



# Making a zero-emission society a reality

ANNUAL REPORT 2022



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Enersense's Financial Statement Documents have been published in accordance with the ESEF reporting requirements as XHTML file in Finnish attached to a stock exchange release on 9 March 2023. A voluntary PDF version of the Board of Directors' report and financial statements can also be downloaded in Finnish and English from Enersense's website.





# Introduction

The year 2022 will remain in the history books for various reasons. The war in Europe and the energy crisis accelerated measures to strengthen self-sufficiency in energy and the security of supply – at the same time, the green and energy transitions proceeded at an unprecedented pace.

As the world changed, Enersense also underwent significant changes in 2022. We are still a creator of zero emission energy solutions, but our operations were modified and will continue to be modified on our way from an energy service company into a green energy company and an energy producer.

Our project portfolio for renewable energy already consists of 8,000 MW of wind power and 60 MW of solar power.

After 2022, we are an even stronger and larger creator and enabler of zero emission society.





# Enersense in brief





MISSION

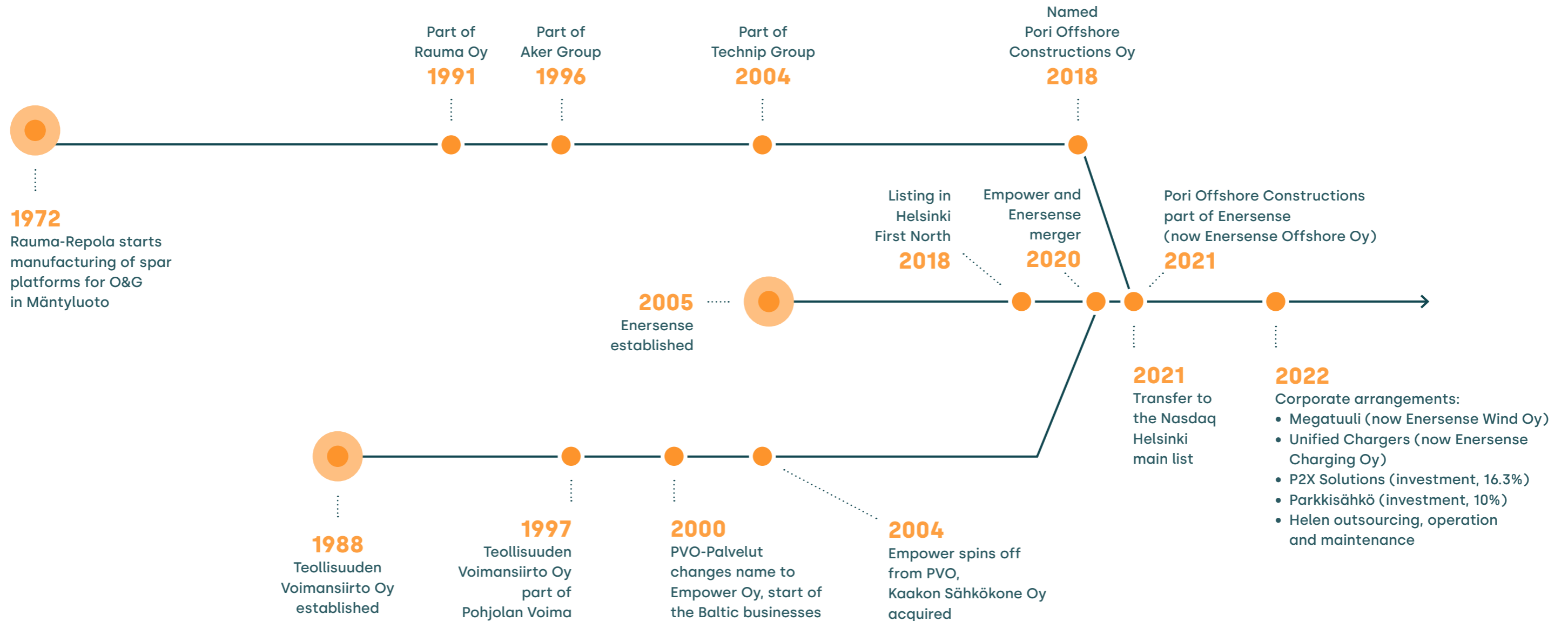
**We are central to implementing the energy revolution with our profitable business.**

VISION

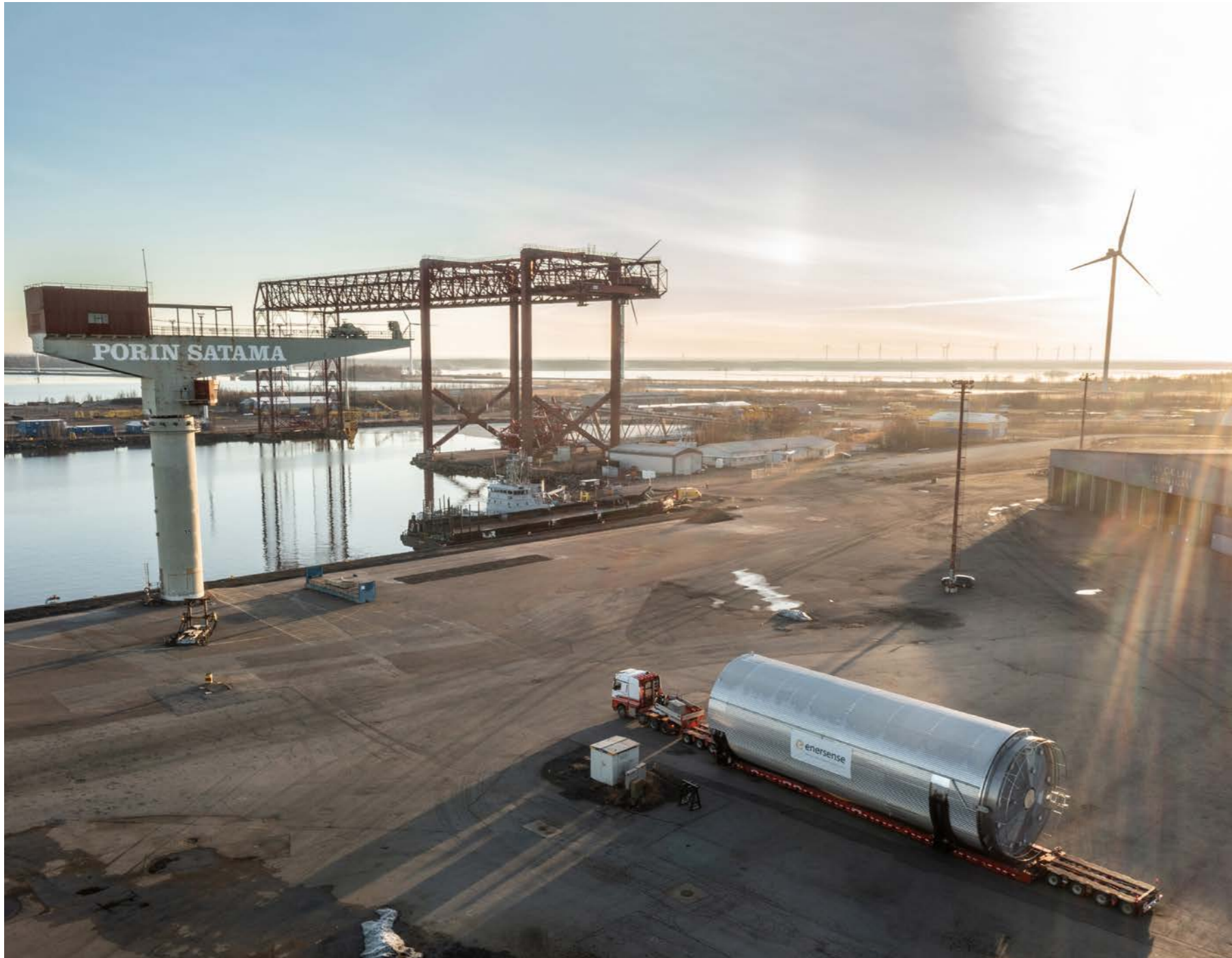
**We are a significant promoter of a zero-emission society.**



# Enersense is part of Finland's industrial history







## Five decades of shipyard operations in Mäntyluoto in Pori

Energense Offshore Oy celebrated its 50th anniversary in 2022. Currently specialising in offshore wind power in particular, the company has undergone various steps and development stages over the decades.

In 1969, Rauma-Repola acquired a plot in the Kirrinsanta industrial area in Pori to build a workshop for heavy-duty production. The town of Pori had originally reserved the plot for the automotive industry. However, the car plant was built in Uusikaupunki, and the plot in Mäntyluoto was dedicated to the heavy-duty workshop industry.

The Mäntyluoto plant was completed in 1972. A total of 21 spar barges have been built globally – 14 of them in Mäntyluoto. In recent years, Mäntyluoto has experienced significant investments in the development of offshore wind power solutions.

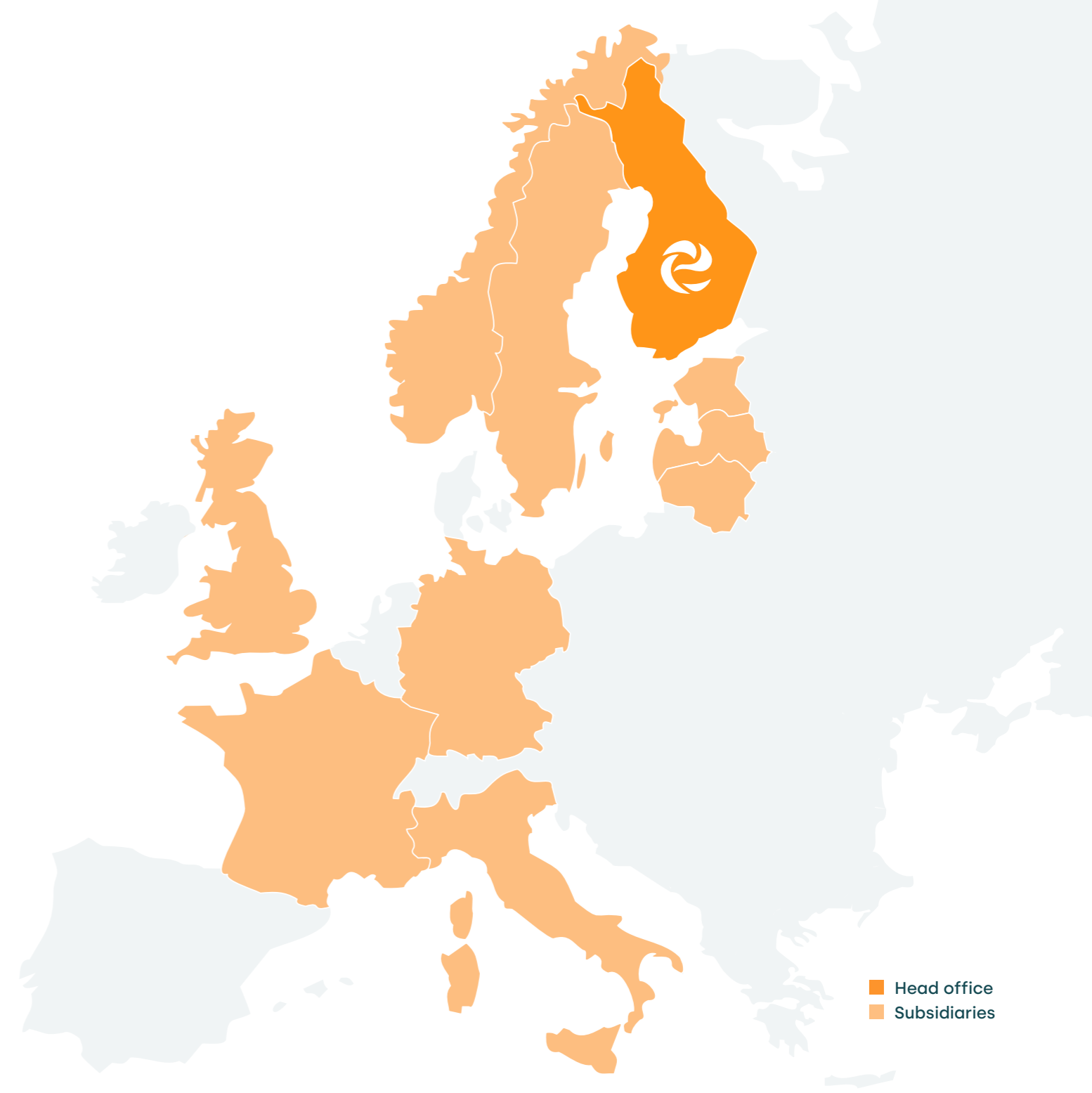
[+](#) Read more on our website in Finnish



# Creator of zero emission energy solutions

## We are Enersense

- We enable the energy transition, the green transition and digitalisation in society through our broad service range
- We operate in services related to energy production, transmission and storage, ranging from project development and planning to construction, maintenance and servicing
- We are a key builder of the critical infrastructure in society
- We ensure the security of supply with our partners
- We build and strengthen an energy self-sufficient future
- We increase energy efficiency and energy savings through our operations
- We have around 2,000 employees in Finland and internationally working to create a more sustainable and cleaner future
- Enersense's shares are listed on Nasdaq Helsinki (ESENSE)





# Enersense's values

Values are the principles and behaviors that guide our everyday work and collaboration both internally and externally. Our values are common for all our employees in Enersense – no matter which business area, function or country they work in. The values are our guidelines when doing our job, when making decisions, big or small, and when collaborating with each other.



## Be brave

- We have courage to think big, make decisions and learn from our mistakes.
- We use our pioneering expertise to bring value to the society every day.
- We are open to future opportunities.



## Grow responsibly

- We have hunger to grow our business responsibly with our colleagues, customers and partners.
- We consider sustainability in everything we do, continuously improve, and keep our promises.
- We value everyone's growth and diversity.



## Together

- We respect everyone, show appreciation and communicate openly.
- We take ownership of succeeding together and help each other.
- We contribute to joy, wellbeing and safety every day.



# Business areas in brief



## Power

We provide services covering the entire life cycle of the energy sector, from project development and design to implementation and maintenance.

Our focus areas are wind power, solar power, zero-emission transport and charging solutions for electric vehicles, energy storage, transmission grids and electric substations.



## Connectivity

We offer services throughout the life cycle of telecommunications networks and ensure their operability.

We provide services related to the design, construction, maintenance and repair of fixed and wireless telecommunications networks, infrastructure and telecommunications networks for buildings.



## Smart Industry

We provide solutions for offshore wind power and services to help our customers to improve the reliability of their production plants and the efficiency of their maintenance operations.

Our services include operating and maintenance services, maintenance centre services, annual maintenance and surface treatment, steel and pipeline work, as well as offshore wind power solutions through Enersense Offshore.



## International Operations

Our international business operations focus in the Baltic countries, the United Kingdom, Germany and France.

Our services include for example the design, construction and maintenance of transmission grids, telecommunications networks, electric substations and wind farms.



# Energense as an investment

Energense's target markets continue to grow, driven by global megatrends. We operate in large and growing international markets, which offers us significant opportunities.

**MEGATRENDS**, including sustainable development, electrification and digitalisation, drive market growth and accelerate the energy transition. We play a key role in implementing the energy transition in society through our diverse range of services.

We have a strong market position in all key segments, which offers us excellent opportunities for growth. We operate in major Finnish and international markets in which investments in renewable energy sources and telecommunications technology and in energy efficiency in industry will expand the key markets in the future.

We are known as an expert provider of high-quality services among our customers. Our customer satisfaction is high in all our business units thanks to our quality-driven approach and skilled personnel.





# The largest shareholders 31 December 2022

SHAREHOLDER	NUMBER OF SHARES	% OF SHARES
1. Nidoco AB	4 335 830	26,29
2. Må Invest Oy	2 176 072	13,19
3. Verman Group Oy	1 343 461	8,15
4. Ensto Invest Oy	1 280 000	7,76
5. Taloustieto Incrementum Ky	728 233	4,42
6. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	569 053	3,45
7. Eläkevakuutusosakeyhtiö Veritas	395 292	2,40
8. Mapps Global Invest Oy	342 732	2,08
9. Osuuskunta Kpy	297 297	1,80
10. Loe Invest Oy	295 591	1,79
Top 10 shareholders total	11 763 561	71,33





# Year 2022



# Highlights of the year 2022

## Growth strategy's new focus areas

We specified our strategy's focus areas and we seek new business particularly from offshore wind power, especially in wind power plant foundations, project development, ownership and own energy production of onshore wind power and solar power as well as zero-emission transport and electric vehicle charging solutions.



## Several corporate arrangements

We actively continued to implement corporate arrangements to enable a zero-emission future.

## Enersense's values

In the spring we launched Enersense's values, which we defined together with our personnel: *be brave*, *grow responsibly* and *together*. Our values guide our everyday activities, decision-making and collaboration both internally and externally.



## First significant orders in offshore wind power and electrification of heavy transport

Danish Bladt Industries AS ordered structural components for three offshore substations from Mäntyluoto. We received an order from Swedish Drivmedelsteknik for four heavy-duty fast-charging sites for e-trucks.

## Wind power project portfolio increased to 8,000 MW

The development of our onshore wind power project portfolio was accelerated during 2022 and at the end of the year the project portfolio totalled about 8,000 MW, of which 1,500 MW will be developed in co-operation with Valorem.





