curbed the growth in gas demand.

For the time being, natural gas represents the majority of the gas we sell and distribute. In 2023, natural gas made up approximately 94% of our gas sales volume.

In the last few years, the percentage of biogas of the gas we sell has steadily increased. In 2023, however, the percentage of biogas of our gas sales volume decreased from 6.3% to approximately 5.6%.

Subcontractors

Auris Energia Group uses subcontractors in its operations. During the period under review in this report, 100% of the subcontractors were Finnish.

We spent approximately EUR 2.7 million on contracting services during the 2023 financial year.

Procurement of contracting services

Financial year	2023	2022
Contracting services, EUR 1,000	2,652	3,286

Customers

Auris Energia Group has approximately 20,000 customers. The number of customers has remained largely unchanged in the last five years regardless of our acquisitions and the volatility in the energy market in recent years.

A better indicator of business growth for the Group than the number of customers is the quantity of gas energy sold which, as an example, increased from 983 GWh in 2019 to 1,200 GWh in 2021. In 2022, the volume of gas sold fell because the market price of gas increased significantly as the Ukraine war caused an energy crisis, lowering the demand. In 2023, the amount of gas energy we sold increased compared to 2022, amounting to approximately 875 GWh.

Certification

Auris Kaasunjakelu Oy was awarded a high Rating Alpha credit rating by Suomen Asiakastieto Oy during the period 2021–2022.

The rating is evidence of the company’s long track record of excellent financial indicators, positive background information and good payment behaviour.

Environmental responsibility

Auris Energia Group recognises the environmental impacts of its industry and operations. Our operations support the energy transition of society at large and our long-term goal is to make our operations carbon neutral.

Natural gas and biogas play a very important role in the transition to a low-carbon future in line with the EU's objectives.

We help our customers transition from natural gas and other fossil fuels towards cleaner forms of energy. For instance, a switch from natural gas to biogas enables our customers to immediately become carbon neutral.

Environmental responsibility indicators

Energy

Auris Energia Group uses natural gas, biogas and electricity to produce steam and district heat for its customers. In addition, we use electricity for the production process and some oil for heating at our biogas production plant in Mäntsälä. Our gas filling station compressor also uses electricity. We purchase electricity for the Group’s premises and use a small amount of natural gas to heat our premises in Kotka.

In 2023, our electricity consumption increased significantly, as we acquired a biogas production plant in Mäntsälä. Last year, the electricity consumption of our biogas production was approximately 1.2 GWh. The increase in electricity consumption is also attributable to our energy service company’s new electricity-based customer sites, where energy is produced, for example, with heat pumps.

Our Group’s natural gas consumption decreased slightly, as the use of natural gas in our energy service sites decreased. The amount of gas used for heating the Kotka office remained almost unchanged.

Energy used by the Group, GWh	2023	2022
Electricity, GWh	1.9	0.27
Natural gas, GWh	107	129
District heat, GWh	0.00	0.00
Total	108.9	129.3

In 2023, our energy service company produced a total of 109 GWh of heat and steam energy for its customers. In 2022, the corresponding figure was approximately 116 GWh. In the main, this energy was produced with natural gas and biogas, but we also increasingly used heat pumps and an electric boiler to produce it. At the end of 2023, sites combining heat pumps and other electricity-based energy production with gas already represented numerically a significant part of Auris’ energy service sites.

Our emission calculations in accordance with the GHG protocol provide a report on all of the emissions of the energy produced by AEP. The table below provides a detailed breakdown of our energy production in terms of our major food industry customers whose facilities are subject to the environmental reports submitted to the authorities.

We produced approximately 73.7 GWh of energy for these major energy service customers in 2023. In 2022, the corresponding figure was approximately 75 GWh. The volume of district heat produced decreased slightly, while the amount of district steam increased slightly. This indicates our ability to customise our production to meet the needs of our customers.

The energy produced for energy service customers subject to the environmental reports submitted to the authorities, GWh	2023	2022
Steam, GWh	56.8	55.1
District heat, GWh	16.9	20.2
Total	73.7	75.3

Emission reporting

Scope 1 emissions, i.e. direct greenhouse emissions from our own operations

Scope 1 emissions reported in accordance with the GHG Protocol include the greenhouse gases arising from the organisation’s operational activities. Our Group’s Scope 1 greenhouse gas emissions consist mainly of emissions from the natural gas combusted by our energy service company for heat and steam production, methane leaks from our gas network and methane losses at the Mäntsälän Biovoima biogas plant and emissions of flares at the plant.

In 2023, the emissions from our energy service company’s energy production slightly decreased from 2022, with the emissions from energy produced by the Group coming to 21,201 tCO₂e in 2023. The specific emission factor of our energy plants is approximately 55 gCO₂/MJ, which is based on the monthly average during the year under review. Primarily, the decrease in emissions was due to a decrease in the energy produced by us.

In 2023, gas leaks in our gas distribution network generated emissions of approximately 1,657 tCO₂e. In 2022, the corresponding figure was 1,646 tonnes.

One megatonne of methane corresponds to 29.8 megatonnes of carbon dioxide in terms of its climate impact. The value was updated in 2023, and an older value of 28 was used in our calculations for previous years. We estimate our methane emissions from gas leaks by using the volume flow measurement technique, which provides a more accurate estimate of the total amount than the traditional method of substation measurement. Estimated by means of volume flow measurement, gas leaks are, due to the accuracy of the measurement technique, significantly lower compared to the estimate based on hourly measurements, but we report both values for our methane emissions. In estimating our total emissions, we have used the more accurate value obtained through the use of the volume flow measurement technique.

The quantity of our gas leaks has continued to decrease throughout the 2000s. In spite of the higher volume of gas, the share of gas leaks of our total gas distribution has continued to decrease, reaching a level of 0.3% measured using the traditional, less accurate measurement method. Using the far more accurate volume flow measurement method, the emissions are at a level of 0.07%. We continuously reduce leaks in our gas pipelines by making investments and being diligent in monitoring the network.

Scope 1	2023	2022
Energy produced (GWh)*	109	116
Emissions (tCO₂e)**	21,201	25,725
Heating of the Kotka office	2023	2022
Natural gas (MWh)	193	203
Emissions (tCO₂e)	38.6	40.5
	2023	2022
Gas leaks (nm ³)	334,047	524,856
Gas leaks, volume flow measurement (nm ³)	75,161	79,453
Emissions (tCO₂e)***	1,657	1,646
Mäntsälä biogas production plant		2023
Plant heating (MJ)		42,784
Biomethane methane losses (nm ³)		6,327
Flared excess methane (nm ³)		34,447
Emissions (tCO₂e)		902

The EU’s taxonomy for assessing environmental impacts will make the monitoring and prevention of gas leaks a key climate change mitigation activity. Auris Energia Group promotes the monitoring and prevention of gas leaks and studies new options for the elimination of harmful emissions.

	2023	2022
Total Scope 1 emissions, tCO₂e	23,799	27,371
Leaks as a share of gas distributed, %	0.07%	0.1%

*Steam and district heat

**The emissions for 2019 were estimated using the emission factor for 2020

***Emissions calculated on the basis of the volume flow measurement figure. GWP classified according to the IPCC AR5 report 100-year time horizon 28 tCO₂e. Calculated in accordance with the GHG Protocol: x tCH₄ * GWP(CH₄).

Scope 2 emissions, i.e. emissions of energy purchased and consumed for the operations of the company

We have calculated the indirect emission impacts of our purchased electricity, natural gas and district heating in accordance with the GHG Protocol. Our Scope 2 emissions include the electricity we use for energy production, the electricity used by our biogas production plant and other electricity we purchase.