# Key figures in 2022

Revenue  
**268**  
MEUR

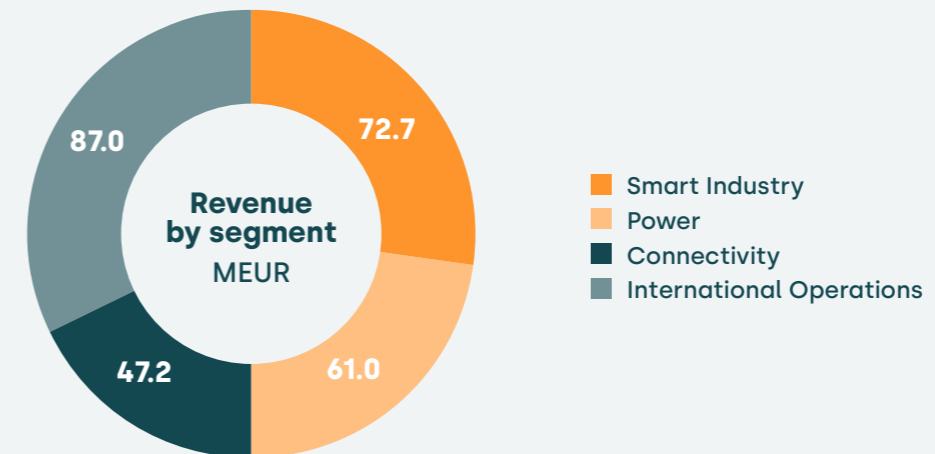
Order backlog  
**415**  
MEUR  
(31 December 2022)



Number of personnel approx.  
**2,000**

EBITDA margin  
(adjusted)  
**5.1%**

Gearing  
**19.0%**





# Key indicators

	1-12/2022	1-12/2021
Revenue (EUR 1,000)	268,037	239,110
EBITDA (EUR 1,000)	12,210	16,639
EBITDA, %	4.6	7.0
Adjusted EBITDA (EUR 1,000)	13,654	19,231
Adjusted EBITDA, %	5.1	8.0
Operating profit (EUR 1,000)	3,479	6,834
Operating profit, %	1.3	2.9
Result for the period (EUR 1,000)	-2,429	3,973
Equity ratio, %	28.8	35.6
Gearing, %	19.0	3.6
Return on equity, %	-4.3	8.3
Earnings per share, undiluted, EUR	-0.11	0.35
Earnings per share, diluted, EUR	-0.11	0.35





# President and CEO's review

2022 was characterised by growing geopolitical tensions, global economic uncertainty, and the energy crisis in Europe, all of which are related to the aggressive Russian attack on Ukraine in February 2022. In this business environment, the past year was twofold for Enersense. Our revenue increased to EUR 268 (239) million and the order backlog increased significantly, but profitability was weakened, for instance, by multiplier effects of the war, which could not be offset by the increase in volumes.

**IN THE SUMMER**, we were already anticipating that the full year would be challenging in terms of profitability. Although our adjusted EBITDA exceeded the updated guidance we issued in July, it stayed low at EUR 13.7 (19.2) million. The improvement of the profitability of our core business operations is at the top of the management's agenda, and we are actively continuing our measures to turn the trend around. At the same time, however, it is my pleasure to announce that the investments in our growth strategy have already begun to be reflected in orders received. Our order backlog increased by 42 per cent compared with the end of 2021 and grew to EUR 415 million.

The strong order backlog gives us a good starting point for the year. In our financial guidance we estimate that the business environment is developing favourably and the revenue for 2023 is expected to be in the range of EUR 280–310 million. The adjusted EBITDA is expected to be in the range of EUR 12–18 million. We have managed to accelerate the wind power portfolio development and we assume that the same development continues. Profitability will be impacted by the implementation of the new ERP-system as well as on-going investments in developing

the offshore wind power business and acceleration of onshore wind power project development. We expect these development projects to proceed so that they will not burden our profitability in 2024 anymore and we can expect the EBITDA to continue to increase.

To our disappointment, the Finnish Competition and Consumer Authority's assessment of the Voimatel transaction led us to withdraw from it. According to our assessment the transaction would have been a good solution for creating, developing and maintaining critical telecommunications and network infrastructure for the whole of Finland. However, the non-implementation of the acquisition will have no effect on the objectives of our growth strategy and their attainment. In 2022, we proceeded in implementing our strategy in many fronts.

In the third quarter, our order backlog reached record levels with the inclusion of a service contract on the provision of the operation and maintenance services that were transferred from the Helen energy company to Enersense as part of a business transfer. In October, we acquired a Finnish start-up which manufac-



## In total, our renewable energy project portfolio has over 8,000 MW of wind and solar power already.

tures fast and high-power charging stations for electric vehicles. In December, we announced its first significant order, a delivery of heavy-duty fast-charging sites for e-trucks to Sweden. In December, we also announced that Enersense will deliver structural components for three offshore substations to the Danish Bladt Industries, a leading European provider of foundations for offshore wind power plants. For around a year, we have been investing in the ramp-up of Enersense Offshore, and already this first project, running until the second quarter of 2024, will employ up to 300 people in our Mäntyluoto production facilities. Orders related to the core operations of all our business areas have also developed favourably.

In addition to strong core businesses, we want to focus on seeking growth from offshore wind power foundations, renewable energy, and zero-emission transport. Orders received at the end of last year in the offshore wind power and EV charging businesses are evidence of our great success within these focus areas of our specified growth strategy. Today, we have also reported on the significant advancement in the development of the onshore wind power project portfolio. At the end of 2022, the project portfolio was already approximately 8,000 MW whereas in September it was around 3,000 MW. With our solar power projects, the size of our renewable energy project portfolio is altogether over 8,000 MW, which gives us a solid ground on which to build our target to have our own 600 MW onshore wind and 100 MW solar power production.

Besides these Enersense projects, we are also a co-owner in P2X, a producer of green hydrogen. P2X Solutions' Harjavalta plant is Finland's first industrial-scale green hydrogen production plant that is progressing to the construction stage, and the foundation stone of the plant was laid in January 2023. We consider hydrogen to play a significant role in the green transition, both in storing electricity and enabling zero-emission heavy transport, and we are pleased to be able to support P2X in executing this development.

We have set ourselves ambitious financial targets of EUR 500 million in revenue and EUR 100 million in profitability (EBITDA) by 2027. This growth also requires financial investments. At the beginning of December, we issued Enersense's first convertible bond, raising a total of EUR 26 million for investments and other business developments, among additional purposes. We are delighted with the support that both new and former investors have shown through their investments in Enersense and its journey as an enabler of the European energy transition.

**Jussi Holopainen**  
President and CEO



# Several corporate arrangements

We carried out various successful corporate arrangements in 2022 in accordance with our growth strategy. We completed the acquisition of Megatuuli (now Enersense Wind) and the approximately 16% investment in P2X Solutions in February. In August we made a 10% investment in Parking Energy (previously Parkkisähkö) and in October, we completed the transfer of business with Helen in operation and maintenance. In November, we completed the acquisition of Unified Chargers (now Enersense Charging). In June we signed an agreement on acquiring Voimatel, but based on FCCA's analysis Enersense's Board of Directors considered it impossible to implement the merger in the desired form and on 15 February 2023 Enersense decided to withdraw from the acquisition.



**2/2022**  
100%



**2/2022**  
~16%



**8/2022**  
10%



**10/2022**  
100%

Electricity, heat production  
and distribution (operation  
and maintenance).



**11/2022**  
100%





### MEGATUULI:

## Our expertise in the wind power value chain deepened

“The acquisition of Megatuuli is of great value to Enersense as it extends our understanding and capabilities in the wind power value chain. Over the coming years, the wind power market will experience strong growth and, in terms of the entire market, it is important to have broad-based understanding under the same roof of the different phases of the project from design to implementation.”

[+](#) Read more on our website



### P2X SOLUTIONS:

## Hydrogen market is a big opportunity for us

“The investment in P2X strongly supports Enersense’s strategy. Wind power and the production of green hydrogen are strongly interlinked, and Enersense has strong expertise throughout the value chain. Hydrogen can be used to replace fossil fuels, as well as enabling the longer-term storage of clean energy, such as cyclic wind power. Hydrogen is a great opportunity for us and for Finland as a whole.”

[+](#) Read more on our website



**HELEN:**

## Together towards carbon neutrality

"The strategic goal of both Enersense and Helen is to play a key role in the green transition, and this agreement enables us to contribute to Helen's vision of achieving carbon neutrality by 2030. Security of supply is particularly important in the current global situation, and we have a great deal to offer in this respect as an expert in critical infrastructure."

[+ Read more on our website](#)



**UNIFIED CHARGERS & PARKING ENERGY:**

## On the way to becoming a key player in electric mobility

"We want to be closely involved in enhancing electric transport and become a key player in electric mobility markets. The developing markets offer an enormous potential and opportunities for growth, and I believe that together we can meet the expectations we have for electric transport."

[+ Read more on our website](#)





# Strategy





## Setting our goals high

“Enersense is positioning itself very interestingly in many areas of the energy transition, including wind power and hydrogen production. The company is on the up – things are happening and at a rapid pace if required. We have set our goals high, while our feet seem to be firmly on the ground. These factors, combined with the extremely interesting area of responsibility, formed an attractive whole, and it is a wonderful opportunity to lead this story forward with other members of Enersense.”

**Juha Pitsinki**

Head of Group Strategy from 2 May 2022

[+](#) Read more on our website in Finnish



# The energy transition and megatrends

**THE ENERGY AND GREEN TRANSITIONS** are global phenomena driven by stricter EU and national climate goals and the opportunities offered by clean technologies. The energy self-sufficiency, given much attention as a result of the changed geopolitical situation, also promotes the energy transition. Local renewable energy sources help withdraw from or reduce dependence on imported fossil fuels.

The climate goals and the interlinked political and financial instruments steer investments towards low emission and renewable energy. Competitive energy production technologies, above

all wind and solar power, enable a cost-effective transition towards low emissions.

Energy and electricity production will be increasingly based on renewable energy sources – local and decentralised, but also weather-dependent, production. A sustainable and effective energy system calls for investments not only in energy production plants, but also in transmission networks and energy storage systems. Sustainable electricity production enables the energy transition in other sectors: transport is going electric and requires a charging infrastructure, emissions from industrial processes are

reduced through electrification or by using hydrogen in place of coal, and buildings are heated using various heat pump solutions.

Energy systems and various end users – industry, transport and heating – will be even more closely linked together. The effective and reliable transfer of data between different sectors plays a key role to control, optimise and develop systems smartly and effectively. The up-to-date and reliable data transfer infrastructure of society is a key enabler of the energy transition,

## IMPACT OF THE ENERGY TRANSITION ON OUR OPERATING ENVIRONMENT



### Sustainable development

- The need to build and maintain new renewable energy capacity and energy storage systems
- Pressure to modernise, strengthen and expand electricity networks and substations
- Pressure to invest in digital solutions to manage network stability (smart grid)
- Pressure to improve environmental and material efficiency in various sectors (e.g. production plants)



### Electrification

- An increasing need for energy – pressure to invest in electricity and heat production and the network infrastructure
- An increasing need to build, install and maintain a charging infrastructure for electric vehicles
- Improved energy efficiency in various industrial sectors



### Digitalisation

- A transition towards real-time and needs-based maintenance to improve operational efficiency
- Smart network solutions to support the deployment of renewable energy sources and the effectiveness of electricity networks
- Sector integration and optimisation based on real-time data in various areas
- Significant pressure to invest in the data communications infrastructure and data transfer capacity

# Strategy

Enersense's strategy is to be a provider of zero-emission energy solutions and an enabler of an emission-free society through profitable business operations.

## STRATEGIC FOCUS AREAS



### Capture growth in energy transition

We focus on growth in energy transition by building wind and solar PV generation business, penetrating offshore wind foundation markets, and ramping up EV charging business. We examine opportunities in energy storage.



### Develop and maintain efficient core business operations

We ensure continuous improvement of our end-to-end business operations to drive customer value, competitiveness and profitability. We ensure smooth integration of acquired businesses.



### Ensure skilled people and expertise to make a difference

We build the best expertise and competences for current and new businesses, and acquire new talents to join the company to fill the identified gaps.



### Develop and accelerate Enersense way of working (eWoW)

We build company wide leadership principles, common operational model, and digitalized processes across the businesses to provide solid foundation for growth.



### Develop ESG as core of Enersense's operations

We develop and deploy environmental, social and governmental targets and actions in the core of our business to foster responsibility, and to comply with regulatory, customer and investor requirements. In 2023, Enersense aims to create a carbon roadmap that gives guidelines to reaching carbon neutrality by 2030.



# Value chain expansion

Our goal is to grow from a broad-based service company in the energy sector to a producer of clean energy and a key green energy company. In connection with our annual strategy process, we specified the focus areas of our growth strategy and elevated zero-emission transport into equal position with onshore and offshore wind power as well as solar energy.

**TRANSACTIONS AND NEW BUSINESSES** have expanded our role in the value chain. In addition to being a provider of project design, project implementation, maintenance and management services, Enersense is a key project developer and in the future also a zero-emission energy producer and owner.

In zero-emission transport, new business is sought from electric vehicle charging solutions and clean fuels. In offshore wind power, the growth is sought from wind turbine foundations, in particular, and in onshore wind power and solar energy from project development, construction and own energy generation. Our business model will change as a result of the ownership, as we will also receive revenues from the energy produced.

Enersense's goal within the focus area of zero-emission transport is to expand in the value chain from an installation and maintenance partner for providers of various charging equipment solutions to charging equipment manufacturer. Enersense started strengthening its footprint in the electric vehicle charging solutions value chain by acquiring Unified Chargers Oy, a Finnish start-up manufacturing fast and high-power charging stations for electric vehicles in November 2022.

Enersense has also a partial ownership in P2X Solutions through which Enersense is enhancing the reduction of emissions in heavy transport using hydrogen and synthetic fuels and enabling the storage of electricity through green hydrogen.

"By lifting expansion in the charging infrastructure value chain as one of the focus areas of our growth strategy we will be more closely engaged in this development and as the implementation of our strategy moves forward, we will be able to respond more comprehensively to the growing demand in the market," says CEO Jussi Holopainen.

We target stronger international expansion in all our business areas. We also explore potential new business segments in Finland and the Baltic countries and potential to expand vertically in the value chain, for example in the wind power sector, we moved from a service provider role to also becoming a project developer in February 2022 with the acquisition of Megatuuli. In line with our strategy, we are actively identifying corporate arrangement opportunities to drive growth.



**Transactions and new businesses have expanded our role in the value chain.**

# Growth strategy's new focus areas

The focus areas of our growth strategy are on and offshore wind power, solar power and zero-emission transport. In offshore wind power, the growth is sought from wind turbine foundations, in particular, and in onshore wind power and solar power from project development, construction and own energy generation. In zero-emission transport, new business is sought from electric vehicle charging solutions and clean fuels.



## Offshore wind foundations

- Construction of offshore wind power plant foundations
- EPC deliveries (Engineering, Procurement, Construction)



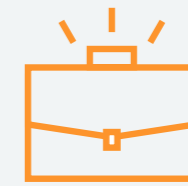
## Renewable energy

- Wind and solar power project development
- Wind and solar power generation
- Energy storage (batteries, hydrogen)



## Sustainable mobility

- Electric vehicle charging solutions
- Hydrogen and e-fuel production<sup>\*)</sup>



## New business

- New business opportunities and acquisitions related to energy transition and digital solutions synergizing with current business portfolio

## Core business

- Project and O&M services for industrial, energy, power and telecommunication sectors.
- Our core business includes services focused on building a sustainable energy system, enhancing production efficiency for customers in the industrial sector, and building, servicing and maintaining telecommunications infrastructure.

<sup>\*)</sup> Green hydrogen and e-fuel production in P2X Solutions of which Enersense owns 16.3%



# Own energy production as a target

Enersense's energy production target by 2027 is 600–700 MW, of which 600 MW is wind power and 100 MW solar power.



## Accelerating wind power business

- Target to develop and own wind power plants and produce green energy
- Acquisition of wind power developer Megatuuli Oy in February 2022
- Onshore wind power project portfolio of 8,000 MW in total
- 200 MW of own production in the pipeline
- Target to build a capacity of 600 MW by 2027



## New investments in solar power

- Target to develop and own solar power plants and produce green energy
- Solar power development unit launched in Power segment
- First investment planning ongoing for 20 MW plant to Mäntyluoto, Pori
- Target to build over 100 MW of solar power by 2027



# Long-term financial targets

Enersense is a key contributor to the energy transition through its profitable and growing business operations. Our strategic goal is to expand in the value chain from being a broad-based service company in the energy sector to being a producer of zero-emission energy and a key green energy company.

**WE WILL ACHIEVE OUR STRATEGIC OBJECTIVES** through acquisitions, investments, developing and continuously improving our own operations and competencies, as well as securing financial arrangements related to our own energy production capacity. Recent corporate arrangements and investments (e.g., Pori Off-shore Constructions, Megatuuli, Unified Chargers and P2X Solutions) play a key role in the execution of our strategy.

## The targets we have set for 2027

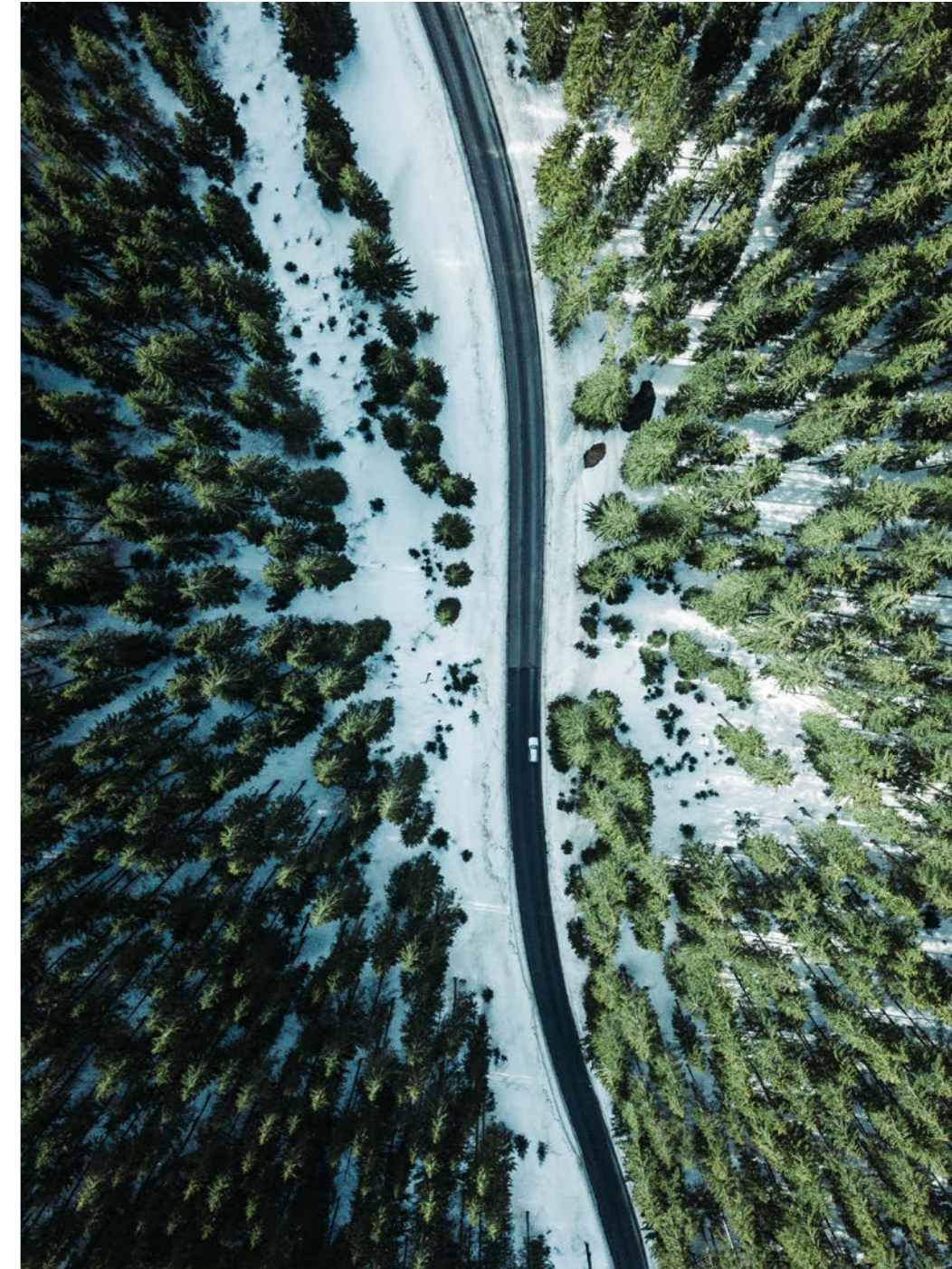
- Revenue of 500 million euros, of which strategic development projects and own energy production projects are both estimated to bring 100 million euros. Our core business operations' share of revenue in 2027 is expected to be 300 million euros.
- EBITDA of 100 million euros, of which strategic development projects and own energy production projects are both expected to bring 35 million euros. Our core business operations' share of EBITDA in 2027 is expected to be 30 million euros.
- Proportion of zero-emission and low-emission projects of revenue: 75–80%

- For 2027 Enersense's target for own energy production is 600–700 MW.