In 2023, our electricity consumption increased by 1,670 GWh, following the acquisition of the Mäntsälä biogas plant. Thus, our Scope 2 emissions are not directly comparable with 2022. In addition to MBV, our electricity consumption figures comprise the electricity used, e.g. by our premises, gas filling station and hybrid heating sites. In addition, 6 new electricity-consuming sites were added to AEP in 2023, which has also increased the total amount of electricity purchased by our Group.

As the emission coefficient of electricity consumption, we have used the sliding average of specific CO₂ emissions of electricity and heat production, which was 84 gCO₂/kWh in 2022, for example (source: Energy Authority).

The emission coefficient for natural gas energy production is 55.37 tCO₂e/TJ (coefficient according to the fuel classification of Statistics Finland).

In 2023, our total Scope 2 emissions amounted to approximately 163 tCO₂e. This figure is significantly higher than in 2022, mainly due to our new business, biogas production, and the increased electricity consumption of our energy service sites.



Scope 2	2023	2022
Electricity procured by AE (MWh)	736	271
Electricity procured by MBV (MWh)	1,206	0
Electricity total (MWh)	1,941	271
Emissions (tCO ₂ e)	163	64.6

Scope 3 emissions, i.e. other indirect greenhouse emissions relating to the operations of the company

We are expanding our scope 3 emissions reporting, but for the time being in this category we report the emissions generated by the kilometres driven by our personnel, the emissions from the combustion of the gas sold by us and, as a new addition, emissions from Mäntsälän Biovoima’s waste transport.

According to the GHG Protocol, Scope 3 emissions should also include our emissions from other procurement and the procurement value chain. Nevertheless, the lack of resources and available information prevent us from accurately estimating the total impact of our Scope 3 emissions. We are seeking a solution to this issue and we will improve our total emission estimates in the future.

As stated elsewhere in this report, the amount of gas sold by us increased in 2023, compared to 2022. The main reason for this was the recovery of the price of gas from its peak in 2022. Biogas is a carbon-neutral fuel, which means that the consumption thereof generates no carbon dioxide emissions. In the future, we will replace a higher percentage of our gas with biogas and other renewable gases.

Most of the kilometres driven in 2023 for which our employees received compensation were powered by gas. The other fuels for vehicles used by our employees included petrol and electricity. In 2023, there was a slight increase in the kilometres driven by our employees as the number of our employees increased and, as a result of acquisitions, our operating region – and thereby the necessity of our network controllers to drive – increased. We have calculated the emissions for the kilometres driven on the basis of the following average emission coefficients: 103 gCO₂/kWh per km for petrol, 103 gCO₂/kWh per km for natural gas and 84 gCO₂/kWh per km for electricity. Going forward, we will avoid unnecessary travel and reduce our travel-related emissions.

Scope 3	2023	2022
Emissions from gas sold, tCO ₂ e	143,421	125,106
Emissions per km driven, tCO ₂	20.33	18.10
Emissions from MBV’s waste transport, tCO ₂ e	53	—
Emissions, tCO ₂ e	143,494	125,124

Indirect greenhouse gases

Our energy production operations may also generate small amounts of other emissions besides carbon dioxide, such as NOx and SOx emissions. The combustion of natural gas at our steam plants generates a small amount of NOx emissions.

The oil used as an auxiliary fuel at some of our plants generates both SOx emissions and particulate emissions, if the oil boilers in question are used. In 2023, a total of 200 litres of light fuel oil was used in maintenance situations at our sites, but this has not been included in the accounting due to the low volume of use.

Indirect greenhouse gases	2023	2022
NOx emissions, tonnes	10.38	11.19
SOx emissions, tonnes	0	0
Particulate emissions, tonnes	0	0

Total emissions and emission intensity

Our total emissions in 2023 amounted to approximately 167,457 tCO₂e. By far the highest percentage of this is generated by the combustion of natural gas we provide at customer sites. Our emission intensity was approximately 1,456 tCO₂e per one million euros. In other words, for one million euros in revenue, we generated 1,456 tonnes of CO₂e emissions, and each euro we generated produced approximately 1.46 kg of emissions.

The emission intensity per revenue is not a great indication of our environmental responsibility, considering that our revenue is so heavily dependent on the European market prices of gas. For the next sustainability reports, we will design a better indicator to demonstrate the emission intensity of our operations. An example of this could be emissions relative to EBITDA.

Emission intensity	2023	2022
Total emissions, tCO ₂ e	167,457	152,560
Revenue, MEUR	115	131.2
Emission intensity, tCO ₂ e per MEUR	1,456	1,163

Impact on nature and the environment

Our most significant impacts on nature and the environment arise from the expansion of our gas network. The excavation of gas pipelines, in particular, requires special diligence. In Finland, excavation sites require an official permit, which is not granted for areas with endangered species or other forms of protected nature.

Our safety rules and procedures have been drawn up in accordance with Government Decree 205/2009. We pay particular attention to the protection of the environment and waterways as well as the reduction of noise, dust and vibration.

We handle hazardous chemicals with extreme care and regularly inspect the condition of containers, for example. In the event of accidents – which we have not had with hazardous chemicals – our instructions are to use fuel peat or oil absorption agents to absorb the chemicals.

Identified risks related to gas distribution

At our own discretion and at the request of the energy authorities, we have identified and documented the operative risks related to our gas distribution operations.

The most significant risks identified in Auris Kaasunjakelu's contingency plan include:

- Burst pipes
- Fires
- Disruptions caused by maintenance
- Defects in gas appliances
- Insufficient personnel at the time of a hazardous incident
- Gas distribution disruptions in the distribution network
- Vandalism

Our contingency plan addresses the prevention of these significant risks and our preparations for disruptions. We prepare for technical defects through our own monitoring activities as well as continuous monitoring outsourced to a service provider.

We also keep an inventory of commonly used spare parts at our business locations. Burst pipes caused by earthworks are prevented by using advance notifications of earthworks and the demonstration of pipelines before excavation work begins.



Physical risks to the environment

The most common physical environmental risks involved in the Group’s operations include potential burst gas pipes or defective equipment. They may result in the release of methane into the air, which has a significant impact on the warming of the climate.

Thanks to our business deals, our gas distribution network has expanded significantly, which partly explains the increase in pipe breaks. Excavation work carried out by an external contractor is the most common reason for burst pipes. To prevent these risks, we provide training, instructions and supervision.

Burst pipes	2023	2022
Gas leaks, substation measurement (m ³ n/a) *	334,047	524,856
Gas leaks, volume flow measurement (m ³ n/a) **	75,161	79,453
Burst pipes, number	7	4
Pipeline length, km, approx.	1,244	1,016

*All of the pressure reducing units in our network provide remotely readable hourly measurements. In calculating gas leaks, unit consumption is measured nightly between 2:00 a.m. and 5:00 a.m. from June to August. The measurement results are reported to the authorities annually.

**The area to be measured is separated from the rest of the distribution network using stop valves, and the tightness of the stop valves is confirmed by monitoring the pressure in the network. Gas is then fed into the area via a bypass and the amount of gas is measured. The measurement period is one hour and the amount of gas is monitored in 10-minute intervals.

Water

Water is essential for the production of steam at our steam production sites. In 2023, our water consumption came to approximately 74 megalitres. The figure includes the water used by Auris Energiapalvelut at the customer sites subject to its environmental reporting and the water consumed at properties. Our water consumption has increased slightly compared to 2022.