During the next few years, our goal is to actively seek various kinds of equity-based financing arrangements to enable value chain expansion. In December, we completed an offering of EUR 26 million Senior Unsecured conditionally Convertible Note. The net proceeds are used for investments and general corporate purposes.

Enersense will continue to be active in corporate arrangements to achieve economies of scale in existing businesses.

Our goal is to distribute at least 30% of earnings per share as dividends.





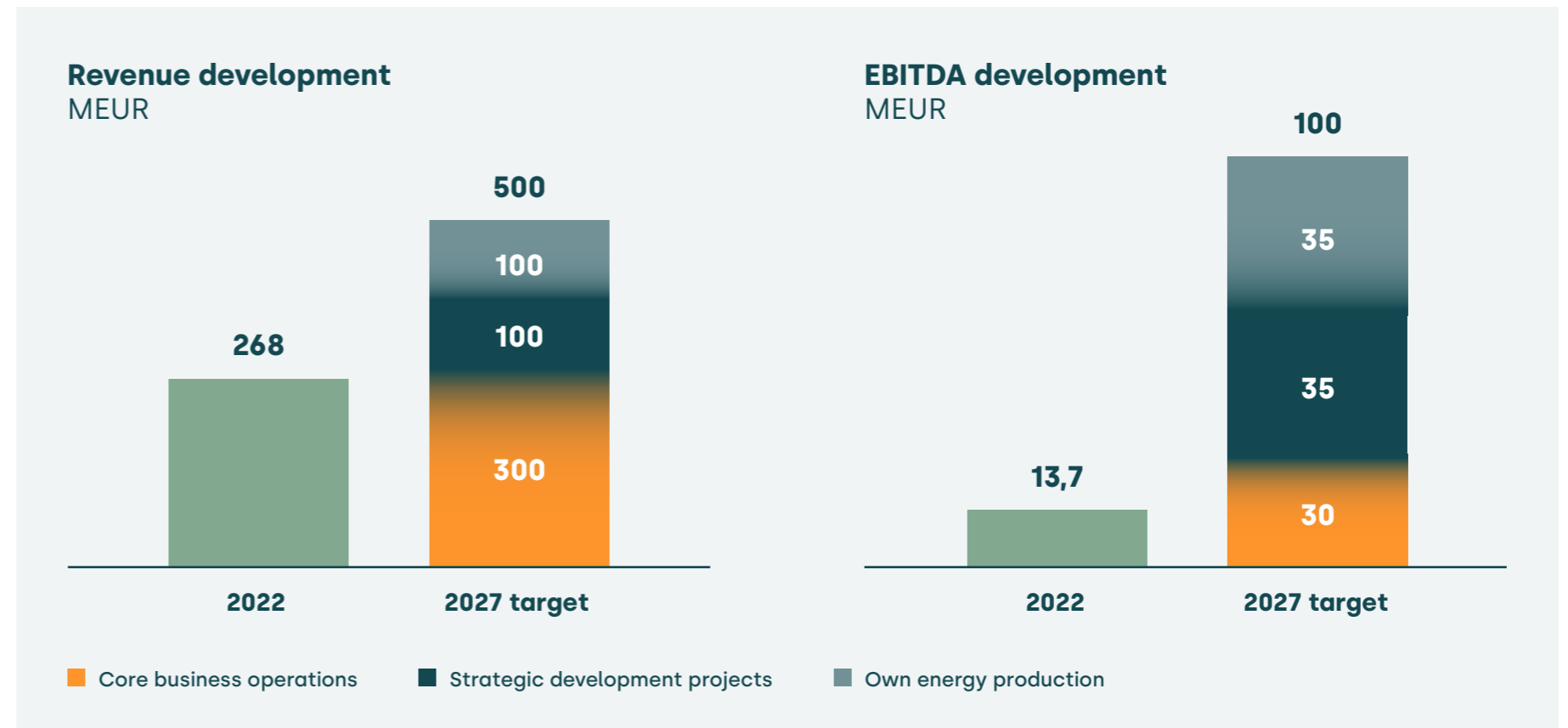
# Key figures in 2022–2027

In 2027, our target for EBITDA is EUR 100 million, of which strategic development projects and our own energy production projects are both estimated to account for EUR 35 million. Core business operations are expected to make up EUR 30 million.

**ACCORDING TO OUR STRATEGY'S FOCUS AREAS,** we are seeking new business alongside our current project and service operations from offshore wind power, and wind turbine foundations, in particular, the project development and ownership of onshore wind power and solar energy, and our own energy production, as well as zero emission transport and electric vehicle charging solutions.

Strategic development projects, such as on and offshore wind power and electric mobility projects, are expected to produce a revenue of EUR 100 million and an EBITDA of EUR 35 million in 2027. The current onshore wind power project portfolio of 8,000 MW enables Enersense to develop our own energy production. Enersense's energy production target is 600–700 MW by 2027, of which wind power will account for 600 MW and solar power for 100 MW.

Enersense has already identified 200 MW of potential wind power projects that can be developed for our own energy production. In addition, Enersense has identified 20 MW of solar power for our own energy production, and the first investment in Mäntyluoto, Pori is being planned.



# Guidance for the 2023 financial year

**IN 2023, ENERSENSE'S REVENUE** is expected to be in the range of EUR 280–310 million and adjusted EBITDA in the range of EUR 12–18 million.

Enersense's business environment is estimated to be developing favourably and the revenue is expected to grow. We have managed to accelerate the wind power portfolio development and we assume that the same development continues. Profitability will be impacted by the implementation of the new ERP system as well as on-going investments in developing the offshore wind power business and acceleration of onshore wind power project development. At the end of 2022 the company completed an offering of EUR 26 million convertible bond in order to implement these investments.





# Business operations and markets



# Enersense involved in the entire lifecycle of the energy sector

Enersense enables the production, transmission, storage and saving of energy through its broad service range.

**THE ENERGY TRANSITION** and decentralised energy production require not only a significant increase in the production of renewable energy, but also investments in electricity transmission, power lines and substations. Over the next ten years, Fingrid will invest EUR 3 billion in the main grid.

Enersense has a strong presence in projects related to energy production, transmission and storage, and energy efficiency through our Power, Connectivity, Smart Industry and International Operations segments.

For example, we design, develop, build, maintain and service onshore and offshore wind power, solar power, power lines, substations, electric vehicle charging solutions, and data connections.

In energy storage, we are involved in the storage of electricity and the development of hydrogen projects. We promote energy savings through energy-efficient connections and our expertise in operations and maintenance.

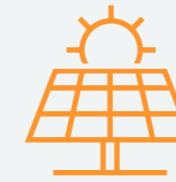
## Energy production



Onshore  
wind power



Offshore  
wind power



Solar power



Hydropower



Nuclear power

## Energy transmission



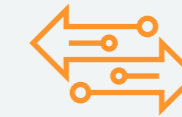
Power lines



Substations



Electric mobility



Data transfer

## Energy storage



Electricity  
storage



Hydrogen



# Power

We provide services covering the entire life cycle of the energy sector, from project development and design to implementation and maintenance.

**IN OUR POWER BUSINESS,** the focus areas are wind power, solar power, zero-emission transport and electric vehicle charging solutions, energy storage as well as transmission grids and electric substations.

In design and expert services, we provide our customers with comprehensive design services for power transmission grids, as well as for electric substations and wind farms. Design services provided by Enersense include the general design of power lines, the structural design of power lines and electric substations, substation design and the testing and automation of substations, as well as a wide range of expert assignments.

We also cooperate closely with our customers in construction services for substations, power lines and wind power, where we implement turnkey projects for our customers. We have more than 30 years of experience in the successful implementation of power line and substation projects. In wind power, our project deliveries typically include all the necessary infrastructure and the design and construction of the electrical grid. We have played a significant role in the construction of a wind power portfolio of more than 1,200 MW in Finland and Sweden. With the acquisition of Megatuuli Oy, our role expanded, and we became a wind power project developer as well.



In addition, we enable operating and maintenance services for electric substations, power lines and wind farms for our customers, helping them to maintain a high level of operational reliability and cost-effectiveness for their production assets.

**Our focus areas are wind power, solar power, zero-emission transport and electric vehicle charging solutions, energy storage as well as transmission grids and electric substations.**

In the electric vehicle charging business, Enersense provides housing companies and businesses with charging solutions for electric vehicles as a comprehensive service from the building survey to the installation of the charging stations. Enersense's electric transport services expanded with the acquisition of Unified Chargers Oy on 15 November 2022, and the service offering also includes advanced and customisable charging solutions for public locations and for the needs of heavy transport, as well as smart services for charging station operations.

In the Power business area our customers include energy companies and wind power companies, for example. Our construction services are mainly based on individual project contracts, whereas long-term service contracts are typical of maintenance services.



## Maintenance for S Group's wind farms

In the spring, we entered into an agreement with Gigawatti Oy, a company responsible for wind power production for S Group, regarding maintenance and fault repair services for wind farms. The agreement concerns maintenance and fault repair services for the years 2022–2027 for wind farms in Hoikkasuo, Jänneskeidas, Sarvisuo and Sarvankangas. The agreement includes farms' power lines, substations as well as electrical and telecommunications networks.

Sarvisuo wind farm is the most high-powered wind farm in production in Finland. Sarvisuo park has 27 5.6 MW windmills with their combined power exceeding 150 MW. Per year it generates 0.5 TWh, accounting for about half of the electricity needs of the entire S Group. S Group is the third largest wind power producer in Finland.

[+ Read more on our website](#)




## Tyrinselkä wind farms implemented by Enersense throughout the value chain

Enersense has for years been involved in the operations of the two wind farms erected in Tyrinselkä in southwest Häme: first in building the farms and later in providing operational maintenance and servicing. Megatuuli Oy, a wind power project developer we acquired in February 2022, originally discovered the Tyrinselkä wind farm areas, was responsible for initial project development, and acted as a minority shareholder in the project companies of each wind farm.

Located in Humppila, Jokioinen and Ypäjä in southwest Häme, Tyrinselkä offers one of the best wind conditions in Finland. Tyrinselkä 1 was the most powerful wind farm in Finland for several years after its completion in 2016, measured by the electricity production capacity factor.

"Tyrinselkä wind farms are a good example of today's Enersense's solid expertise in the entire value chain of wind power. We have been engaged in close cooperation with residents, landowners and partners for several years, and the wind farms have a significant positive impact on their neighbouring areas. Furthermore, the wind farms produce property tax revenue for municipalities and lease income for landowners. In addition, the value of the forest properties has increased," says Lauri Lammivaara, Vice President of Wind Power Development at Enersense.

[+](#) Read more on our website in Finnish



"Tyrinselkä wind farms are a good example of today's Enersense's solid expertise in the entire value chain of wind power."



## Market opening in the electrification of heavy transport

At the end of the year, we received an order from Swedish Drivmedelsteknik for four heavy-duty fast-charging sites for e-trucks. The contract includes an option for a fifth site. The delivery will be in May and June 2023. This is a first order of its kind and the parties have started discussions about additional deliveries.

Drivmedelsteknik builds, installs, and maintains traffic station technology including e-mobility infrastructure. The total power of each charging site will be 1600 kW and it will enable simultaneous charging of eight e-trucks.

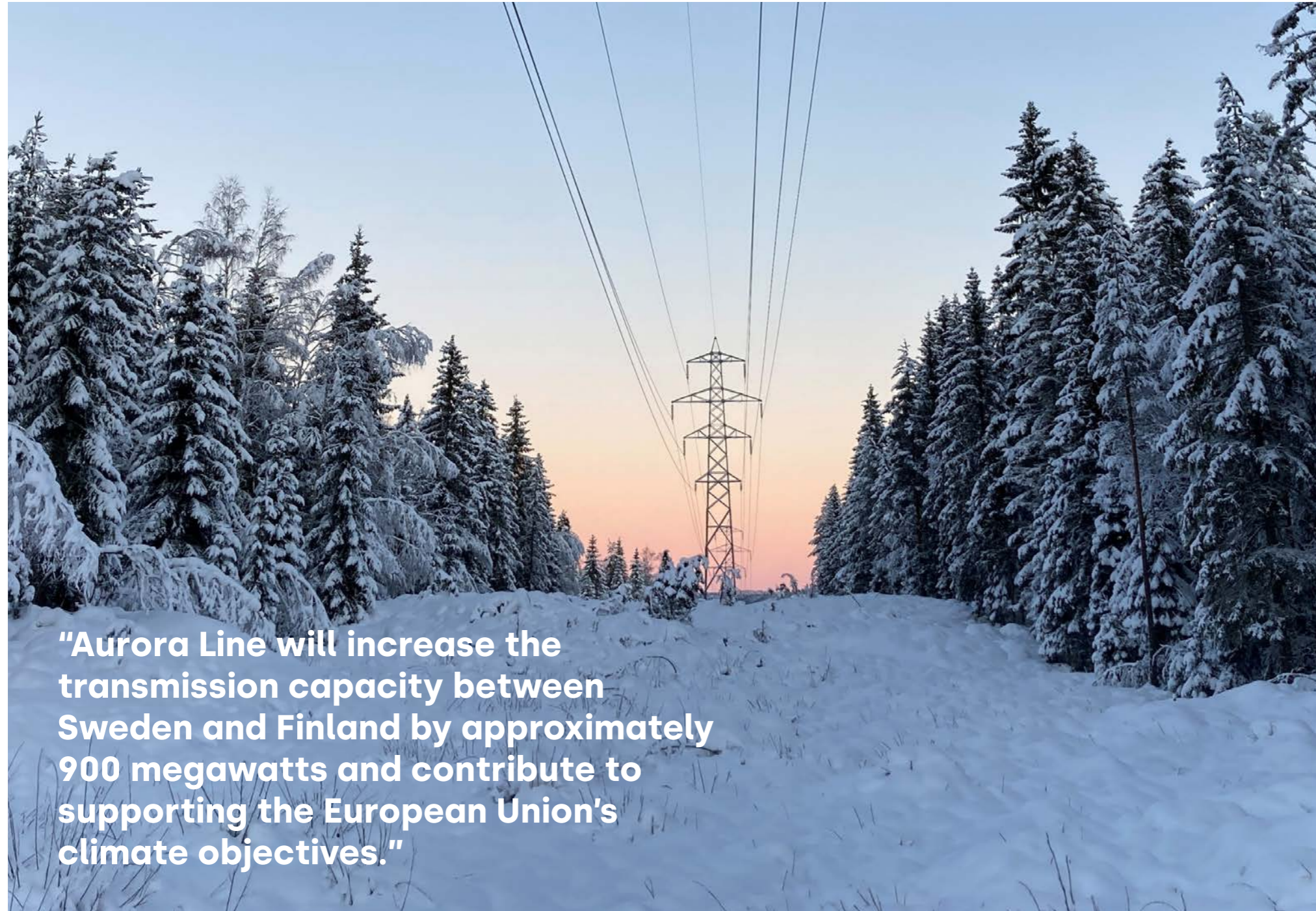
"Enersense has very interesting charging solutions for the fast-developing truck side of the e-mobility business. We're looking forward to building a strong and long future together", says Drivmedelsteknik's CEO Peter Aronsson.

"Zero-emission transport is one of the spearheads of Enersense's growth strategy. Alongside passenger cars, heavy transport is strongly going electric, and we want to do our part in enabling zero-emission logistics. In autumn 2022 we acquired Unified Chargers Oy, a Finnish start-up who manufactures fast and high-power charging stations for electric

vehicles. Unified Chargers's intelligent technology is applied in the charging stations to be delivered to Drivmedelsteknik. The Swedish e-mobility infrastructure market potential is substantial, and I am very pleased that so soon after the acquisition we have been able to get into speed with internationalising of our EV charging business", says Enersense's CEO Jussi Holopainen.

[+ Read more on our website](#)





**"Aurora Line will increase the transmission capacity between Sweden and Finland by approximately 900 megawatts and contribute to supporting the European Union's climate objectives."**

## **We are building the Aurora Line**

We won a contract in Fingrid's public procurement tendering process for the Aurora Line's Pyhänselkä-Herva share. Aurora Line is the new electricity transmission link between Finland and northern Sweden. The project for the construction of the 400kV power line is located from the Pyhänselkä substation in Muhos to li and is about 80 kilometres long.

Aurora Line will increase the transmission capacity between Sweden and Finland by approximately 900 megawatts and contribute to supporting the European Union's climate objectives and improving the reliability of the electricity system.

[!\[\]\(d66ff64371a51729ac8c1cdaa685ba6f\_img.jpg\) Read more on our website](#)



# Record-busy year in electric vehicle charging systems

2022 was a record-breaking year for Enersense in terms of charging system projects for electric vehicles. For example, we installed more than 70 high-power charging stations across Finland. We also built dozens of public AC charging stations and hundreds of AC charging systems for housing companies, including distribution cabinet modifications, cabling, busbars and chargers.

"With our partners, we are involved in diverse projects, all of which aim to enable zero emission transport and, therefore, support the broader carbon neutrality goal of society," says Topias Koskela, Sales Director at Enersense Power.

[+](#) Read more on our website in Finnish



**"Electric charging solutions are now increasing very rapidly."**





**“The projects are a good continuum to our long-term cooperation with Fingrid.”**

## Several substation projects across Finland

In Fingrid's public bidding processes in 2022, we landed the power line arrangement project for the Valkeus substation, the expansion project for the Simojoki substation and the building project for the Framnäs substation.

The Valkeus power line arrangement project is located in the regions of Northern Ostrobothnia and Lapland, and it enables the implementation of wind power projects in the area. The Simojoki substation expansion carried out in the municipality of Simo on the border of the regions of Lapland and Northern Ostrobothnia enables the connection of the new wind farms planned in the neighbouring areas to the main grid. The switchgear of the Framnäs substation will be implemented using climate-friendly SF6-free technology in Kirkkonummi, where the substation will strengthen main grid connections.

- [+ Read more about the power line arrangement project for the Valkeus substation](#)
- [+ Read more about the expansion project for the Simojoki substation](#)
- [+ Read more about the building project for the Framnäs substation](#)





# Smart Industry

In our Smart Industry business, we provide offshore wind power solutions and services that help our customers to improve the reliability of their production plants and the efficiency of their maintenance operations.

**IN OUR SMART INDUSTRY BUSINESS,** we focus on operating and maintenance services, maintenance centre services, annual maintenance and surface treatment, steel and pipeline work. The business is divided into two units: Smart Services (maintenance and operation services and subcontracting chain management services) and Smart Operations (resource, project and contracting services). In the Smart Industry business area our customers include industrial companies, energy companies and shipbuilding companies, for example.

In addition, Enersense Offshore Oy, a company specialising in offshore wind power, is involved in design, project management, manufacturing and turnkey projects in the steel industry.

We have been producing operating and maintenance services for the industrial sector for more than 20 years. Operating and maintenance services are implemented as a continuous service or as project work. We seek to increase the customer's revenue potential by maximising availability and productivity. We also provide our customers with services related to annual maintenance and maintenance during operations. These can also be provided



as comprehensive project deliveries, including project employees and supervisors, design, resourcing, implementation and reporting or smaller subareas. In addition, Enersense has strong expertise in the manufacture of steel structures and pipelines, as well as in their installation in industrial and marine projects. We also provide a wide range of painting and surface treatment services for the needs of all industrial sectors.

## **Our focus areas include offshore wind power solutions, operating, maintenance, and maintenance centre services, annual maintenance, surface treatment, steel and pipeline work.**

We offer maintenance centre and machine shop services as independent of equipment suppliers, and as a flexible solution for our customers' maintenance needs. We provide machine and maintenance services for various industries in our maintenance centres in Hamina, Lappeenranta, Inkeroinen, Kuusankoski, Pietarsaari and Mäntyluoto, as well as on site.

Enersense has extensive experience in the installation, maintenance and servicing of electricity, district heating and district cooling meters. In the service package, we are responsible for the replacement of our customers' energy meters, modems and their associated terminal devices, as well as system maintenance, thus securing the transfer of data from the customer's site to a remote reading facility.

In addition, the Smart Industry segment's resourcing business provides a wide range of flexible staffing solutions for Finnish industry and construction. The segment supports resourcing in all our business areas.



## **Enersense receives its first offshore wind project**

We took the first significant step in executing our offshore wind power strategy when Danish Bladt Industries AS ordered structural components for three offshore substations from Enersense. The structural components for the offshore substations will be manufactured at Enersense's fabrication yard in Mäntyluoto and will be transported to Denmark with Enersense' own barge. Bladt Industries is a leading European manufacturer of offshore wind power foundations whose activities cover offshore wind power projects globally.

"Offshore foundations are one of the three spearheads of Enersense's growth strategy. During the past year we have invested in the ramp-up of Enersense Offshore and this first offshore wind power project is a clear sign of our competitiveness and capabilities as a manufacturer of offshore foundations" say Jussi Holopainen, CEO of Enersense.

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# Helen's plants' operating and maintenance services transferred to Enersense

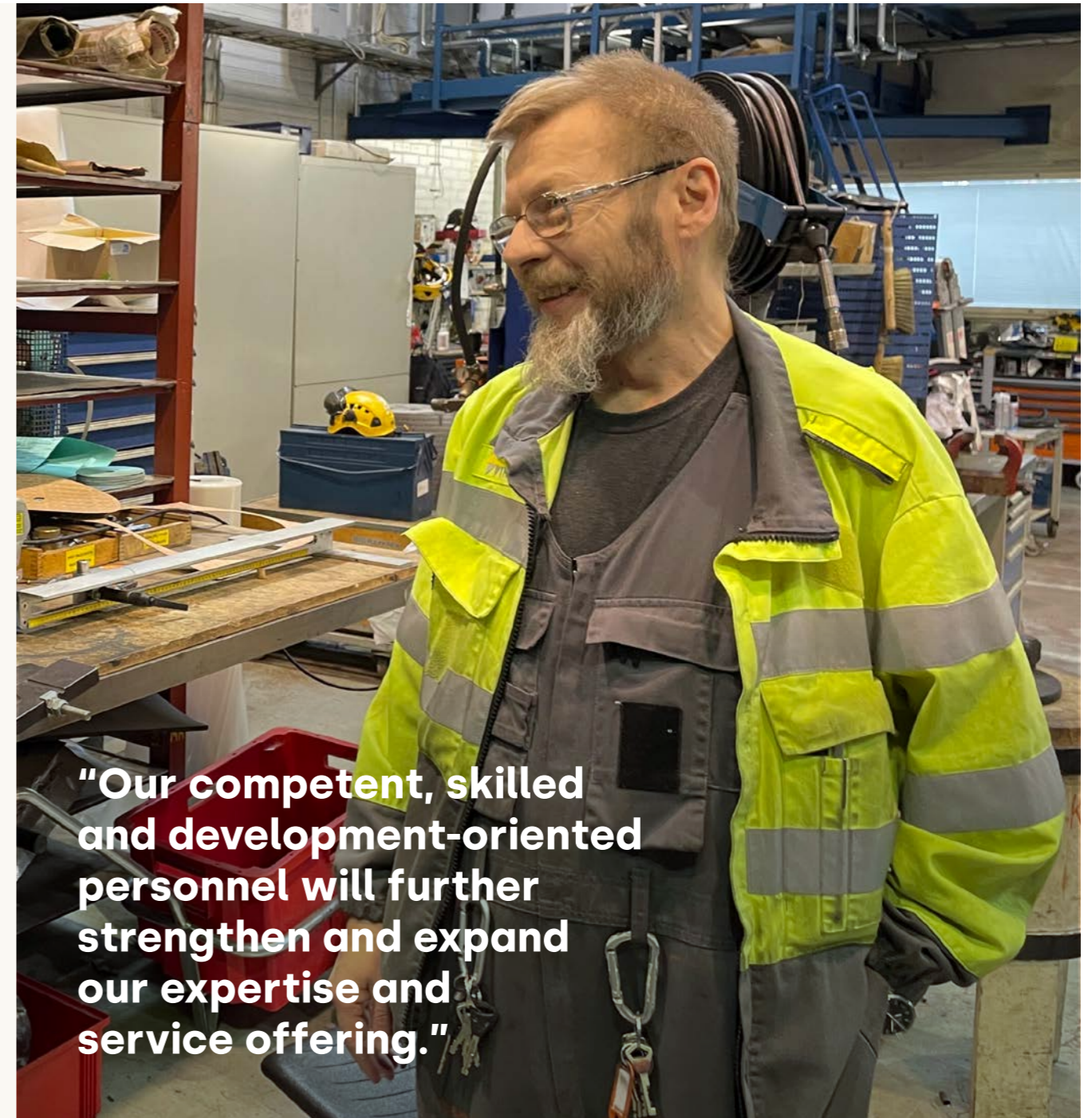
Enersense's and Helen's, an energy company, extensive strategic cooperation regarding operation and maintenance tasks for plants and networks began in November. In connection with the agreement, approximately 250 Helen employees transferred to Enersense, and Helen will purchase operation and maintenance services from Enersense for the needs of four power plants, fifteen heating plants, six cooling and heat pump plants, more than 1,500 kilometres of district heating and cooling networks and around 60 kilometres of energy tunnels among other things in the Helsinki metropolitan area.

"We warmly welcome all new colleagues to Enersense and to develop and accelerate the green transition. Our competent, skilled and development-oriented personnel will further strengthen and expand our expertise and service offering," says Jaakko Leivo, EVP, Smart Industry.

The duration of the agreement is at least four years, after which it is possible to continue the cooperation with two two-year options. The maximum value of the procurement during the agreement period with the options is EUR 200 million.

"The strategic goal of both Enersense and Helen is to play a key role in the green transition, and this agreement enables us to contribute to Helen's vision of achieving carbon neutrality by 2030. Security of supply is particularly important in the current global situation, and we have a great deal to offer in this respect as an expert in critical infrastructure," says Jussi Holopainen, President and CEO of Enersense International Plc.

[+](#) Read more on our website in Finnish





"We are very pleased with the new agreement, which will further deepen our partnership with RMC and create continuity for several years of cooperation at Rauma Shipyard. "



## Environmentally friendly LNG car and passenger ferries under way

We signed a new agreement with Rauma Marine Constructions (RMC) on outfitting work for two new car and passenger ferries at Rauma shipyard. The signed contract covers the most demanding technical areas of the ferries ordered by TT-Line Company, for example steel and piping installations in the main engine room and LNG tank area, as well as insulation work.

The new car and passenger ferries ordered by TT-Line Company are environmentally friendly vessels that use liquefied natural gas (LNG) and are designed and manufactured to operate in extremely challenging conditions. The new agreement in the TT-Line project is strategically important for Enersense's Smart Works business, as the implementation of LNG projects contributes to the Group's vision of being a significant promoter of a zero-emission society.

"Our business in the marine industry has been systematically developed and grown and this agreement shows that we are doing the right things with our personnel. The project will further strengthen our organisation and network, and we will also utilise possible synergy gains with Enersense Offshore," says Jaakko Leivo, EVP of Enersense's Smart Industry business area.

[+](#) Read more on our website

# A 32-metre-long and 34-metre-wide pontoon transported successfully

In summer 2022, Enersense Offshore completed the construction of the pontoon and ramp ordered for the Port of HaminaKotka. The project consisted of the construction of a pontoon weighing 639 tonnes and a ramp weighing roughly 187 tonnes, their transport to the port, and their installation on site.

The project was launched at the Mäntyluoto shipyard in Pori in October 2021 and, at best, it employed 70 Enersense employees. The 32-metre-long and 34-metre-wide pontoon was assembled at the shipyard from nine blocks that were connected into four larger blocks. After blasting and painting, they were joined together to form a single large pontoon and transported to the seashore at the shipyard.

The pontoon was lowered into the sea and towed to the Port of Pori, where the ramp blocks were lifted onto the pontoon and secured. The finishing and inspection stages were carried out around Midsummer, and the transport to Kotka started at the end of June. The pontoon was moored in the Hietanen port area for roro cargo at the Port of HaminaKotka during the first week of July.

[+](#) Read more on our website in Finnish



**"The excellent execution of the project strengthens Enersense Offshore's position as a reliable supplier of floating and fixed marine constructions."**



# Connectivity

In our Connectivity business, we help our customers by providing mobile and fixed network services and ensuring their operability.

**IN THE CONNECTIVITY BUSINESS** we are involved throughout the life cycle of telecommunications networks and we provide services related to the design, construction, maintenance and repair of fixed and wireless telecommunications networks, infrastructure and telecommunications networks for buildings.

We offer design and expert services for the construction and modification of mobile and fixed networks and for equipment construction as part of our turnkey delivery projects and as a separate service. We design mobile networks from 2G all the way to 5G. We provide design services for new buildings, network modifications and modernisations. Mobile network design services can also include site surveys and permit processes for base stations.

Our design services for fixed networks primarily consist of the design of optical networks for new areas, the replacement of copper cables, or the modification or modernisation of existing optical networks. We provide design services for various applications, ranging from individual sites to nationwide design projects that involve several sites and/or large design areas.

We also build telecommunications connections required for the functioning of modern society throughout Finland. Every year, we



implement around 6,000 mobile and fixed network construction projects of various sizes, including planning and documentation services. Our construction services also include telematics construction such as the installation of surveillance system equipment and the system cables required.

## **We are involved throughout the life cycle of telecommunications networks and we provide services related to the design, construction, maintenance and repair of fixed and wireless telecommunications networks.**

Every year, we implement around 100,000 connection and equipment installation assignments for our customers in companies and consumer households across Finland. Enersense's highly skilled employees are also qualified to work in locations that set specific requirements for operations. These include railway environments, masts and substations, where work also requires long-term knowledge of the environment and area.

In addition, our maintenance organisation provides preventive and annual maintenance and repair services for telecommunications networks across Finland as part of comprehensive life cycle management. In addition to ensuring the reliability of data networks, we provide maintenance services for telematics.

# **Remote working increases investments in the optical fibre network**

The need for energy-efficient data connections has increased significantly in recent years, driven by increases in remote and hybrid working. At the same time, data transfer peaks and environmental loads have decreased. Enersense designs and builds optical fibre networks in residential areas and enables faster connections for Finnish consumers' homes. Furthermore, Enersense builds trunk network connections and additional connections to existing optical fibre networks.

"Fast and reliable optical fibre connections respond to current data transfer needs and growing needs in the future, both in working life and leisure. Fast optical fibre connections support remote working and technical solutions that make everyday life easier," says Päivi Kainulainen, Head of Projects at Enersense Connectivity. High-speed data connections play a significant role in enabling the constantly growing data transfer capacity required by the energy transition. The optical fibre network has a high data transfer capacity, and it is a long-lasting and energy-efficient option when compared to mobile connections, for example.

In Finland, a significant number of fixed optical fibre connections will be built during the next few years. Finland is clearly behind Europe in fixed optical fibre connections for consumers, but the next years' investments will close the gap.

**"Investments in optical fibre networks and especially in fixed connections built in consumers' homes will increase significantly over the next few years. The growing requirements set for data transfer capacity by remote working and other use of data at home support fixed connections. Investments in 5G respond to growing data transfer needs when people move from one location to another."**



# 5G solutions are key in enabling the energy transition

Digitalisation and various energy-efficient IT solutions play a key role in enabling the energy transition in society and the achievement of emissions reductions in different sectors. The energy transition requires ever more real-time and faster data transfers, and the data network infrastructure of society is key in leading production industries in a more efficient and sustainable direction.

Internet connection technologies have massive differences in energy consumption, and especially the energy consumption of the 5G technology has been estimated to be as much as 90% lower per transferred bit than that of the previous generation's technologies. While data volumes are constantly increasing, the energy efficiency of the 5G technology ensures that data transfer emissions are not growing at the same rate.

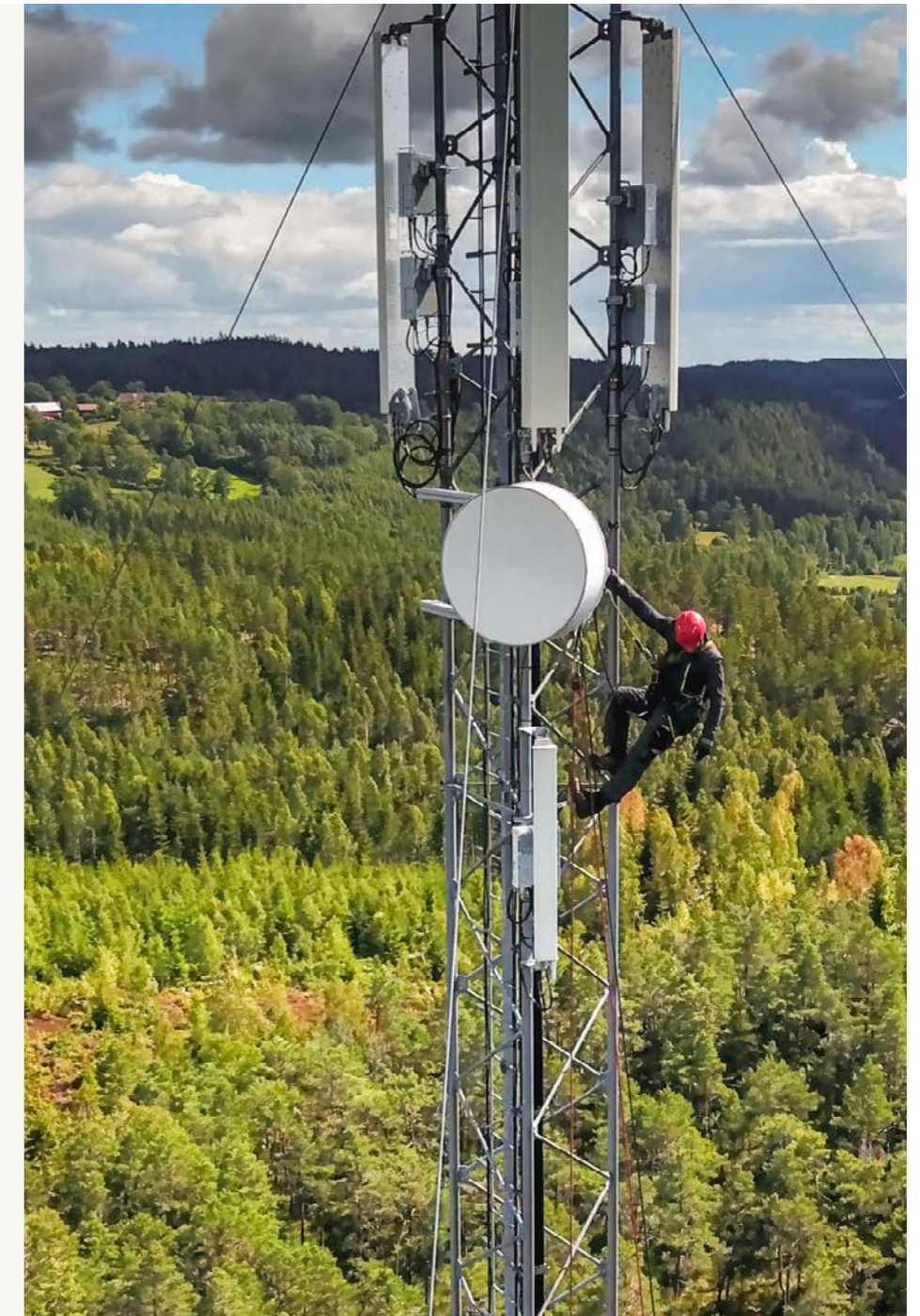
Solutions based on 5G support sustainable development in society and help reduce emissions in various sectors. The 5G technology enables the use of more efficient data transfers, proactivity, automation and real-time data in decision making, producing savings not only in costs, but also in emissions.