Part of the water we use is circulated in steam production systems, which makes it difficult to estimate the absolute water consumption. Water used in energy production mainly consists of cooling water, which is channelled into the sewage system after the process.

Year	2023	2022
Water consumption, ML	74	73

Waste

Within Auris Group, waste primarily comprises utility goods on the premises. We have reduced the use of office supplies by transitioning to a digital archive, for example.

While waste generated in the maintenance and expansion of our distribution network is the responsibility of our subcontractors, our safety rules and procedures also obligate them to prevent adverse impacts on the environment and waterways.

Social responsibility

At Auris Energia Group, social responsibility plays a significant role in developing and maintaining the well-being of our personnel and the employees of our subcontractors.

We actively monitor the training of our personnel, customer satisfaction, the safety and development of our products and services as well as the health and safety of our subcontractors' employees.

Safety and health are key aspects of social responsibility, which is why they are covered by a dedicated section of this report.

Social responsibility indicators

Personnel

Our personnel has grown significantly in recent years. As our operations have grown, we have recruited more permanent employees in various business areas. During the reporting period of our first sustainability report, i.e. in 2019–2021, our personnel increased approximately by a quarter. We hired three new employees in 2022 and six in 2023, the year covered by this report. In addition, five employees were transferred to us from the business acquisition from Hamina Energy in 2023. Most of our employees have extensive experience in the energy sector.

In 2023, the average age of our employees increased slightly compared to 2022. At the same time, as the average age of our personnel has generally increased in the last few years, one of the risks related to our social responsibility is the future loss of know-how when employees retire.

We have taken this risk into account and, to minimise it, we have designated substitutes for the members of our Executive Team, for example. We have also developed an active exchange of information related to work duties. We focus on transferring tacit knowledge from our experienced employees to new recruits. This ensures that we will maintain a high level of service quality and competence in our organisation. Last year, we also appointed our Group's first HR Manager to take care of our growing personnel and to coordinate the transfer of skills.

	2023	2022
Employees	41	31
Newly recruited employees	6	3

Employee satisfaction

In November 2023, we conducted an employee survey, with approximately 30 people responding to it. Based on this, the overall view of satisfaction is very good. The NPS figure for the whole Group is 57, which can be considered very good (on a scale of -100 to 100). Based on the results of the survey, the work tasks are considered to be interesting and to include development opportunities. Urgency and interruptions that increase the stress are perceived to some extent. The support of the working community and opportunities for flexibility that take into account the needs of family life received a lot of praise in the survey.

Non-discrimination

We observe Finnish legislation and our ethical principles in everything we do. We do not condone any form of discrimination and take immediate action if any discrimination is observed. We also encourage our personnel to highlight potential problems.

Supervisors must use all means at their disposal to promote direct, open and constructive discussion in the workplace community. Creating and maintaining a positive and safe workplace atmosphere is a shared goal for us, and each of our employees is responsible for contributing to that goal.

Age distribution	2023	2022
Under 30	10%	3%
30–50	54%	68%
50+	36%	29%

Most of our employees would also recommend us as an employer to their friends.

Diversity

In 2023, women made up 22% and men made up 78% of our employees. Considering the scope of our operations, our organisation is relatively small, and we have practically no women and men performing the same duties or duties on the basis of which pay equality could be determined. Nonetheless, in our organisation, the average pay is higher for women than for men.

Freedom of association

We respect our employees' right to the freedom of association in accordance with Finnish legislation, which means that every employee has the right to belong to, or not belong to, various organisations.

Non-discrimination Act 1325/2014, **Constitution of Finland 731/1999

Training

We want to maintain our employees' existing skills and provide them with various development opportunities. As part of our personnel plan and training goals, we provide our employees with extensive access to various training activities, from English language studies to invoicing and debt collection in the energy sector. Our employees received an average of 23 hours of training in 2023.

For instance, the sustainability and ESG training activities include training for operations supervisors in natural gas operations, first-aid training, data security training and GDPR training. This also includes mandatory training for some of our employees, such as hot work certification, electrical installation training or gas installation training.

Personnel	2023	2022
Hours of training per year per employee	23	18

Prohibition of forced labour and child labour

We observe the Finnish Young Workers' Act* and have unequivocally prohibited the use of child labour at SK Group. We also observe Article 5 of the EU Charter of Fundamental Rights** and we have prohibited forced labour in our operations.

We also require our subcontractors and suppliers to observe the same legal obligations, and we prohibit child labour and forced labour in our ethical principles and our Supplier Code of Conduct.

*Young Workers' Act 1993/998, **EU Charter of Fundamental Rights, Title I: Dignity, Article 5: Prohibition of slavery and forced labour

Customer satisfaction

Customer satisfaction is important to us, which is why we measure it with the NPS (Net Promoter Score) and FCR (First Contact Resolution) performance indicators reported below. In 2023, the figures remained roughly at the same level as the previous year.

In 2023, we also invested in customer satisfaction, which is at the heart of our strategy, by commissioning an external actor (Adato) to conduct a customer satisfaction survey for our medium-sized gas customers. In addition, we conducted a satisfaction survey for our largest gas and energy service customers with a web-based tool. Based on the results of both surveys, we are considered to be a reliable and customer-focused operator. The surveys also provided us with valuable development ideas, many of which we will implement in 2024.

Customer satisfaction	2023	2022
NPS	62%	65%
FCR	83%	86%

Cyber security and customer privacy

We are committed to maintaining the privacy and data security of our customers and suppliers.

We have updated our data protection guidelines together with our IT service partner and ensured that our partners protect our data in accordance with the provisions of the GDPR. We have also instructed our employees to adhere to our updated data protection policy.

In 2023 and 2022, there were no reported data leaks or information security violations in our company.

During 2023, Auris Group worked in collaboration with an external partner with regard to cyber security. The security of the Group companies was analysed and tested on the basis of a risk assessment. The general security level was found to be good.

For the identified targets of development, we received correction suggestions, which are integrated into the operations of the companies. We continuously improve our personnel's security know-how through different training and info sheets. We did this in 2023 as well.

Cooperation with the authorities

We engage in close cooperation with the authorities in our sector. Each year, we report to the Energy Authority, e.g. on the components of our gas distribution network, our financial indicators and our technical indicators.

Similarly, we report to the Finnish Safety and Chemicals Agency (Tukes) on burst pipe incidents and hazardous incidents as well as our renovation plans concerning our distribution network in Helsinki. We also report to the authorities on an annual basis on the emissions of our heat and steam plants.

Naturally, we also comply with all legislation applicable to our operations.

Neither the official inspections of our network nor any other audits of our operations have resulted in any cautions of note or revealed any irregularities posing life or health risks. We have submitted all of the reports required of us to the authorities in the appropriate manner and conducted all of the required corrective measures within schedule.

Cooperation with other organisations

Auris Group engages in cooperation with Finnish Energy, the Finnish Biocycle and Biogas Association, the Finnish Gas Association, the Finnish Hydrogen Cluster as well as WEC Finland and is a member of all of the above organisations.

Cooperation keeps us at the leading edge of the development of our industry and helps us take companies and society towards a future of lower emissions and greater energy efficiency.

Political activity

We do not represent, support or cooperate with political parties or organisations.

Anti-bribery, anti-corruption and anti-fraud activities

We comply with Finnish legislation and our own ethical guidelines in order to avoid bribery, corruption and fraud. We have no reported cases of the three.