"Energy-efficient IT solutions can reduce greenhouse gas emissions many times over, compared to the emissions they generate. For example, 5G solutions can replace activities whose carbon footprint would be many times larger. In addition, 5G enables various smart solutions that can reduce the environmental burden in many ways," says Miika Erola, Vice President of Connectivity Operations at Enersense.

Enersense has a strong position and expertise as a provider of building and design services for data networks in Finland, and extensive experience in 5G networks in cooperation with our partners.

"In 2021, we entered into a framework agreement with Nokia, according to which we have provided 5G network building services in Eastern and Northern Finland this year as well. All in all, we carry out some 6,000 building projects of different sizes in mobile and fixed networks each year," says Erola.

[+](#) Read more on our website in Finnish







Picture: Valmar Voolaid

# International Operations

The International Operations business covers our international business operations in the Baltic countries, the United Kingdom, Germany and France.

**THE INTERNATIONAL OPERATIONS BUSINESS** covers our international business operations in the Baltic countries, the United Kingdom, Germany and France.

In our International Operations business our services include the design, construction and maintenance of transmission grids, telecommunications networks, electric substations and wind farms, as well as resource and contracting services.

In Estonia we operate through our Group companies Enersense AS and Empower 4Wind OÜ, Enersense SIA in Latvia and Enersense UAB in Lithuania.

In the Baltic countries, we provide our customers with the following services: services and turnkey projects related to the maintenance of high-voltage overhead transmission lines; maintenance and turnkey projects related to distribution grids; maintenance and turnkey projects related to electric substations; design and expert services for grid companies and industrial customers; maintenance, repair and construction services for wind farm



infrastructure; services related to the management of wind farm spare part resources; design and construction services for mobile network base stations; and installation and maintenance services for FOC and mobile networks.

**Our international services include the design, construction and maintenance of transmission grids, telecommunications networks, electric substations and wind farms, as well as resource and contracting services among others.**

In the UK we operate through our Group company Enersense Ltd, Enersense GmbH in Germany and Enersense SAS in France. In these countries, we provides our customers with the following services among others: industrial services (such as operating and maintenance services and installation projects); construction services for nuclear and renewable power plants; welding and painting services for the maritime industry; welding and painting services for industrial sites; and services related to construction.

Customers of the International Operations business area include foreign electricity and energy companies, wind power companies, industrial companies, telecommunications companies, municipalities, railway companies and mining companies.

Agreements related to construction and resourcing and contracting services mainly include individual contract and project agreements, whereas maintenance agreements also include continuous and fixed-term service contracts.



**“The signed agreement strengthens our position in the Nordic market and supports our mission to create an emission-free society.”**

## Maintenance of Sweden's national grid

Enersense signed a framework agreement with Svenska kraftnät, Sweden's national grid operator, regarding the revision and renewal measures of approximately 30 per cent of the national grid in Sweden during an eight-year period.

“The agreement is important to us for several reasons. Among other things, the signed agreement strengthens our position in the Nordic market and supports our mis-

sion to create an emission-free society. Svenska kraftnät is an important partner and this agreement will help to strengthen our partnership. It is a sign of our success that our cooperation will continue in a project that is strategically important to us and Svenska kraftnät,” says Margus Veensalu, EVP of Enersense International Plc's International Operations segment.



**"We are very pleased with the new agreement, which will enable us to strengthen energy self-sufficiency in the Baltics."**



## **Energy self-sufficiency increases in the Baltic electricity transmission system**

The Baltic countries are to be connected to the European grid by the end of 2025, and Enersense has been involved in many of the synchronisation projects for a long time.

In the latest project, Enersense SIA, a Latvian subsidiary of Enersense, and the Latvian transmission system operator AS Augstsprieguma tīkls (AST) signed a new contract for the installation of synchronisation and inertial equipment in the electricity system at three different sites in Latvia. The assignment will be carried out in a consortium between Enersense and an international energy company.

The project to synchronise the Baltic and European electricity transmission systems will involve the installation of three synchronous condenser stations in Latvia. Each station will provide at least 1,900 MWs of inertial power. The consortium's energy company will manufacture the main equipment and transport it to the sites. Enersense's tasks include the design and construction of the synchronous condenser stations, the construction of the access roads, the supply of materials and the installation work.

"We are very pleased with the new agreement, which further deepens our partnership with AST and will enable us to strengthen energy self-sufficiency in the Baltics. The agreement is a significant package for Enersense SIA's business and will strengthen Enersense's order book until mid-2025." says Girts Galzons, Chief Operating Officer of Enersense SIA.

[!\[\]\(003082e50e3009141f59bd5df831749f\_img.jpg\) Read more on our website](#)



# Maintaining Estonia's electricity networks

In June, Enersense AS, an Estonian subsidiary of Enersense, signed a follow-up agreement with Enefit Connect, regarding the maintenance of the electricity networks of Elektrilevi, the largest network operator in Estonia. The two-year agreement includes maintenance and troubleshooting of electricity distribution networks in the Saaremaa and Hiiumaa area.

In November, Enersense AS signed two follow-up agreements with Enefit Connect regarding the maintenance of electricity networks. The agreements include the maintenance of electricity distribution networks, troubleshooting and connecting solar parks in Estonia's Pärnu and Tartu-Jõgeva areas to the electricity distribution network.

"The agreements with Enefit Connect are important to us. Among other things, these will strengthen our position in the Baltic market and support our vision of being a major implementor of a zero-emission society," comments Margus Veensalu, EVP of Enersense's International Operations segment.

[+](#) Read more about the agreement signed in June

[+](#) Read more about the agreements signed in November

"Enefit Connect is a great customer for us in Estonia. It is a sign of our success that our cooperation continues in strategically important projects for us."



Kuiva-Valtmar-Voolaid





# Sustainability



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# We grow responsibly

Corporate responsibility is an important part of Enersense's operations and goals in terms of the company's values and business opportunities. *Grow responsibly* is one of the three values we have defined this year. Taking care of people, profitable business growth and promoting the energy transition are material sustainability themes that guide our Group's operations.

**SUSTAINABILITY IS** part of Enersense's strategy, which supports the ongoing energy transition in society in which the production of energy is increasingly shifting towards renewable energy sources. In 2022, low and zero emission energy solutions accounted for 66% of our revenue, and our target for 2027 is 75–80%. We aim to grow from a comprehensive energy service company into a producer of zero emission energy, and we have set the goal of 600–700 MW for our own energy production in 2027.

### Sustainability activities developed together

In 2022, we developed Enersense's sustainability activities in various ways with different stakeholders. Our primary goal for the year was to identify the current state of sustainability and to develop the collection of data. We identified our Scope 1 and 2 emissions and built automation for reporting our emissions. We also started to identify the Group's Scope 3 emissions, and this process will continue in 2023.

In addition, we tested the use of electric vehicles in production operations in the Power segment and increased our personnel's environmental awareness through training. Furthermore, we up-

dated our commitment to the UN Sustainable Development Goals to better meet our core operations.

We also developed our occupational safety and health activities further, and our injury frequencies showed positive improvement in 2022. During the year, we improved our personnel's ability to work and wellbeing at work by developing work ability management.

We expanded and harmonised our environmental, occupational safety and health, and quality system certification processes, and 98% of Enersense's operations, measured by revenue, were within the scope of the ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 certificates in 2022.

In spring 2022, we launched Enersense's values that we defined with our personnel: *be brave, grow responsibly, and together*. Our values guide our daily activities, decision making and cooperation, both internally and externally.



# Sustainability highlights 2022

**66%**

Proportion of low-emission and zero-emission energy solutions of our revenue

We piloted electric vehicles in production use



**98%**

of our operations, measured by revenue, were within the scope of the ISO 14001:2015, ISO 45001:2018 and ISO9001:2015 certificates

We defined our values together with our personnel



Be brave

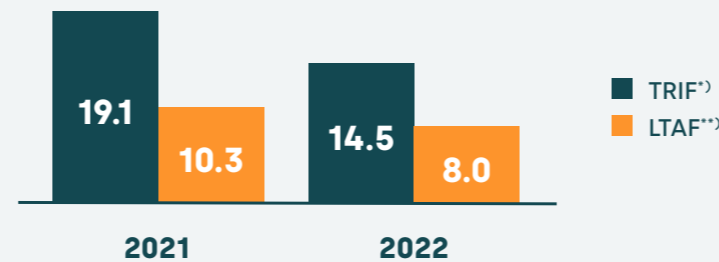


Grow responsibly



Together

We promoted safe working



<sup>\*)</sup> Total recordable injury frequency  
<sup>\*\*)</sup> Lost time accident frequency, accidents leading to an absence of at least one day

We set our own energy production target by 2027



Wind power

**600** MW



Solar power

**100** MW

# Sustainability management

Our operating culture is based on our values and our Codes of Conduct.

## Responsibilities and governance

Sustainability is part of Enersense's strategy. Enersense's Board of Directors approves the company's strategy and has the highest responsibility for managing sustainability at Enersense. The Board processes and monitors matters related to sustainability as part of the strategy and reporting processes and decides on the company's long-term strategic and financial targets. Under the leadership of the President and CEO, Enersense's Group Executive Team is responsible for operational sustainability management, in addition to setting annual targets and integrating them into operations.

## Guiding principles for operations

In all our operations, we comply with the applicable laws, regulations and statutory requirements. In all our business operations, we acknowledge the highest international agreements and ethical requirements, including the following key agreements and requirements:

- The UN Guiding Principles on Business and Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises.

Our operating culture is based on our values:

- Be brave
- Grow responsibly
- Together

In addition to our values, our operating culture is based on our Code of Conduct and Supplier Code of Conduct.

The Board of Directors approves the Code of Conduct and other guidelines (policies) applicable to the whole Group. The Group Executive Team approves internal guidelines and policies concerning specific operating methods applicable to the whole Group. We have also confirmed the Supplier Code of Conduct, which is binding on our suppliers.

The Code of Conduct specifies the common principles that Enersense's employees must follow in their day-to-day work. The Code determines our approach to ethical business practices, human and labour rights and environmental values. The jointly agreed operating principles promote profitable business operations and a culture of responsibility and integrity, prevent unlawful and unethical conduct, and strengthen our stakeholders' confidence. Every employee is responsible for studying and following the Code of Conduct. Each new employee must complete an online course related to the Code of Conduct at the beginning of their employment relationship.

We require all our suppliers to comply with good business practice and Enersense's Supplier Code of Conduct as it stands at the time in question. The Supplier Code of Conduct determines Enersense's common good business practices, which are based on its values. It also includes guidelines on compliance with laws and rules, fair competition, anti-bribery and anti-corruption, respect

## ENERSENSE'S KEY PRINCIPLES AND POLICIES GUIDING SUSTAINABILITY WORK

- Code of Conduct
- Supplier Code of Conduct
- Risk Management Policy
- Personnel Policy
- Occupational Health and Safety Policy
- Competition Law Policy
- Procurement Policy
- Environmental Policy





for human and labour rights, and environmental considerations. Suppliers must also ensure that their own suppliers and subcontractors comply with Enersense's Supplier Code of Conduct or the supplier's own, similar guidelines when providing products or services to Enersense. We monitor compliance with the Code and audit our suppliers according to a prioritised plan.

### **Enersense's management system**

Enersense's management system supports the implementation of its Code of Conduct and sustainable operating culture. The management system is based on certified environmental management standards (ISO 14001:2015), occupational safety and health standards (ISO 45001:2018) and quality management standards (ISO 9001:2015).

The management system is the way in which we manage, steer and continuously improve various elements of business operations to achieve our targets. The management system consists of policies, processes and operating methods. These are ways of working that have been jointly agreed on within the company.

The certification processes for the environmental system, occupational health and safety system and quality system were harmonised during 2022, and most of the Group's operations were integrated into a single certificate. At the same time, the certificates were expanded to cover a larger part of our operations. During 2023, we will explore opportunities to integrate companies that are currently separately certified or uncertified into the same process.

In terms of revenue, 98% of Enersense's operations were covered by the ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 certificates in 2022 (2021: ISO 14001 89%, ISO 45001 81% and ISO 9001 89%).



**The Code of Conduct determines our approach to ethical business practices, human and labour rights and environmental values.**



# Stakeholders and materiality assessment

Understanding and reflecting the expectations of our stakeholders and the impacts generated by our operations is crucial for sustainable business.

## Cooperation with stakeholders

Enersense engages in appropriate and transparent dialogue with its stakeholders through various channels. We take into account the needs and expectations of our most important stakeholders. The expectations of our stakeholders are surveyed, for example, through surveys conducted in connection with regular materiality assessment.

Enersense's most important stakeholders:

- Customers
- Personnel
- Investors and shareholders
- Analysts
- Media
- Suppliers and contractors
- Interest groups and other operators in the field
- Authorities

## Materiality assessment

Through materiality assessment, we have defined which sustainability themes are of particular importance to our company's operations and operating environment. In a materiality assessment carried out in 2021, taking care of people, ensuring profitable business growth and promoting the energy transition were highlighted as the most material sustainability themes guiding the Group's operations.

Based on the materiality assessment, we approach sustainability from two perspectives:

### 1. Sustainability impacts arising through our business operations

We provide services that enable our customers to build a sustainable energy system and promote the production of renewable forms of energy. In the industrial sector, we serve as our customers' partner and contribute to steering the sector's operations in a more efficient and sustainable direction through renewal. We are also building critical energy and information network infrastructure for society and extending the life cycle of built infrastructure through service and maintenance operations. In terms of materiality, the sustainability impacts arising through our business operations represent the company's most significant impacts on sustainable development and its promotion.

### 2. Internal sustainability impacts related to our own operations and operating methods

The internal sustainability impacts of our own operations are primarily related to occupational safety and other HR matters. Our most significant environmental impacts arise from the energy consumption of transport, maintenance and other traffic, emissions, waste management, the handling of chemicals and the energy management of facilities. In terms of materiality, the impacts of our own operations on society and the environment are markedly smaller when compared with our work with customers.





# UN Sustainable Development Goals

## Commitment to UN Sustainable Development Goals

In accordance with the UN's 2030 Agenda for Sustainable Development, we are working to create a more sustainable future. In 2022, we updated our commitment to the UN Sustainable Development Goals (SDG) to better reflect our core operations and impact. In our operations, we are committed to five UN Sustainable Development Goals. Accordingly, we promote the following:

- 7 – Affordable and clean energy,
- 8 – Decent work and economic growth
- 9 – Industry, innovation and infrastructure,
- 11 – Sustainable cities and communities,
- 13 – Climate action.

## Our business contributes to the UN Sustainable Development Goals

Through a third-party analysis by Upright Project, we have studied the extent to which our business operations contribute to the UN SDGs. The analysis is based on the alignment of Enersense's products and services with the 17 UN SDGs.

According to the analysis, Enersense's business operations support sustainable development in many ways. In light of the results, Enersense's operations are particularly well-aligned with UN Sustainable Development Goals 7, 8 and 9. The alignment is presented as a percentage of revenue of the products and services that affect each goal.

We contribute to goal 7 by developing renewable energy projects and our goal is also to own and produce renewable energy. We contribute to goal 8 with our ambitious growth and profitability targets and we are increasing the share of zero-emission energy in our business operations. Diversity, equality and inclusion are important parts of our management and ethical principles. We contribute to goal 9 by building a sustainable energy system and promoting the production of renewable energy forms and innovative solutions related to charging infrastructure for electric vehicles and foundations for offshore wind power plants in particular.

We contribute to goal 11 by securing the functioning of electricity infrastructure in society and we contribute to reducing the adverse environmental impacts of cities and towns by providing services and technology for charging infrastructure for electric vehicles. We contribute to goal 13 by implementing services and projects related to the energy transition and data communications infrastructure, through which we are strongly involved in combatting climate change. We are also committed to reducing the climate impacts of our own operations.

*The analysis of the alignment with the UN SDGs has been conducted by the technology company Upright Project in January 2023. The analysis is based on the alignment of Enersense's products and services with the 17 UN SDGs. In assessing the SDG contribution, each of our products and services are evaluated against the 169 targets under the 17 SDGs, in particular focusing on those applicable to companies. In the system, products and services are classified as misaligned (negative score), neutral (zero score) and aligned (positive score).*

## THE ALIGNMENT OF OUR BUSINESS OPERATIONS WITH THE UN SDGS



# Business

A significant proportion of our business operations contributes to the achievement of social and global goals in sustainable development.

**BUILDING A SUSTAINABLE ENERGY SYSTEM** and promoting renewable energy production through our services are at the core of our business operations. In the industrial sector, we serve as a partner for our customers, steering operations in a more efficient and sustainable direction. We are also building critical energy and information network infrastructure for society and are extending the life cycle of built infrastructure through service and maintenance operations.

Our target is to further increase the proportion of low-emission and zero-emission energy solutions of our revenue to 75–80% in 2027.

In 2022, we specified our strategy's focus areas and we seek new business particularly from offshore wind power, especially in wind power plant foundations, project development, ownership and own energy production of onshore wind power and solar power as well as zero-emission transport and electric vehicle charging solutions.

Enersense's own energy production target by 2027 is 600–700 MW of which 600 MW is wind power and 100 MW solar power.