Whistleblowing preparedness

Whistleblower protection legislation in accordance with EU Directive 2019/1937 will apply to all private sector organisations with over 50 employees. This means that our Group is not yet within the scope of the legislation in question. However, we prepared an online whistleblower channel in 2023, which we will launch in spring 2024.

We have also always encouraged our employees to report all potential safety deviations, unethical conduct or actions that violate – or potentially violate – the rules laid out in our ethical principles. It has been possible to submit such reports by emailing or calling our executives, Board of Directors or the relevant public authority, for example.

Safety

The safety and health of our employees, customers and partners are the foundation of everything we do. We continuously monitor and improve the safety of our operations and report on it on a regular basis. We identify and prevent the realisation of detected safety and well-being risks in our operations and in the operations of our subcontractors.

Safety indicators

Occupational health and safety

Most of the work performed by our personnel is office work, which involves minimal physical risks but potentially significant psychological stress. We take increasing psychological stress into account and assign duties in a balanced manner. Our occupational health care provider has also assessed the health and safety risks of our gas distribution and energy service sites. In 2023, we also commissioned an external expert to conduct an extensive survey of the overall safety status of our group. In addition, we appointed our own safety manager, who has taken overall responsibility for the development of our safety work.

Compared to 2022, absences due to sickness at the Group slightly increased in 2023, while the number of permanent employees increased during the same period.

Year	2023	2022
Sickness absence rate	1%	0.6%
Personnel, FTE	41	31

Our safety rules and procedures specify detailed requirements for the safety of our operations and the operations of our subcontractors.

There were no accidents leading to absence in our Group during the period under review concerned by this sustainability report. Amongst other things, we prevent accidents by means of safety walks, which involve monitoring compliance with safety instructions by our employees and subcontractors.

We identify potential risks at each site before any work is carried out and report these to the management. Our Board of Directors monitors the safety of the work carried out by, and for, the Group through regular reporting in conjunction with each board meeting, i.e. at least every other month.

Safety walks and inspections have had a positive effect on our efforts to maintain a high standard of safety, and we did not have to issue any complaints to our subcontractors for neglecting to comply with safety measures during the period under review. A total of 29 safety walks were carried out in 2023.

Our Auris companies have separate occupational safety guidelines to which all employees are required to adhere. We require our employees to engage in continuous safety observations, which are documented in the Auris safety channel. A total of 207 safety observations were made in 2023.

The construction, quality, inspection and use of the gas pipeline and the notes of the operations supervisor are documented in a separate monitoring log.

Year	2023	2022
Occupational accidents, own personnel	0	0

The estimated health and safety impacts of products and services

As a leading company in our field, we understand the health and safety risks associated with our products and services. To minimise these risks, we comply with all legal requirements, monitor our distribution network 24/7 and, where necessary, provide instructions to our customers and partners on how to minimise risks.

We also conduct safety walks at our subcontractors' construction sites, and Auris Energiapalvelut monitors its energy production plants 24/7, all year round.

The safety and quality of the gas we sell and distribute is the responsibility of the Finnish gas transmission system operator Gasgrid Finland Oy.

Our goals are as follows:

- Zero accidents, every year
- Avoiding damage to our gas pipelines and other equipment
- Preventing third-party hazardous incidents and adverse impacts

Auris Energia Group's total
impact and targets

Summary of economic impacts

We help our customers to recognise and understand the business impacts of sustainable energy solutions and improving energy efficiency by creating quantifiable business related to them on the bottom line. We also apply the same principle to our own operations.

The economic impacts of the Group, presented in this report, cover the financial indicators of our business activities, tax footprint and investments, the physical risks associated with our operations, material procurement, cooperation with the authorities and the certification of our operations.

Our revenue has significantly increased over the last few years. Our revenue grew by 46% during the 2019–2021 period. In 2022–2023, our revenue decreased by roughly 12%. Our level of revenue depends significantly on the European gas exchange price, which fell clearly in 2023 compared to 2022. The increase in revenue in previous years is attributable to the high price of gas and the impact of our acquisitions. We also continued acquisitions in 2023, with three new companies joining our group structure.

In January, we established a new company, Auris Hamina Holding Oy, which acquired the entire share capital of Haminan Kaasuverkko Oy from Haminan Energia. The company operates in the gas distribution business in the Hamina region. At the same time, we carried out a business transaction to transfer Haminan Energia's "price list customers" to Auris Kaasuenergia's gas retail business. Both transactions were completed on 31 January 2023. On 17 March, Auris Energia Holding Oy acquired a majority shareholding (72.03%) in Mäntsälän Biovoima Oy. Watrec Oy and Nivos Energia Oy will continue as the company's minority shareholders.

Our tax footprint increased in the 2023 financial year, and the group companies have no tax debt entered in the Finnish Tax Debt Register.

The number of our personnel increased in 2023, as we hired six new employees and received five in the business transaction with Hamina Energia. The average salary paid in our group decreased slightly last years with the new employees. Our personnel expenses came to approximately EUR 3.7 million for the 2023 financial year.

Our sustainability-related investments during the 2023 financial year were mainly focused on renewable energy solutions as well as the modernisation, renovation and development of our gas distribution network as well as the automation of network monitoring. We spent approximately EUR 3.5 million on promoting sustainability during the 2023 financial year.

Our other significant investments applied to the development of the Group's information systems, the maintenance of the gas distribution network and new construction. We spent approximately EUR 375,000 on these investments in the 2023 financial year.

Natural gas and biogas are the most significant products we sell, and the raw materials we use in our energy production. In 2023, the natural gas we sold came to Finland from the Baltic countries via the Balticconnector offshore pipeline, until the pipeline was damaged at the beginning of October 2023. The gas we have sold since then has come to Finland through the Inkoo liquefied natural gas (LNG) terminal. All of the gas sourced by us has come from operators that have been able to certify that the gas does not originate in a country that supports Russia's senseless war in Ukraine.

Until the end of 2021, the biogas we sold was exclusively sourced from Finland. In 2022, our Group has also begun to sell European biogas subject to a certificate of origin, and we also continued this in 2023.

Compared to the previous year, the total amount of gas sold during the 2023 financial year increased by approximately 9%. The increase in the volume was mainly due to the fact that the price level of gas fell from its peak level in 2022 and customers who switched to other fuels returned to gas use.

As in the previous years, Finnish subcontractors made up 100% of all of our subcontractors.

The Group has approximately 20,000 customers. Our Group company Auris Kaasunjakelu Oy was awarded a high Rating Alpha credit rating by Suomen Asiakastieto Oy during the period 2012–2023.

Auris Energia Group's financial position has remained strong despite the energy crisis caused by the war in Ukraine. Our ability to produce and provide low-emission energy solutions and zero-carbon biogas is also positive from the perspective of the environment and society.

By maintaining the financial profitability of our operations and making carefully considered investments in new solutions, we can provide companies and consumers with even lower-emission energy in the future.

The Group's objective is to be carbon-neutral by the year 2040. In 2023, we will further specify our path to this goal as well as our milestones and explain them further in the 2024 report.

We recognise the negative impacts of our energy production operations, particularly with regard to the environment. We actively mitigate these impacts by upgrading our gas distribution network, servicing the network, using geothermal and other low-emission heat production solutions and increasing the share of sales represented by biogas.

Summary of environmental impacts

Since the start of its existence, Auris Energia Group has actively prevented the environmental impact and increased the safety of its operations.

In 2002–2023, we have reduced the methane leaks or gas losses of our gas distribution network by approximately 86%. In 2023, our methane emissions were down to approximately 0.07% of the gas distributed.