## SF6-free technology reduces substations' environmental burden

In November we won a contract for the construction of the Framnäs substation, located in Kirkkonummi, in Fingrid's public procurement tendering.

"The new substation at Framnäs is more important than its size for us and especially for our customers. It strengthens the grid's connections and enables an increase in electricity consumption in the Caruna Espoo region. Microsoft is planning a data centre complex for the region whose electricity supply is ensured by the station and whose waste heat Fortum is to use as carbon-neutral district heating in Espoo. The switchgear is implemented using climate-friendly SF6-free technology, which fits well in the same theme," says Daniel Kuosa, Fingrid's Construction Manager.

For Enersense, the project is a great continuum in substation projects utilising SF6-free technology to improve environmental friendliness. Enersense's ongoing implementation in Fingrid's Luukkala substation project utilises similar SF6-free technology. SF6 is a powerful greenhouse gas that has been used as main insulation in high-voltage switchgear units and instruments.

[+](#) Read more on our website



# Enersense's net impact analysis

The net impact analysis demonstrates the significant positive impact of Enersense's business on the surrounding world.

**WE HAVE STUDIED** the net impacts of our core business operations with the help of Upright Project, a technology company. The net impact analysis is based on products and services belonging to Enersense's core business operations, taking account of the impacts generated throughout the value chain, from the resources used to disposal.

According to the analysis, Enersense's *Net impact ratio* in 2022 was +41%, which is among the top 29%, taking into account all globally modelled companies. The highly positive *net impact ratio* indicates that we use a modest amount of resources to create a wide range of positive impact on society, knowledge, health and the environment. Significant positive impacts are generated especially through our products and services related to the maintenance and construction of societally important electrical grids and telecommunications networks, for example.

## Enersense's impact in four main categories

**Society:** Our most significant positive impact is found within the society category. Our business creates positive impacts on societal infrastructure through services supporting electricity generation and distribution such as maintenance of wind power

## Net impact profile

IMPACT	NEGATIVE	SCORE	POSITIVE
<b>Society</b>	-0.0	<b>+4.0</b>	+4.0
Jobs		+1.2	+1.2
Taxes		+1.3	+1.3
Societal infrastructure		+1.5	+1.5
Societal stability	-0.0	+0.0	+0.0
Equality & human rights	-0.0	+0.0	+0.0
<b>Knowledge</b>	-1.2	<b>-0.5</b>	+0.7
Knowledge infrastructure		+0.3	+0.3
Creating knowledge		+0.2	+0.2
Distributing knowledge	-0.0	+0.1	+0.1
Scarce human capital	-1.2	-1.2	
<b>Health</b>	-0.2	<b>+0.1</b>	+0.3
Physical diseases	-0.1	-0.0	+0.1
Mental diseases	-0.0	-0.0	+0.0
Nutrition		+0.0	+0.0
Relationships	-0.0	+0.1	+0.1
Meaning & joy	-0.0	+0.0	+0.0
<b>Environment</b>	-2.0	<b>-1.3</b>	+0.7
GHG emissions	-1.1	-0.6	+0.5
Non-GHG emissions	-0.3	-0.1	+0.2
Scarce natural resources	-0.2	-0.2	+0.0
Biodiversity	-0.2	-0.2	+0.0
Waste	-0.3	-0.3	+0.0

**+41%** Net Impact Ratio  
Value set: Equal weights

The science-based net impact profile measures our impact in four main categories: society, knowledge, health and the environment. The bars on the left illustrate the resources used, and the bars on the right illustrate the positive impact we create using these resources. The net impact analysis was conducted in January 2023.

plants. Enersense also contributes to society through taxes paid and jobs created.

**Knowledge:** Our services related to telecommunications networks create significant positive impacts in terms of knowledge infrastructure. Through enabling the efficient transfer of knowledge between people, machines and organizations, we also play a role in the creation and distribution of knowledge. On the other hand, we use scarce human capital in our business operations, which represents the alternative cost of the highly skilled workforce and is reflected as a negative impact in our profile.

**Health:** While our impact related to human health is small in general, positive impact on relationships stands out due to our contribution to telecommunication networks, which help people stay in contact and maintain social relationships.

**Environment:** Our businesses have positive impacts on the environment. The most significant positive impact stems from our renewable energy services, such as design, construction, operation and maintenance of wind power. Our negative environmental impacts are largely related to greenhouse gas emissions created across the value chain. In our operations we also cause environmental burden as we use natural resources and create waste.

Our net impact profile can be viewed in more detail at [Upright Project's platform](#).

*The profile is based on Upright Project's net impact modelling, which uses machine-learning technology to process millions of scientific articles as the main source of information. The quantification model measures companies' overall impact on the environment, people's health, society and the creation and sharing of knowledge. Read more about the method: [www.uprightproject.com](http://www.uprightproject.com).*

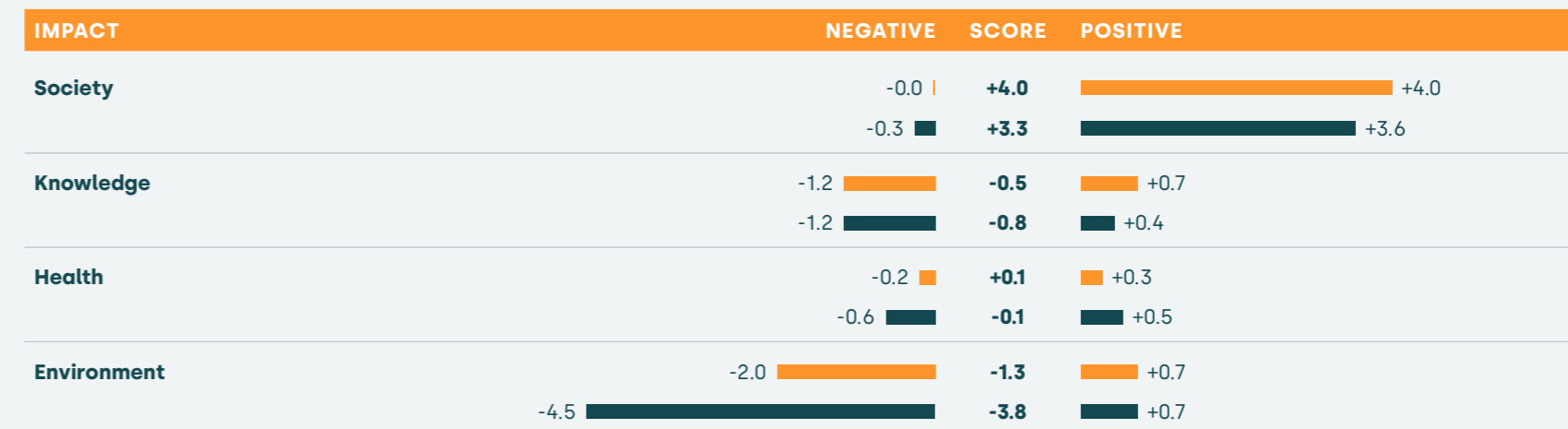
### A comparison of our net impact results

A comparison of our net impact results with other analysed companies listed on Nasdaq Helsinki reveals how significant positive impact Enersense's operations have on the surrounding world. Enersense's Net impact ratio in 2022 was +41%, whereas the average net impact result of the Nasdaq Helsinki reference group was -26%.

Enersense's positive impact on society is highlighted in the comparison especially because of its products and services related

to the infrastructure of society. Similarly to other companies on the Nasdaq Helsinki main list, we use scarce human capital as a resource, but our services related to telecommunications networks significantly contribute to knowledge infrastructure and thereby lead to a greater positive impact than that of the companies in our reference group. At the same time, the environmental burden caused by our business operations is smaller than that of the reference group on average.

### Comparison of net impact profiles



Enersense +41%    Nasdaq Helsinki -26%

The net impact profile measures our impact in four main categories: society, knowledge, health and the environment. The bars on the left illustrate the resources used, and the bars on the right illustrate the positive impact created using these resources.



# Low-emission and zero-emission energy solutions

The energy sector is undergoing a transition towards carbon neutrality and moving away from fossil fuels. Enersense's goal is to grow from a broad-based service company in the energy sector to a producer of clean energy and a key green energy company.

**OUR GOAL** is to increase the proportion of low-emission and zero-emission energy solutions of our revenue to 75–80% in 2027.

In Enersense's operations, these energy solutions include the Power segment's business operations such as services for the wind power sector and electric vehicle charging solutions, where services expanded at the end of the year with the acquisition of Unified Chargers Oy, a manufacturer of fast and high-power charging stations for electric vehicles. In addition, the Smart Industry segment's nuclear power and LNG projects and the Connectivity segment's mobile business are included in the low- and zero-emission energy projects. They also include similar operations in the International Operations segment. The Smart Industry segment also has operations in the offshore wind power sector, where growth is sought from offshore wind turbine foundations in particular.

In line with the Group's strategy, the role of the wind power sector in Enersense's operations was increased, following the completion of the acquisition of the share capital of Megatuuli Oy, an onshore wind power project development company, in the begin-

ning of 2022. The completion of the investment in P2X Solutions Oy, a green hydrogen production company, in the beginning of the year, also supports Enersense's clean energy strategy. Enersense will play a key role in the work to be carried out during the construction phase of Finland's first green hydrogen production plant, which P2X will build in Harjavalta, as well as in maintenance and operation after the plant has been completed.

In 2022, the proportion of low-emission and zero-emission energy solutions of our revenue was 66%.

## EU taxonomy for sustainable finance

Enersense's own Key Performance Indicator "proportion of low-emission and zero-emission projects of revenue" includes all such business activities which the company has defined as taxonomy eligible according to the EU taxonomy for sustainable finance. In addition, the KPI includes Enersense's nuclear power, mobile and LNG projects which according to the current evaluation are not taxonomy eligible. Enersense reports on its taxonomy eligible and taxonomy aligned business activities in the 2022 Board of Directors' report.

The proportion of low-emission and zero-emission energy solutions of our revenue was

66%



# Sustainability in the supply chain

We encourage our suppliers to develop and promote their operations in a socially and environmentally sustainable direction.

**AT ENERSENSE, A SUPPLIER IS A PARTNER** that delivers products or services directly or indirectly to Enersense or provides products or services under the Enersense name. Suppliers are an integral part of our supply chain and have a significant impact on its overall quality. We cooperate with partner companies of all sizes and are always looking for innovative new suppliers from the open global market that comply with our sustainability principles. In 2022, Enersense had around 3,700 active suppliers and the total purchases increased by 20% year-on-year to EUR 200 million.

The management, competitive tendering and continuous development of Enersense's supplier network ensure a cost-effective and high-quality service level while also making use of new products

and technologies and complying with sustainable procurement principles. We engage in fair competition in all our procurement. We only deal with reputable and reliable partners, and we verify the backgrounds of our partners before starting any cooperation in accordance with Enersense's procurement process. The drastic increase in prices as well as prolonged supply times in 2022 emphasised the meaning of risk management in procurement operations.

We monitor the implementation of the HSE standard for sub-contractors and HSEQ audits as part of our goals for a sustainable supply chain. Audits are made to ensure that the suppliers are committed to Enersense Supplier Code of Conduct as well

as that processes and requirements for quality and operations are fulfilled. In 2022, the coronavirus pandemic hindered on-site supplier audits, and a total of 13 audits were conducted. Quality and HSE audits were also conducted remotely. HSE standardisation and an audit process based on new audit forms were implemented during 2022.

Enersense is committed to compliance with all applicable sanction programmes. In 2022, procurement from suppliers included in the sanctions list was discontinued, and these procurement channels were replaced with alternative suppliers, particular in the procurement of steel materials.

## Supply chain management in Enersense's procurement process

SUPPLIER CLASSIFICATION	APPROVAL OF SUPPLIERS	ASSESSMENT OF SUPPLIERS	SUPPLIER DEVELOPMENT	SUPPLIER DATA MANAGEMENT
Suppliers are classified in three categories (A, B and C) based on business criticality and risks.	<b>Basic approval criteria:</b> <ul style="list-style-type: none"> <li>Enersense's Supplier Code of Conduct</li> <li>Statutory requirements</li> </ul>	<b>Conformity of operations and quality control:</b> <ul style="list-style-type: none"> <li>HSEQ audits</li> <li>Sustainability reports</li> <li>HSE self-assessments</li> </ul>	<b>Continuous development of critical suppliers</b>  <b>HSEQ aspects</b> <ul style="list-style-type: none"> <li>Successful cooperation</li> <li>Deviations</li> <li>Development needs</li> </ul>	<b>Supplier data management insystems and verification of suppliers' eligibility, e.g. liability reports</b>



## A tube scarf from recycled bottles – ecological aspects highlighted in the new online shop for business gifts

At the beginning of the year, Enersense updated its internal online shop for business and personnel gifts with its partner Innoflame. The online shop features the Enersense product range for customers, partners and the personnel. The range of business and personnel gifts was updated in line with Enersense Group's strategy and values, consisting of ecological and carbon-neutral products. The range also includes a product category focused on safety.

Making products according to the volume ordered by customers is at the core of Innoflame's operations. The required number of products can be ordered, which helps avoid any unnecessary material and minimise the volume of waste, as no products remain unused.

The textiles used in the product range consist of 100% organic and fair trade certified cotton. The textiles have been made in accordance with the world's highest social, ethical and environmental certificates (GOTS, Fairtrade, EU Ecolabel, SA8000, and Oeko-Tex). A good example is the 2nd Life collection made from recycled materials and its Baltic Sea rPET tube scarf, which is made from recycled plastic bottles.

In addition to the ecological product range, Innoflame is committed to reducing its climate impact. The carbon-neutral company compensates for its carbon dioxide emissions.



**“We work with several suppliers that invest in an environmentally friendly production process, reducing the carbon dioxide emissions of their operations, and reducing and using waste materials.”**

# Prevention of bribery and corruption

We observe absolute zero tolerance regarding bribery and corruption. Bribery and corruption are illegal and may cause serious legal consequences for Enersense and those involved and damage Enersense's reputation and the values that we represent.

**ENERSENSE DOES NOT ACCEPT** any kind of bribery or corruption that is direct or practised through third parties or intermediaries in any of its business operations. Enersense's personnel may not under any circumstances, by themselves or through third parties, promise or offer money or any other valuable benefits to anyone with the intention of seeking illegal business gains or influencing decisions, nor may they for these purposes request, accept or receive money or other valuable benefits from other people. The principles of transparency, reasonability and independence must be observed when offering and receiving business gifts, presents and entertainment.

Enersense's Code of Conduct and Supplier Code of Conduct provide guidelines on the prohibition of bribery and corruption. These guidelines are supplemented by Enersense's anti-bribery and anti-corruption instructions and principles. We ensure the implementation of these guidelines through training and active communication to our employees and suppliers, for example.

In Enersense's view, there are no significant risks related to bribery or corruption in its own operations. Any risks associated with bribery or corruption are related to the supply chain of Enersense

and its Group companies. We seek to minimise these risks by selecting our partners carefully and requiring compliance with our Supplier Code of Conduct.

There were no suspected cases of bribery or corruption in the company in 2022.

**Enersense does not accept any kind of bribery or corruption in any of its business operations.**





# Environment

Enersense's environmental operations are guided by an environmental management system that complies with the ISO 14001:2015 standard, the certification of which is maintained through regular audits. We are committed to the continuous improvement of the environmental system and our environmental efforts.

**WE IDENTIFY** the environmental aspects of our operation and aim to reduce our adverse environmental impact in cooperation with our employees, customers and suppliers. Because our operations are based on services instead of physical products, our direct environmental impact is fairly moderate. However, we are committed to continuously improving our environmental efforts and reducing the adverse environmental impact of our operations.

The most significant direct environmental impact of our operations comes from maintenance and other transport – that is, carbon dioxide emissions from the fuel consumption of vehicles. In driving and transport, we invest in the planning of logistics, economical driving techniques, the selection of low-emission vehicles, and an optimised number of vehicles.

During 2022, no environmental incidents or accidents related to Enersense's operations were reported to the company.

## Environmental management at Enersense

At Enersense, environmental management, operations and monitoring are based on an environmental system that complies with the ISO 14001:2015 standard, the certification of which is main-

tained through regular audits. Enersense's management system based on certified environmental management (ISO 14001:2015), occupational safety and health (ISO 45001:2018) and quality management (ISO 9001:2015) standards supports the fulfillment of a responsible and sustainable operating culture.

During 2022, we harmonised the certification processes for the environmental, occupational safety and health, and quality systems, and integrated the majority of the Group's operations into a single certificate. At the same time, we expanded the certificates to cover a larger part of our operations. During 2023, we will investigate the opportunity to integrate companies that are currently separately certified or uncertified into the same process. Measured by revenue, 98% (89%) of Enersense's operations were covered by the ISO 14001:2015 certificate in 2022.