Our most significant theoretically possible environmental risks are related to burst pipes in the distribution network, fires, disruptions in gas distribution due to maintenance work on the distribution network, defects in gas appliances, shortages of personnel during disruption incidents, disruptions in gas distribution and vandalism in the distribution network. We prepare for technical faults and damage by engaging in 24/7 monitoring. Burst pipes caused by earthworks are prevented by using advance notifications of earthworks and the demonstration of pipelines.

Auris Group’s energy production and energy consumption consist of the energy produced for our customers in the form of steam and district heat, and the energy used for the heating and lighting of our business premises in the form of electricity, district heat and natural gas. In 2023, the amount of energy produced for our customers dropped slightly from the previous year’s level to approximately 109 GWh.

In accordance with the GHG Protocol, the emissions arising from our operations are categorised into Scope 1, 2 and 3. Scope 1 emissions consist of the emissions arising from our own operations, which include the emissions generated by the combustion of natural gas in energy production, and methane leaks from gas pipes, as well as methane losses and flaring emissions from our biogas plant.

The emissions arising from energy produced for our customers came to approximately 21,201 tCO₂e in 2023. Gas leaks generated emissions of approximately 1,657 tCO₂e. In 2023, gas leaks in our distribution network, measured using the extremely accurate overflow method, corresponded to approximately 0.07% of the gas we distributed. In 2023, our Scope 1 emissions were 23,799 tCO₂e in total.

Our Scope 2 emissions consist of purchased electricity. In 2023, we purchased approximately 1,941 MWh of electrical energy for our own use, with the resulting emissions being approximately 163 tCO₂e. The most significant reason for the increase in our electricity consumption was the acquisition of our biogas plant.

Our Scope 3 emissions consist of our other emissions. With regard to this category, we are currently only reporting the emissions from the kilometres driven by our personnel subject to compensation, the emissions arising from the natural gas sold by us and, starting from this year, also the emissions from MBV’s waste transport.

The number of kilometres driven by our staff increased in 2023. Our employees received compensation for approximately 232,547 kilometres driven, corresponding to total emissions of 20.3 tCO₂e. In the future, we will avoid unnecessary travel and thereby reduce travel-related emissions.

In 2023, the emissions arising from the natural gas sold by us amounted to approximately 143,421 tCO₂e, whereas the corresponding figure the year before was approximately 125,106 tCO₂e. We are actively striving to reduce these emissions by offering our customers more renewable energy options, such as biogas and, further down the road, synthetic gases, as well as our already nearly emission-free energy services.

In 2023, our total emissions amounted to approximately 167,457 tCO₂e, whereas the corresponding figure the year before was approximately 152,560 tCO₂e. During the existence of Auris Group, the most significant emission reduction has been the reduction of methane leaks in the distribution network. In 2023, our methane emissions estimated using volume flow measurement were approximately 0.07% of the gas we distributed.

Due to the nature of our energy production operations, we may also generate other emissions, such as NO_x and SO_x emissions and particulate emissions. The amount of NO_x emissions was approximately 10.38 tonnes in 2023. The other environmental impacts of our operations include the consumption of water in the production of steam. Our water consumption in 2023 came to approximately 73 megalitres, which includes both our energy production operations and the water used on our premises.

Our office work generates office waste, which we reduce by using digital archives, for example. We have not reported waste generated in the repair and expansion of the distribution network, as the treatment of that waste is the responsibility of our subcontractors. However, our procedures obligate our subcontractors to prevent adverse impacts on the environment and waterways. Our instructions and safety guidelines emphasise the importance of protecting the environment and waterways and the reduction of noise, dust and vibration.

The goal of our environmental responsibility is carbon neutrality

Our environmental targets are an integral part of our business strategy. Auris Energia Group's long-term strategy is focused on increasing the share of biogas and other low-emission gases and energy forms in our services as well as the prevention of gas leaks. Our goal is for the Group to be carbon neutral 2040.

We will materially increase the proportion of biogas and other low-emission gas of the gas sold and distributed by us. Our goal is for carbon-neutral gas to make up 50% of the gas sold and distributed by us by the year 2030.

We will achieve this target by increasing the share of biogas and other low-emission gases of the gas in our distribution network and by incorporating carbon dioxide capture technology into our business operations. We will also continue to actively pursue the reduction of gas losses in our networks.

Auris Energiapalvelut's sustainability strategy is part of the Group's sustainability strategy. Our target is for 75% of the steam and heat produced for our customers by our energy services to be emission-free by the year 2030.

Our other activities to reduce our carbon footprint are focused on measures that promote both the Group's business operations and well-being in society. We have divided these into six quantifiable measures:

- Auris Group will significantly reduce its own and society's carbon dioxide emissions by 2030 and 2040, respectively. To achieve this, we will replace high-emission energy sources, such as coal, oil and liquefied petroleum gas (LPG), with renewable gases. The ultimate goal is zero-emission business operations.
- Auris Group will increase the share of its total gas distribution and sales represented by biogas and low-emission gas.
- Auris Group will reduce methane leaks in its distribution network by upgrading the network.
- We will increase the efficiency of our customers' gas consumption through the modernisation and optimisation of the tools related to gas use.
- In the future, the majority of Auris Energiapalvelut's products and services will be based on low-carbon and zero-carbon energy production.
- We will contribute to the future of renewable and low-carbon energy production by supporting the research and testing related to low-carbon technologies.

Summary of social impacts

Our social responsibility covers our negative and positive impacts on our personnel, partners, customers, cyber security as well as our own operations.

During the reporting period of our previous sustainability report, i.e. in 2019–2021, our personnel increased approximately by a quarter. In 2022, the number of employees continued to increase, and by the end of 2023, the Group had 41 regular employees.

22% of our employees are women and 78% are men. Our personnel ranges in age from under 30 to over 50, and most of our employees have extensive experience in the energy sector.

Some of our employees are approaching retirement age, which increases the risk of losing know-how. To mitigate this risk, we have begun to transfer tacit knowledge from more experienced employees to new employees and designated substitutes for the members of the Executive Team.

Our employees are highly committed to Auris Energia Group. We monitor employee satisfaction by means of Terveystalo’s Pulse surveys, and we use the feedback we receive from the surveys to develop the well-being, safety and skills of our employees. We provide our employees with a wide range of training. In 2023, each of our employees trained for approximately 23 hours per year.

In November 2023, we conducted an employee survey, with 30 people responding to it. Based on this, the overall view of satisfaction is very good. The NPS figure for the whole Group is 57, which can be considered very good (on a scale of -100 to 100). Based on the results of the survey, the work tasks are considered to be interesting and to include development opportunities. Urgency and interruptions that increase the stress are perceived to some extent. The support of the working community and opportunities for flexibility that take into account the needs of family life received a lot of praise in the survey.

We have prohibited all forms of discrimination and we take immediate action against it. We encourage our employees to notify us of any problems, and supervisors must use any means at their disposal to promote direct, open and constructive dialogue within the work community.

We have prohibited all use of forced labour and child labour and we require our subcontractors and suppliers to adhere to the same legal obligations.

We monitor customer satisfaction by means of the NPS and FCR indicators. Our customer satisfaction is at an excellent level compared to other companies in the energy sector.

We engage in close cooperation with various public authorities and partners. We report to the Energy Authority annually on our gas distribution network as well as our financial and technical performance indicators. We report to the Finnish Safety and Chemicals Agency annually on burst pipes and hazardous incidents in our distribution network as well as renovations of our gas distribution network in Helsinki.

In addition, we are members of and engage in cooperation with various organisations, including Finnish Energy, the Finnish Biocycle and Biogas Association, the Finnish Gas Association, the Finnish Hydrogen Cluster and WEC Finland. Our cooperation network does not include political connections, and we do not represent, support or cooperate with political organisations.

The privacy of our customers is a high priority for us. We updated our data protection guidelines in 2020 and we ensure that our partners protect our data in accordance with the provisions of the GDPR. There were no reported data leaks or information security violations in our company in or before 2023.

We have prohibited bribery, corruption and fraud in all of our operations, and we comply with Finnish legislation and the ethical guidelines drawn up for our Group. We encourage our employees to use internal communication channels to report safety deviations, unethical conduct and any other actions that violate our ethical principles.

Summary of our responsibilities regarding safety

Our business continued to grow in 2023, while the safety level and safety requirements of our operations also increased. In 2023, we also appointed our Group's first Safety Manager to make our safety work even more systematic.

We monitor damage in our gas pipeline by using the damage frequency indicator (damaged pieces per 100 km), which fell from 1.2 to 0.6 between 2002 and 2023.

In 2019–2023, the total length of our distribution pipeline increased from 510 km to roughly 1,244 km, but the number of damaged pieces per year has remained largely unchanged. This means that our sustainability and development efforts have not only significantly reduced our methane emissions, but also improved the safety of our gas distribution network.

The safety of our personnel is a top priority for us, and we want to maintain our position as a safe employer. Most of our employees perform administrative duties at the office, which means that physical risks are low, but the risk of psychological stress has been identified. In addition to monitoring employee satisfaction, we monitor the sickness absence rate, which was 1% in 2023.

Our occupational health care provider has also assessed the health and safety risks of our construction sites. Our target in that area is zero accidents, and there were no occupational accidents during the period under review in this report.

To prevent occupational accidents, we provide instructions, training and safety walks at construction sites. During the safety walks, a Group employee monitors compliance with safety procedures by our personnel as well as our subcontractors.

Safety walks and inspections have had a positive effect on occupational safety, and we did not identify any accidents or incidents of negligence during the period under review. A total of 29 safety walks were carried out in 2023. Our goal is to minimise accidents, damage to gas distribution pipes and appliances as well as third-party hazardous incidents.

To ensure the safety of our products and services, and to minimise adverse health effects, we comply with all legal requirements concerning the qualifications of personnel who work with gas. We also monitor our distribution network around the clock and, if necessary, provide our customers with instructions for the safe use of gas. The safety and quality of the gas we sell and distribute are the responsibility of the state-owned gas transmission system operator Gasgrid Finland Oy.

Materiality analysis

Materiality analysis

Background and the scope of work

In 2022, Auris Energia Group carried out a materiality analysis to assess its material sustainability themes. This 2023 Sustainability Report relies on that same analysis.

The materiality analysis was conducted in accordance with the requirements of the GRI standard. At the first stage, it was limited to Auris Energia's own operations, customers as well as direct supplier and subcontractor relationships. In terms of the most remote parts of our supply chain, we have taken under review the Group's potential effects on human rights.

Key measures

The basis of the materiality analysis constituted stakeholder and expert interviews, desktop research as well as an assessment of the probability and gravity of potential positive or negative effects.

In January 2023, the EC and Auris Energia went through the results of the analysis in a workshop. The results are reported on the next pages of this report pursuant to the GRI requirements.

Description of the materiality analysis process

For the purpose of the materiality analysis, we used the items listed below to help identify the Group’s actual and potential negative and positive effects. The charted effects apply to economy, the environment and people, including human rights, throughout Auris’s operations and business relationships.

- GRI 11: Oil and Gas Sector 2021 Standard acted as the premise of the assessment
- Charting and review of the value chain and key business relationships
- Desktop research on the existing written materials
- Stakeholder and expert interview regarding the risks related to, and potential of, hazards
- Professor of natural resources and energy policy
- Owner of Auris Energia (abrdn)
- Customer
- Subcontractor/contractor of Auris Energia
- Financier of Auris Energia
- Employee representatives of Auris Energia

The prioritisation of the effects on the basis of their importance was based on the following:

- Stakeholders were asked to rate the materiality of sustainability themes based on the GRI 11: Oil and Gas Sector 2021 Standard
- Assessment of the effects, with regard to the scope, reparability/reversibility, probability, etc.
- Workshop with Auris Energia’s personnel
- Specifying the limit value of materiality on the basis of the values assigned to the effects as well as the stakeholders’ rating

Based on the materiality analysis, Auris Energia’s key sustainability themes include:

1. Greenhouse emissions
2. Occupational health and safety
3. Adapting to climate change, flexibility and transition to low-emission energy production
4. Security of gas supply
5. Asset integrity and critical event management

Auris Energia manages the negative effects identified in the materiality analysis as described below

Actual negative effects

- Emissions: Gas distribution generates methane emissions, which are already very low with regard to the Group and which we will actively continue to reduce. During the period under review in this report, we have invested a significant amount of money in the modernisation and renovation of our gas network. For more information on the subject, see pages 4 & 19 of this report, for example.
- Site closures, restoration of areas, asset integrity and critical event management, treatment of occupational accidents, occupational health and safety: Our operations have minor regional effects, for example, when our contractors wrap up work on our sites or close excavations. We always restore the areas of our sites and we never establish a site in an area where it is not permitted by the environmental authorities or regulations. We engage in active cooperation with our contractors in order to ensure safety at our sites. For example, pages 29 & 35 of the report
- Critical event management: In case of potential occupational accidents or accidents related to gas distribution, we have clear instructions in place, and we carefully monitor compliance with said instructions. If necessary, we also collaborate with the authorities. For more information, see pages 29 & 35

Potential negative effects

- Occupational health and safety: Operating with gas at heat or steam plants requires a particularly thorough culture of safety. To prevent the related risks, we provide training, safety walks as well as instructions, monitor compliance with the above and emphasise the general safety culture. For example, we have made it very easy to log safety observations through the use of a QR code. Page 35 and many other sections of the report.

Auris Energia manages its positive effects in many different ways listed below and in other sections of the report:

Potential and actual positive effects:

Greenhouse gas emissions and adapting to the climate change

- The percentage of biogas of the gas we sell is continuously increasing, and biogas will increasingly replace natural gas in the future. Gradually, we will entirely relinquish natural gas. For example, pages 32 & 33 of the report.
- We keep an eye on the development of synthetic gases and the hydrogen economy and contribute to the creation of a clean gas market. For example, page 33 of the report
- Gas-independent and growing, our energy service business specifically provides services to improve energy efficiency and reduce emissions. For example, pages 8 & 18

Occupational health and safety

- We have a comprehensive occupational health agreement which applies to all employees and also includes a fair amount of preventive health care, for example, page 31.
- Our industry's strict safety requirements require all of our employees and contractors to get regular training and maintain specific qualifications on an ongoing basis. For more information, see pages 31 & 32, for example.

Economic impact

- We create work and pay all of our taxes to Finland, without any kind of tax planning. For more information, see page 14 of this report.

Other

- We invest in the know-how of our employees, such as in the form of training, in order to provide our employees with the latest knowledge and skills, not only pertaining to safety, but also with regard to the green transition. For more information, see page 26.
- In our industry, security of supply is essential in critical areas, such as the food industry. Our security of supply, both in terms of gas distribution and sales, was 100% throughout the year 2022, as you can read on page 8.