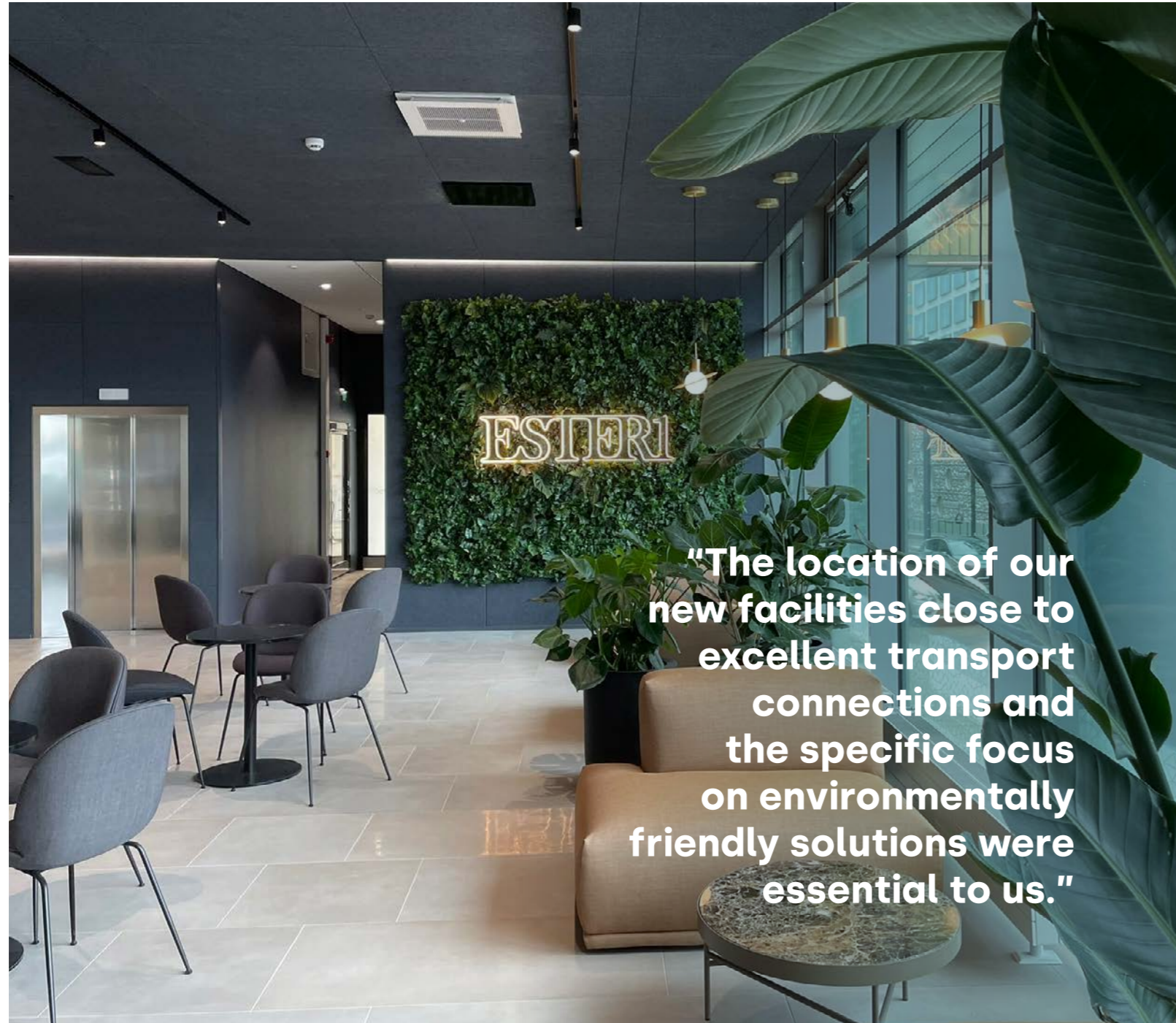
Enersense's environmental policy is an integral part of our environmental system and defines the basic principles based on which the environment is addressed in everything we do. The policy defines our will to reduce our adverse environmental impact. Accordingly, we are committed to the continuous improvement of the environmental system and our environmental efforts.



**98%**

**of Enersense's operations,  
measured by revenue,  
were covered by the ISO  
14001:2015 certificate.**





**"The location of our new facilities close to excellent transport connections and the specific focus on environmentally friendly solutions were essential to us."**

## Focus on ecology and enjoyment in the new facilities in Pasila in Helsinki

Enersense's Valimotie office in Helsinki moved to new facilities next to the Mall of Tripla in Pasila at the beginning of June. Our new offices are now located in Esterinportti 1.

The entire office building has recently been renovated with a focus on ecological and environmentally friendly selections. The building only uses environmentally certified renewable electricity and, for example, its taps and dishwashers save water. All materials were recycled during the renovation, and the development of low emission building materials was promoted by using surface materials of class M1.

Modern automation systems make the use of energy more efficient. 101 solar panels have been installed on the roof, covering 7% of the building's energy consumption. The building offers excellent opportunities for sorting waste, various parking options for bicycles, and an electric vehicle charger in every car parking space. The respected LEED Gold environmental classification has been applied for the office building. The building has various characteristics that support an excellent environmental performance. The excellent location and transport connections, combined with the efficient use of the plot, help achieve the targeted Gold level. Other properties that support a high environmental performance include low-consumption water fixtures, the high level of building systems, energy efficiency, and high-quality indoor air.



# Energy consumption and CO<sub>2</sub> emissions

The most significant direct environmental impacts of our operations arise from the carbon dioxide emissions of vehicles.

**THE MOST SIGNIFICANT** direct environmental impacts of Enersense's own operations arise from maintenance and other transport – that is, carbon dioxide emissions from the fuel consumption of vehicles. The Group's electricity consumption is CO<sub>2</sub>-free in terms of its own properties and leased properties with our own electricity contracts.

## Electric vehicles piloted in production use

In driving and transport, we invest in the planning of logistics, economical driving and the selection of low-emission vehicles that are optimal for their purpose of use, as well as an optimised number of vehicles. In accordance with our vehicle policy, we invest in lower emissions and higher energy efficiency in our purchases of vehicles. According to the policy, electric vehicles are preferred whenever they are suitable for the intended use, considering business conditions.

The most significant direct environmental impacts of Enersense's own operations arise from carbon dioxide emissions from the fuel consumption of vehicles. In 2022, the CO<sub>2</sub> emissions of Enersense's production vehicles were 20.8 (21.8) CO<sub>2</sub> equivalent tonnes per million euros of revenue. The scope of the monitoring covered operations in Finland, Estonia and Lithuania.

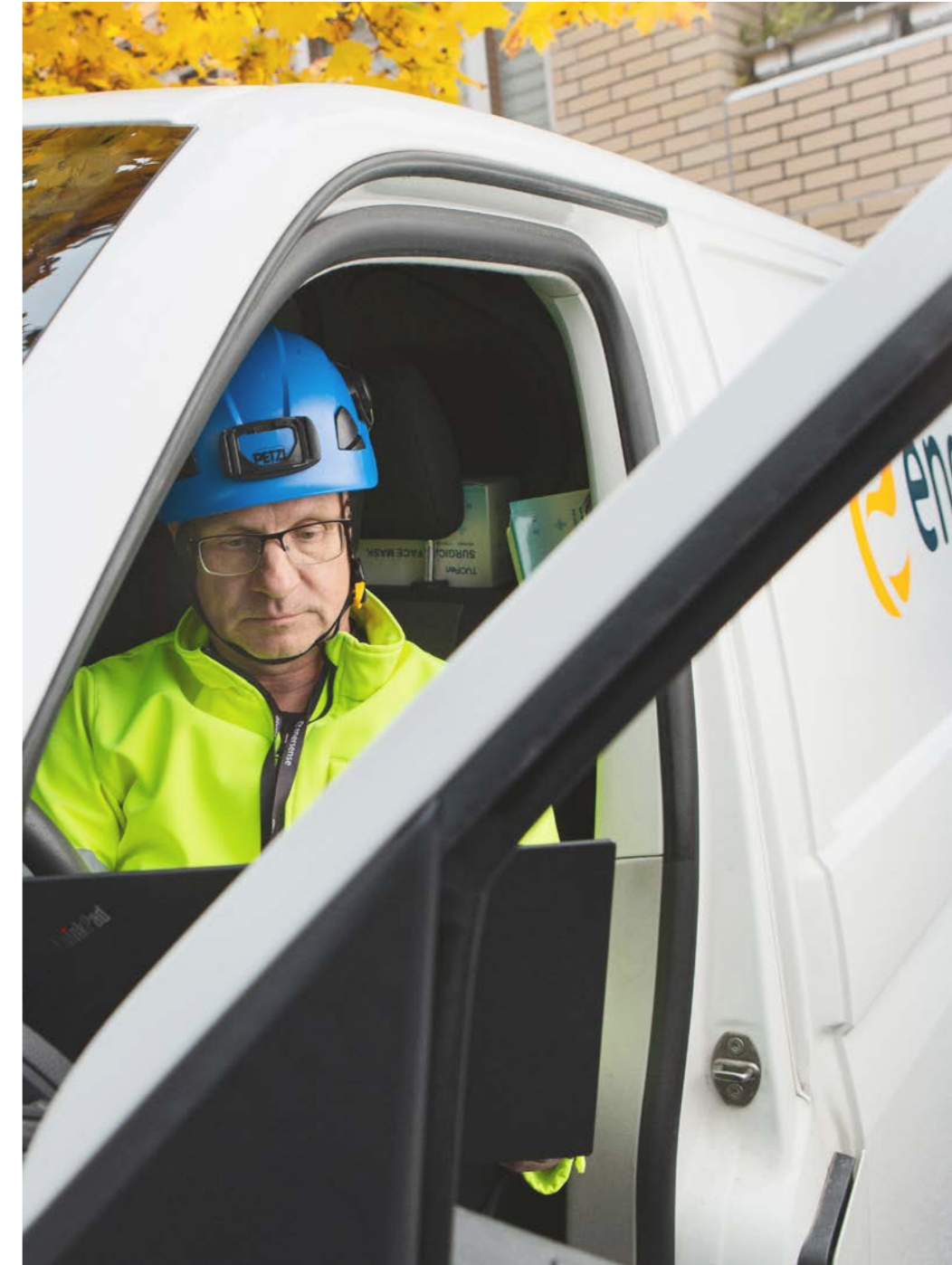
In the Power business, we piloted electric vehicles in production use to reduce carbon dioxide emissions. In the Helsinki

metropolitan area, installers working with electric vehicle charging infrastructure have five electric vehicles suitable for different needs.

In 2022, we focused on identifying the sources of Scope 1 and Scope 2 emissions and the development and automation of data collection and reporting. We also introduced a new system for monitoring emissions and fuel consumption. We also started to identify the Group's Scope 3 emissions, and this process will continue in 2023. In our operations, indirect emissions arise from the use of electricity and heat, waste and work-related travel, for example. Purchased products and services such as subcontracting play a significant role.

## 100% renewable energy as in the previous year

In 2022, the electricity purchased for all Enersense's own properties, as well as leased properties under our own electricity contract, which account for around 25% of our facilities, was 100% (100%) renewable energy guaranteed to be traceable to the country of origin. Renewable energy is a prerequisite for new electricity contracts for locations.





## Enersense is testing the use of various electric vehicles

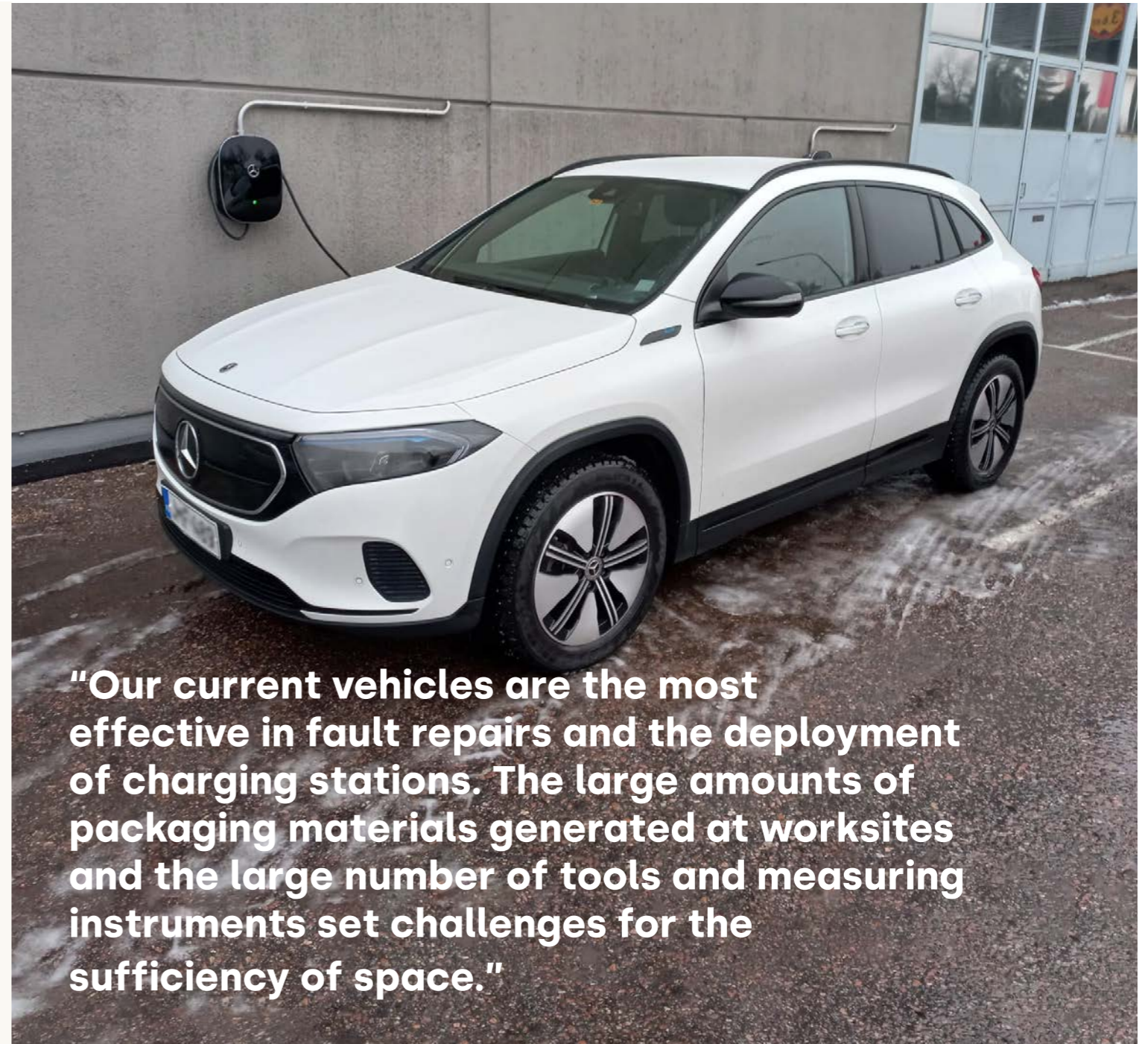
In Enersense's charging solutions for electric transport and smart measurement services, the use of the first electric vehicles started already in 2018. New models have been launched ever since, and the range continues to grow. Currently, technicians working in the Helsinki region can choose from three different makes and models, depending on the purpose of use.

"At first, we had vehicles whose range and usability did not meet our needs. Our current vehicles are electric SUVs and, with the rear seats folded, they are more suitable for carrying electricity meters and their installation tools than vans. In addition, their range and usability in cities is higher," says Topias Koskela, Sales Director at Enersense Power.

As a rule, Enersense prefers electric vehicles whenever they are suitable for the operations and conditions required. According to Koskela, technicians and supervisors have given nothing but positive feedback on the use of electric vehicles.

"Advantages include rapid heating when compared to combustion engine vehicles and the ease of driving," says Koskela, listing the benefits of electric vehicles in addition to zero emissions.

[+](#) Read more on our website in Finnish



**"Our current vehicles are the most effective in fault repairs and the deployment of charging stations. The large amounts of packaging materials generated at worksites and the large number of tools and measuring instruments set challenges for the sufficiency of space."**





## Mäntyluoto unit heated with zero emissions

A new district heating agreement was selected for Enersense's Mäntyluoto unit at the beginning of the year. Pori Energia was selected as the service provider, and a full green guarantee was added to district heating in accordance with our values and sustainability principles. The guarantee means that the district heating delivered to the Mäntyluoto unit is produced wholly using renewable fuels, and the carbon footprint of our heating is 0 kg CO<sub>2</sub>e/MWh.

The Mäntyluoto unit is home to Enersense Offshore Oy, Enersense's subsidiary specialised in offshore wind power.

"We want to be a sustainable company and reduce the adverse impact of our operations. Every day, we make decisions both big and small in accordance with our values to promote Enersense's sustainable growth, of which this district heating agreement is a good example," says Tommi Manninen, Senior Vice President of Communications.



# The circular economy and waste management

We are continuously developing our ways of working so that recycling becomes more efficient and waste is reduced to a minimum.

**ENERSENSE'S PERSONNEL** largely work in leased facilities, in customer locations or at worksites. Waste management models vary from one location to the next due to such factors as customer requirements and agreements. In fieldwork, our customers mainly organise waste management, while our employees follow their requirements and practices. However, our employees can have an impact on improving the reduction, recycling and reuse of waste through their own actions, including in locations where we cannot monitor the development of waste management. A waste management plan has been prepared for Enersense's larger locations.

All of the different operating models mean that the opportunities to monitor waste management and recycling are limited. We monitor information about waste recycling and disposal in locations where Enersense has a waste management agreement. We sort all waste appropriately, regardless of the operating model. In Enersense's locations, waste mainly consists of packaging material, as well as municipal and office waste.

In 2022, a total of 347 (397) tonnes of waste was generated in Enersense's locations in Finland covered by a waste management agreement. The volume of waste generated in these locations decreased by roughly 12.6% from 2021. In 2022, hazardous waste accounted for 3% or 10.5 tonnes (2% and 8.7 tonnes), and waste usable as material and energy for 97% or 336.5 tonnes (98% and

385.9 tonnes). Enersense's other countries of operation are not subject to monitoring by the Group. We have developed guidelines and new operating methods to reduce the unnecessary transport and amount of mixed waste. In 2022, we investigated waste management practices and any obstacles for improving the efficiency of recycling in our locations. For example, insufficient instructions, overfilled waste containers and needs for additional sorting were identified as obstacles for recycling. We will continue to develop waste management and recycling in 2023.

In addition to the statutory obligations, we require our suppliers to reduce or eliminate the volume of waste and other adverse environmental impact by recycling material and waste.

**In 2022, the volume of monitored waste compared to previous year decreased by**

**12,6%**





# Work clothing service based on the circular economy saves natural resources

Safe, comfortable and clean work clothing is an integral part of the work culture at Enersense. Enersense also pays special attention to sustainability in clothing. Enersense acquires work clothing for its personnel from Lindström, which has received the silver level of the international Ecovadis Sustainability Rating. As a rule, work clothing is acquired from Lindström by leasing instead of purchasing it. This service based on the circular economy saves natural resources and reduces textile waste and unnecessary consumption. Repair and washing services included in the service extend the service life and life cycle of the work clothing.

What is important in the cooperation between Enersense and Lindström is that clothing is stored, transported, washed and discarded effectively and ecologically. The European Textile Services Association (ETSA) has recognised Lindström for the development of the smart FlexService storage. Lindström has optimised the washing of work clothing into an energy-efficient process using as little water and washing agent as possible compared to washing clothes at home. In addition, the safety features of work clothing are checked during the wash stage to ensure the occupational safety and health of the personnel. Any textiles that have reached the end of their lifecycle are recycled by Rester, which processes them into new products.