The GRI index and “statement of use”

This sustainability report of Auris Energia Group has been drawn up with reference to the GRI (Global Reporting Initiative) standard. Our sustainability report for the calendar year of 2023 has been drawn up on the basis of the sections of the GRI standard listed below. The selection thereof was based on the GRI reporting guidelines as well as the view of Auris Energia and our stakeholders regarding the significance of our effects.

The sections of GRI selected for the report:

GRI 1: Foundation 2021

GRI 2 General disclosures – General information about our Group

GRI 3 Material topics (with a reference to the materiality analysis)

GR 200 Economic – Environmental responsibility

GR 300 Environmental – Economic responsibility

GR 400 Social – Social responsibility

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION IN REPORT	DISCLOSURE, COMMENT, OR REASON FOR OMISSION	42
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GRI 2: GENERAL DISCLOSURES 2021

1. THE ORGANIZATION AND ITS REPORTING PRACTICES

2-1	Organizational details	p. 6, 8, and the back cover	Auris Energia has included the legal name of the entities covered by its report (Auris Energia Oy, Auris Kaasunjakelu Oy, Auris Energiapalvelut Oy, Auris Kaasuenergia Oy). HQ located in Kotka.
2-2	Entities included in the organization's sustainability reporting	p. 6, 8, and the back cover	Auris Energia has included the legal name of the entities covered by its report (Auris Energia Oy, Auris Gas Distribution Oy, Auris Kaasuenergia Oy, Auris Energiapalvelut Oy, Auris Kaasunjakelu Oy). Information is provided either on the level of our Group, Auris Energy, or on the level of our companies, which have been mentioned by name, where data only relates to them.
2-3	Reporting period, frequency and contact point	p. 6	The sustainability report is for the calendar year 2022, which aligns with our financial reporting period. The publication date is stated on the front cover of the report, contact information on the back cover. The company reports ESG aspects regularly to its owners, authorities and consumers. To the owners, the reporting frequency is at a minimum once every two months, when we have a Board meeting, to the authorities it is mostly annual, and to our customers it is mostly upon request and/or as regulation requires.
2-4	Restatements of information	Several pages throughout the reports, including p. 14-16	All restatements provided are either for comparison purposes (e.g. comparing the change from 2021 to 2022) or because the information is still valid
2-5	External assurance	p. 4 & 42	Assured by EY, stated on mentioned page

2. ACTIVITIES AND WORKERS

2-6	Activities, value chain and other business relationships	p. 7 & 10	Report includes information of the sectors where the company is active. Report includes information on the value chain on a very high level such as the geographic location of suppliers. The report states that the company does not allow the use of Russian energy in any of its supply contracts. The company collaborates with Energiateollisuus ry, Suomen Biokierto and Biokaasu ry, Kaasuyhdistys, Vetykluster and WEC Finland.
2-7	Employees	p. 25	The total number of employees as well as breakdown by gender and age are reported. All of the other breakdowns have not been reported, as of yet. The report includes reasoning for the increase of number of employees.
2-8	Workers who are not employees	p. 25	Our Group does not have workers who are not employees.

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION IN REPORT	DISCLOSURE, COMMENT, OR REASON FOR OMISSION	43
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GRI 2: GENERAL DISCLOSURES 2021

3. GOVERNANCE

2-9	Governance structure and composition	p. 10	The report includes some information regarding the board of directors and executive management. However, the report lacks proper description of the governance structure (responsibilities, monitoring, etc.).
2-10	Nomination and selection of the highest governance body	p. 10 and p. 11	Explained to relevant extent on page 10 & 11
2-11	Chair of the highest governance body	p. 10	Can be deduced from the content on page 10 Not relevant as the chair is not a senior executive.
2-12	Role of the highest governance body in overseeing the management of impacts	p. 12	Addressed only to very limited extent (e.g. who is responsible for deciding on sustainability matters).
2-13	Delegation of responsibility for managing impacts	p. 12	The report states that the highest decision making authority is the CEO. Page 12 also provides information that ESG matters are the responsibility of a specified Management team member. The report includes information that ESG matters are regularly on the board's agenda.
2-15	Conflicts of interest	p. 11	Conflicts of interest covered on a very high-level. If it were to happen that a conflict of interest would arise that needed to be reported to a stakeholder, we would do so without delay and remove the person with a conflict of interest from the decision-making, as stated in the report.
2-19	Remuneration policies	p. 12	Included on a very high-level.
2-20	Process to determine remuneration	p. 12	The report includes the information on a high level. The board approves the remuneration instructions for the employees and executive directors. The remuneration of the board is covered in the shareholder's meeting.
2-21	Annual total compensation ratio	p. 12 & 15	Report includes information about the total staff salary expenses. As it is not an explicit requirement, we have chosen not to include this additional information in our first assured report.

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION IN REPORT	DISCLOSURE, COMMENT, OR REASON FOR OMISSION	44
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GRI 2: GENERAL DISCLOSURES 2021

4. STRATEGY, POLICIES AND PRACTICES

2-22	Statement on sustainable development strategy	p. 3, 4, 33	Greetings from the CEO section includes the relevant information.
2-23	Policy commitments	p. 11, 12	The mentioned pages describe our commitment to our code of conduct, in addition to Finnish law etc.
2-25	Processes to remediate negative impacts	p. 27, 39 & 40	The report states that the company is aware of its negative impacts, and provides information on the management of those in the section on materiality analysis and GRI. No formal grievance mechanism in place. The company will set up a whistleblowing channel once it has over 50 employees as per the EU directive 2019/1937. The company encourages its employees to report any risks or potential non-compliances.
2-27	Compliance with laws and regulations	p. 27	It is stated that there have been no significant non-compliance instances.
2-28	Membership associations	p. 34	The report includes list of business relationships (please see 2-6c).

5. STAKEHOLDER ENGAGEMENT

2-30	Collective bargaining agreements	p. 29	All employees are covered by the collective bargaining agreements.
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GRI 3: MATERIAL TOPICS 2021

3-1	Process to determine material topics	p. 36-40	The materiality analysis conducted by EY has been described in detail in its own section of the report, beginning on the page mentioned. The results have also been laid out.
3-2	List of material topics	p. 36-40	Material topics have been included in different sections of the report, and in the separate section on the materiality analysis they have been laid out in detail.
3-3	Management of material topics	p. 36-40	Information regarding the impacts reported, and specification on actual and potential negative and positive impacts, as well as some other additions as required by GRI. This is our first assured report, and we will improve on our reporting and develop metrics for the management of our impacts.

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION IN REPORT	DISCLOSURE, COMMENT, OR REASON FOR OMISSION
GRI 201: ECONOMIC PERFORMANCE 2016			
201-1	Direct economic value generated and distributed	p. 13-16 and p. 31	
201-2	Financial implications and other risks and opportunities due to climate change	p. 36 onwards (materiality analysis)	Materiality analysis covers these, plus to some extent the other pages mentioned
GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
203-1	Infrastructure investments and services supported	p. 12 & 32	We are primarily an infrastructure company, and continually invest in improving our distribution network + have purchased new networks
GRI 204: PROCUREMENT PRACTICES 2016			
204-1	Proportion of spending on local suppliers	p. 8	All contractors that work for us are based in Finland, our definition of local
GRI 205: ANTI-CORRUPTION 2016			
205-1	Operations assessed for risks related to corruption	p. 11	Our ethical guidelines apply to all our businesses and are based on evaluation risks in all of them.
GRI 207: TAX 2019			
207-1	Approach to tax	p. 13	We pay all our taxes to Finland, with no separate tax strategy etc.
207-2	Tax governance, control, and risk management	p. 13	This is described on a high level. But we do not exercise any particular tax planning, just pay the taxes as Finnish legislation stipulates.

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION IN REPORT	DISCLOSURE, COMMENT, OR REASON FOR OMISSION	46
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GRI 302: ENERGY 2016

302-1	Energy consumption within the organization	p. 18	Company's electricity consumption has been calculated and reported.
302-3	Energy intensity	p.21	CO2-intensity reported, as well as energy intensity. As for the latter, the caveat is that is not really a good metric for us, our revenue being so highly dependent on gas prices on the European gas exchanges.
302-4	Reduction of energy consumption	p. 18	Reported on a high level.

GRI 303: WATER AND EFFLUENTS 2018

303-1	Interactions with water as a shared resource	p.23	The report discloses the water usage.
303-5	Water consumption	p.23	Reported value is for Auris Energiapalvelut and water usage by the real estates. This is all of our water usage.

GRI 304: BIODIVERSITY 2016

304-2	Significant impacts of activities, products, and services on biodiversity	p. 22 & 23	The environmental permitting process is quite strict in Finland. Therefore, we do not build our sites close to protected areas. Therefore, we have not, in this second assured report, discussed this matter, as it is not very relevant. Our impact on biodiversity, at least in terms of "scope 1" is reasonably low.
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GRI 305: EMISSIONS 2016

305-1	Direct (Scope 1) GHG emissions	p. 19	Information disclosed for years 2022 & 2023
305-2	Energy indirect (Scope 2) GHG emissions	p. 20	These emissions come from our energy production facilities owned by our energy services. Thus, they are location-based.

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION IN REPORT	DISCLOSURE, COMMENT, OR REASON FOR OMISSION
GRI 305: EMISSIONS 2016			
305-3	Other indirect (Scope 3) GHG emissions	p. 21	Scope 3 calculations include only emissions from vehicle kilometers reimbursed for personnel (henkilöstölle korvutut ajokilometrit) and emissions from the gas sold to our customers and burned in their premises. Other emissions are so far not included due to lack of resources and data.
305-4	GHG emissions intensity	p.21	Reported, but not a good metric for us, as our revenue is so highly dependent on the volatile gas prices on the European gas exchanges.
305-5	Reduction of GHG emissions	p. 19	Information disclosed relating to our methane emissions reductions that are due to our pipeline modernization
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	p. 21	NO _x and SO _x emissions have been reported. Other air emissions are not relevant nor produced in our processes.
GRI 306: WASTE 2020			
306-1	Waste generation and significant waste-related impacts	p. 23	<p>The report discloses that the majority of the company's waste is generated by the office spaces, which is quite minimal.</p> <p>The subcontractors are responsible for the waste generated during the repair and expansion of the distribution network, and thus this is not reported. Analysis and disclosure of said waste will be developed for forthcoming sustainability reports.</p>
306-2	Management of significant waste-related impacts	p. 23	The report discloses that the majority of the company's waste is generated by the office spaces, which is quite minimal. The subcontractors are responsible for the waste generated during the repair and expansion of the distribution network, and thus this is not reported. Analysis and disclosure of said waste will be developed for forthcoming sustainability reports.

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION IN REPORT	DISCLOSURE, COMMENT, OR REASON FOR OMISSION	48
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GRI 401: EMPLOYMENT 2016

401-1	New employee hires and employee turnover	p. 25	Included to relevant extent, but will be elaborated upon in following reports.
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GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-1	Occupational health and safety management system	p. 31	We have provided our employees with a far more extensive occupational health and safety plan than required by legislation
403-2	Hazard identification, risk assessment, and incident investigation	p. 31	Described on a high level in this second assured report. But will be elaborated on in future reports.
403-3	Occupational health services	p. 31	On a high level these are described
403-6	Promotion of worker health	p. 31	Described on a high level in this second assured report. But will be elaborated on in future reports.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 31	High level description in this report.
403-9	Work-related injuries	p. 31	The number is zero

GRI 404: TRAINING AND EDUCATION 2016

404-1	Average hours of training per year per employee	p. 26	Included in the report, from data of our internal system, where all employees log in their training hours.
404-2	Programs for upgrading employee skills and transition assistance programs	p. 25 & 26	We are paying attention to making sure the skills of our employees approaching retirement are being transferred and that all management team members have stand-ins

DISCLOSURE NUMBER	DISCLOSURE TITLE	LOCATION IN REPORT	DISCLOSURE, COMMENT, OR REASON FOR OMISSION
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
405-1	Diversity of governance bodies and employees	p. 10 & 26	Reported.
GRI 406: NON-DISCRIMINATION 2016			
406-1	Incidents of discrimination and corrective actions taken		No incidents reported
GRI 415: PUBLIC POLICY 2016			
415-1	Political contributions	p. 27	We do not make political contributions, as stated in the report.
GRI 417: MARKETING AND LABELING 2016			
417-1	Requirements for product and service information and labeling	p. 11 & 31	We require our suppliers to produce proof that all natural gas sourced for us in non-Russian
GRI 418: CUSTOMER PRIVACY 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 26	No such events have been reported/have taken place.

Independent assurance report

To the management of Auris Energia

Scope

We have been engaged by Auris Energia Oy (hereafter Auris Energia) to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Auris Energia's non-financial disclosures 2023 (figures and narrative) and selected indicators presented below (the "Subject Matter") contained in Auris Energia's Sustainability Report 2023 for the period 1.1.-31.12.2023 (the "Report").

Selected indicators

- GRI 2: General Disclosures
- GRI 3: Material Topics
- GRI 302: Energy
- 302-1 Energy consumption within the organization
- GRI 305: Emissions
- 305-1 Direct (Scope 1) emissions
- 305-2 Energy indirect (Scope 2) GHG emissions
- 305-3 Other indirect (Scope 3) GHG emissions
- 305-4 GHG emissions intensity
- GRI 401: Employment
- 401-1 New employee hires and employee turnover
- GRI 403: Occupational Health & Safety
- 403-9 Work-related injuries
- GRI 404: Training and Education
- 404-1 Average hours of training per year per employee

Criteria applied by Auris Energia

In preparing the Subject Matter, Auris Energia applied the Global Reporting Initiative Sustainability Reporting Standards (hereafter "the Criteria"). As a result, the subject matter information may not be suitable for another purpose.

Auris Energia's responsibilities

Auris Energia's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000") and the terms of reference for this engagement as agreed with Auris Energia on 11.10.2023. Those standards require that we plan and perform our engagement to express a conclusion on we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the ethical requirements that are applicable in Finland and are relevant to the of the engagement we have performed and have fulfilled our other ethical responsibilities in accordance with these requirements and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

An update of our knowledge and understanding of Auris Energia's material sustainability reporting topics, organization and activities,

Interviews with senior management to understand Auris Energia's corporate responsibility leadership,

Interviews with personnel responsible for gathering and consolidation of the sustainability information to understand the systems, processes and controls related to gathering and consolidating the information,

Assessing sustainability data from internal and external sources and checking the data to reporting information on a sample basis to check the accuracy of the data,

Site visit to Auris Energia site.

We also performed other procedures we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter presented in the Sustainability Report 2023 for the period 1.1-31.12.2023, in order for it to be in accordance with the Criteria.

Helsinki 14.03.2024

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Ryttilahti
Partner, APA

Nathalie Clément
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This Sustainability Report is assured by EY and drawn
up with reference to the principles of the GRI
standard.

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