The work clothing leased by Enersense is sustainably produced and comprehensively Oeko-Tex 100 certified. The Oeko-Tex 100 standard ensures that products have been tested and approved so that they do not contain any chemicals or colourants that are or are expected to be hazardous to health.

Lindström's goal is carbon-neutral textile services by 2035. For example, the company invests in carbon-neutral energy sources in wash services and route optimisations, and aims to shift wholly to electric vehicles. The current carbon footprint of the work clothing service is 46 kg CO<sub>2</sub> a year per person. According to Lindström, the environmental impact caused by the acquisition of new work clothing is more than 20 times higher than that of washing clothes once.

"The textile industry causes a massive negative environmental impact and, by acquiring work clothing as a service, we can help reduce the consumption of natural resources. Leased work clothing is safe, made from durable material, and the repair and wash services extend its life cycle. Sustainability is a driving force for both Enersense and Lindström, and it is wonderful to work with a service provider that shares our values," says Maarit Hakala, Procurement Manager at Enersense.



# People and the society

Enersense's success is based on highly competent, committed and motivated employees. Our goal is to be a workplace community that provides a good, healthy and safe working environment, as well as opportunities for competence development and learning.

**THROUGH GOOD MANAGEMENT** and the principle of continuous improvement, we are seeking to ensure that we are able to provide our customers with high-quality customer service, and that the success factors related to personnel are realised in the short and long term.

Several development and harmonisation projects are under way to promote a consistent working culture and a safe and comfortable working environment. Our goal is to create a strong and forward-looking workplace community and a working culture that unites all Enersense's employees. Safety at work is paramount to us, and we are working daily to ensure a safe working environment for our personnel. Employees' wellbeing at work, work ability and competence development, as well as equality and diversity, are an integral part of our working culture at Enersense.

## Enersense's personnel

Enersense mainly operates in Finland, Germany, France, the United Kingdom and the Baltic countries. Most of our employees work in Finland, and in Estonia in international operations. The Group had an average of 1,836 (1,942) employees in 2022.

The decrease in personnel was mainly due to a decline in the Smart Industry segment's volumes following the completion of

the Olkiluoto 3 project. On the other hand, in November 2022, Smart Industry segments head count increased by over 250 due to a business transfer transaction which is not yet visible in the average number of head count.

At the end of 2022, Enersense's total head count was 1,995.

### Person-years (average over the period)

	2022	2021
Smart Industry	638	769
Power	172	156
Connectivity	347	345
International Operations	590	579
Other	90	93
<b>Group total</b>	<b>1,836</b>	<b>1,942</b>







**"Everyone in the working community has given me a warm welcome, and I feel as if I have always been here."**

## Effective induction and working together are key

Sergejs Petuskovs has worked in the Harjavalta unit as a supervisor of power line maintenance since April 2022. His first months were filled with extensive induction and various training. To help with learning, it has also been useful to carry out practical work. Sergejs found Enersense's induction process to be effective. He has been impressed from the very beginning by how motivated and helpful Enersense's employees are.

"This was the best induction I've completed so far. People dedicate their time to induction, and trainers ensure that everything is truly understood. The induction process consists of large themes and various areas, each of which has been given enough attention. Safety is a major theme and a specific focus area. All rules, reports and notifications are there to support safety. In the end, safety comes first," says Sergejs.

Sergejs has been positively surprised by how diverse working is. His weeks have included both days in the office and in the field, and no two days have been alike. He has been given more responsibilities as the induction process has progressed. Sergejs is motivated by knowing that he can share responsibilities with his colleagues and ease all the rush through his input. Work often requires

various preparations before going to the actual worksite. He finds it important that he has been able to participate in the preparations required and ensure that technicians have everything they need for their work.

Sergejs has watched his own supervisors up close. Fair and skilled supervisors have a positive impact on the smooth flow and success of work. He has been glad to see how effective cooperation between the power line maintenance crew can be, and he also wants to work to this end.

"Everyone in the working community has given me a warm welcome, and I feel as if I have always been here. It's simply great that I've already got to know so many people. They have been the best part so far. This is simply an amazing group and the work environment is positive. The team spirit and working together are important, both inside and outside the workplace," says Sergejs.

[+](#) Read more on our website in Finnish



# Personnel and a common working culture

Our goal is to create a strong and forward-looking workplace community and a working culture that unites all Enersense's employees.

**THE PURPOSE OF THE ENERSENSE WAY OF WORKING (eWoW)** project, which began in 2021, is to create a Group-wide working culture: a way of working together. Our goal is to create a strong and forward-looking workplace community and a working culture that unites all Enersense's employees: long-term personnel, new employees who have joined us through acquisitions, for example, and colleagues in different countries.

Enersense's new common values were determined and introduced as part of the development project in the spring of 2022. The entire personnel were involved in the determination of the values through a survey and workshops, and the values were integrated into the recruitment process and the performance and development appraisal process, for example. Based on the results of the personnel survey carried out in November 2022, 84% of the Group's employees know the new values. The purpose of the values is to guide and support efforts towards all stakeholders. In 2023, leadership principles will be created to support the values, and these principles will lay the foundation for leadership development.

In terms of personnel, the focus in 2022 was on developing personnel processes and harmonising various practices in particular. The project to revise the company's HR and occupational safety systems, which began in the autumn of 2021, was promoted throughout 2022. The new system will replace several old systems and harmonise and support the practices, development and

reporting of HR management and occupational safety through modern digital and user-friendly solutions. The system will be implemented in early 2023.

Equal treatment of all employees is one of Enersense's key principles. Equality and non-discrimination are also an important part of our management and ethical principles. Employees' experiences were heard in connection with a personnel survey in August 2022. Based on the results of the survey, 82% of the personnel feel that the workplace community at Enersense supports diversity and the equal treatment of people. The theme will continue to be promoted in teams and countries of operation through various development measures during 2023.

Enersense measures employees' job satisfaction by means of eNPS (Employee Net Promoter Score) surveys carried out several times a year, and the results are used as the basis for development in the various units. As a whole, the results of the eNPS pulse survey in 2022 largely remained at the same level as in 2021. However, the results vary between business operations and countries. Enersense's personnel survey will be revised and modernised in 2023 to ensure that feedback from the personnel can be collected more agilely, and that the results can be used for development purposes, and to enable knowledge-based management. The new personnel survey will also contribute to a more consistent working culture.





## Food aid for our Ukrainian colleagues

Enersense employs approximately 100 Ukrainian employees in various positions. They and the entire Enersense work community have been deeply shaken by Russia's war of aggression in Ukraine.

We will do everything we can in Enersense to support our Ukrainian colleagues and their families in this situation. So far, some families have already arrived for safety in Finland. As a concrete help, we started distributing food aid packages in Pori in the spring of 2022 to make everyday life as easy as possible.

In addition to Pori, food packages are also distributed to our Ukrainian colleagues and their families working in the Rauma and Turku region.







## Safety and responsibility developed in close cooperation

Internal audits play a significant role in improving safety and responsibility at Enersense. At best, internal audits enable the exchange of information and give rise to best practices that can be deployed as part of the Group's shared operating models. The key goal of audits is ensuring compliance with requirements.

At Enersense, internal audits are usually conducted as site visits with the auditors interviewing those who work at the site. In 2022, Enersense's Power segment conducted a number of internal audits across Finland related to power lines and substations, among others. For example, power line arrangements in Savilahti in Kuopio were audited during the summer.

"Savilahti was an unusual urban power line site, which required various traffic arrangements and only offered a limited amount of space to work in. Work arrangements had to be agreed with several partners, including the city, university and rescue department. The worksite also involved many work stages and induction processes, but the experienced and skilled project manager guided the project successfully to the finish line," says Paavo Kaija from the audit team.

The internal audit conducted at the Pirttikoski substation focused on the effectiveness of induction, as some of the technicians working in substation maintenance were still completing their induction during the audit. Maintaining and developing the personnel's professional skills is vital at Enersense, and induction plays a significant role in promoting the personnel's wellbeing, safety and enjoyment.

"Induction was a significant focus area in Pirttikoski. The quality of induction was very high, despite the short induction period," says Kaija.

During the year, the audit team also visited a power line maintenance site in Hirvisuo, the Lavianvuori substation, and a construction site for an electric vehicle charging infrastructure in Helsinki.

"Based on the discussions had during our audits, everyone works positively together and plays as a team. More experienced professionals can effectively transfer their knowledge to their junior colleagues through induction and other activities. The work done for occupational safety and health has been accepted especially well at sites," says Kaija.



# A permanent position as a substation designer through a summer job

Vesa Ruisma originally came to Enersense through cooperation with educational institutions and a summer job. Currently, he works in substation design in Enersense's Harjavalta unit. Ruisma was selected for Enersense's substation design team through the Electric Academy project of Satakunta University of Applied Sciences. The purpose of the project was to help students gain work experience by working in the participating companies.

After Vesa gained experience through the school project and his summer job, he was given the opportunity to join the regional substation design team, and he signed his permanent employment contract immediately after graduating.

"The biggest reason why I enjoy working at Enersense is the incredible crew. It was easy for a student to become part of such an atmosphere where everyone listens to you and helps you in your work. Here the team spirit is simply excellent. I also enjoy the diversity in tasks and Enersense's positive approach to post-graduate studies, thus enabling career advancement," says Vesa.

[+](#) Read more on our website in Finnish



# Occupational safety

The personnel are our strongest asset, and our goal is to continuously develop into an ever safer working community. One of Enersense's key goals is that we provide all our employees, contractors and visitors with a safe and healthy work environment.

**WE ARE COMMITTED** to continuously making our workplace safer and healthier, which is why we focus on our personnel, work environment, working community, processes and leadership. We promote safety and health as part of Enersense's daily activities in all the projects and countries in which we operate. Our goal is for people to enjoy their work and also retire in good health.

In 2022, we updated our occupational safety and health, environmental, quality and corporate security management systems as part of the project to update the Group's enterprise resource planning system. The aim is to replace the several current HSEQ reporting systems with a single Group-wide system and improve the overall management of occupational safety and health. The system is to be deployed during the first half of 2023. In 2022, the models of replacement work and early support also underwent comprehensive updates.

We also extended Enersense's HSE standard to our suppliers as part of supply chain management. The standard seeks to ensure shared practices between Enersense and its suppliers, as well as a safer work environment for everyone. The goal is to ensure responsibility and transparency throughout the supply chain (client – main contractor – subcontractor). The standard is part of Enersense's supplier approval process, whereby suppliers commit to complying with the standard's guidelines.

Hybrid working remains a widely used practice at Enersense, particularly in expert work. In tasks where remote working is not possible, we continue to focus on health security as a result of coronavirus, among other factors.

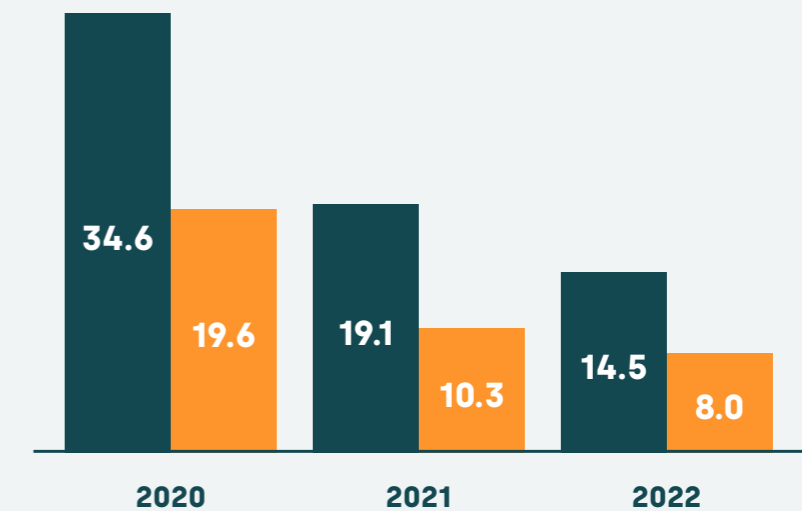
## Monitoring occupational safety targets

In 2022, Enersense's LTAF (lost time accident frequency, accidents leading to an absence of at least one day) was 8.0 (10.3), and our TRIF (total recordable injury frequency) was 14.5 (19.1). Both figures developed positively in 2022, with TRIF decreasing by 24.1% and LTAF by 22.3% from the previous year. Despite the positive development of our accident frequencies, we will continue to focus on improving occupational safety, because we believe that even one accident is too many.

One of the most significant occupational safety targets in 2022 was to certify all of our operations in Finland and Estonia belonging to the Group at the end of 2021 under the ISO 45001 occupational safety and health management system. We achieved this goal, and all of these operations were ISO 45001 certified at the end of 2022. We also carried out new corporate arrangements during the year, and we will investigate the certification of these operations in 2023.

## Accident frequencies

■ TRIF  
■ LTAF







**"Occupational safety and our personnel's wellbeing are absolute key factors for us."**

## **Exchange of information is vital in occupational safety cooperation**

Enersense's managers visited Estonia in June 2022 to learn more about occupational safety there. During safety walks, managers meet employees and hear about occupational safety practices and possible concerns. The aim is to spread best practices in everyday activities to improve safety at work.

"Occupational safety cooperation between the main contractor and other subcontractors works seamlessly here. Information is exchanged and used on both sides. This is extremely important," says Ott Sillukse who demonstrated the worksite.

Continuous and seamless cooperation and the exchange of information are key in developing occupational safety practices.

"It is essential that we have shared high goals for occupational safety and that we work together to achieve them," says Juha Silvola, Executive Vice President.

Enersense managers' safety walks started at Enersense Offshore in spring and continued in new locations throughout the year.



# Improving occupational safety in various ways

The personnel's safety at work is vital for Enersense. During the year, occupational safety was improved through various campaigns focused on Enersense's material and important themes.

## Got out of hand

More than half of occupational accidents taking place at Enersense involve the hands. The campaign disseminated anonymous information about hand accidents as warning examples and reminded everyone of the importance of conscious and active observations, preparations, correct working methods and the use of protective equipment.

## Starting a holiday healthy

The Midsummer week is a warning example in occupational safety statistics. As the holiday is approaching, our thoughts may wander and we may lose our focus. The "Terveenä lomalle" (Starting a holiday healthy) campaign was launched before Midsummer to prevent our personnel's summer holidays from turning into sick leave.

## Slipping and falling

Slipping and falling are, unfortunately, common occupational accidents and may even lead to extended sick leave. When it is dark and slippery, special attention must be paid to preventing slipping and falling. The campaign launched at the end of the year used unfortunate examples to remind everyone of the importance of cleanliness and lighting, holding on to railings, checking the weather conditions, and selecting appropriate footwear and other protective equipment in improving safety.





# Wellbeing at work and work ability

Enersense is committed to responsibility and to fostering wellbeing and health in all our business operations. Our employees' safety and health are our top priority in our day-to-day work.

**WE CARRY OUT WORK ABILITY MANAGEMENT** consistently, systematically and actively between the Group's internal activities and bodies, as well as in close cooperation with our partners in Finland. We monitor the effectiveness of our measures and the development of our indicators to address various challenges related to work ability at an earlier stage. We seek to further develop work ability management throughout the life cycle of the employment relationship. Wellbeing is related to healthy work and a healthy workplace community and working environment, as well as to a comprehensive balance between work and leisure and healthy lifestyles.

Musculoskeletal disorders are common in our industry, and we are paying special attention to their prevention and root causes and the early treatment of symptoms. We are also paying constant attention to overall health security, as well as to the prevention, identification and monitoring of occupational exposure (e.g. vibration, radiation, noise) and its prevention. Our preventive activities also include a thorough annual workplace study.

Mental health challenges are still very rare at Enersense, relative to their general development in society. Nevertheless, we have invested preventatively in the provision of low-threshold mental health services.

## **We developed our personnel's ability to work in various ways**

In 2022, we developed work ability management comprehensively by defining a framework for it, bringing together work ability management processes, parties, models and practices with internal and external work ability management parties. The framework also sets a direction for shared work ability management.

Based on our needs, we defined our key operational development priorities for 2022–2023, and we will continue to promote them consistently. Our identified priorities include the effective and proactive work ability management by knowledge, the prevention of musculoskeletal disorders, and the engagement of businesses more strongly in work ability management.

In 2022, we also updated our basic work ability management processes. They include the electronic model of continuing work ability (model of early caring), the model of replacement and lighter work, the substance abuse programme, and the process for harassment and inappropriate behaviour.

We provided our supervisors in Finland with training regarding the updated work ability management processes to strengthen the significance and role of work ability management and competence in it among near supervisors and emphasise the importance

We seek to further develop work ability management throughout the life cycle of the employment relationship.





**We are monitoring  
the impact of  
our measures.**



of close cooperation in occupational healthcare. We also updated the supervisors' path in the work ability management system used in occupational healthcare cooperation to provide supervisors with more straightforward guidance in the early phase of work ability challenges. In the model of early caring, we emphasise good interaction among near supervisors, the importance of knowing employees, and close cooperation in occupational healthcare.

Representatives of our earnings-related pension provider also participated in segment-specific work ability management training for supervisors. In each segment, we also investigated any challenges experienced by supervisors in work ability management and seek to find solutions together by sharing good practices.

We held webinars by an occupational physiotherapist for our fieldworkers and office employees in Finland to strengthen the musculoskeletal system and improve ergonomics. In addition, we piloted online group coaching for our employees with slight musculoskeletal challenges to strengthen their physical capacity. We also tested a program and mobile app intended for break exercise and recovery among our personnel in Finland. We will continue these projects in 2023.

Monitoring targets for wellbeing at work and work ability The sick leave rate (proportion of days used for sick leave) of our companies in Finland was 3.5% (3.2%) in 2022, and the health rate (proportion of employees with no sick leave during the year) was 43% (59%). In 2022, there was a significant increase in absences related to coronavirus and a general increase in infection-related absences. These figures are in line with our expectations considering the general trend in society.



# Competence and development at work

Maintaining and developing employees' professional skills is critical for ensuring our operational capacity, the quality of our services, as well as our employees' well-being and safety.

**EMPLOYEES' COMPETENCE IS DEVELOPED** in line with the strategy, business needs and each employee's job requirements. Our employees can also promote competence development through their own activity.

The goals for development at work, as well as competence development needs, are discussed with employees as part of regular performance and well-being discussions. The ways in which the competence required currently and in the future will be developed are negotiated by means of discussions between the supervisor and the employee.

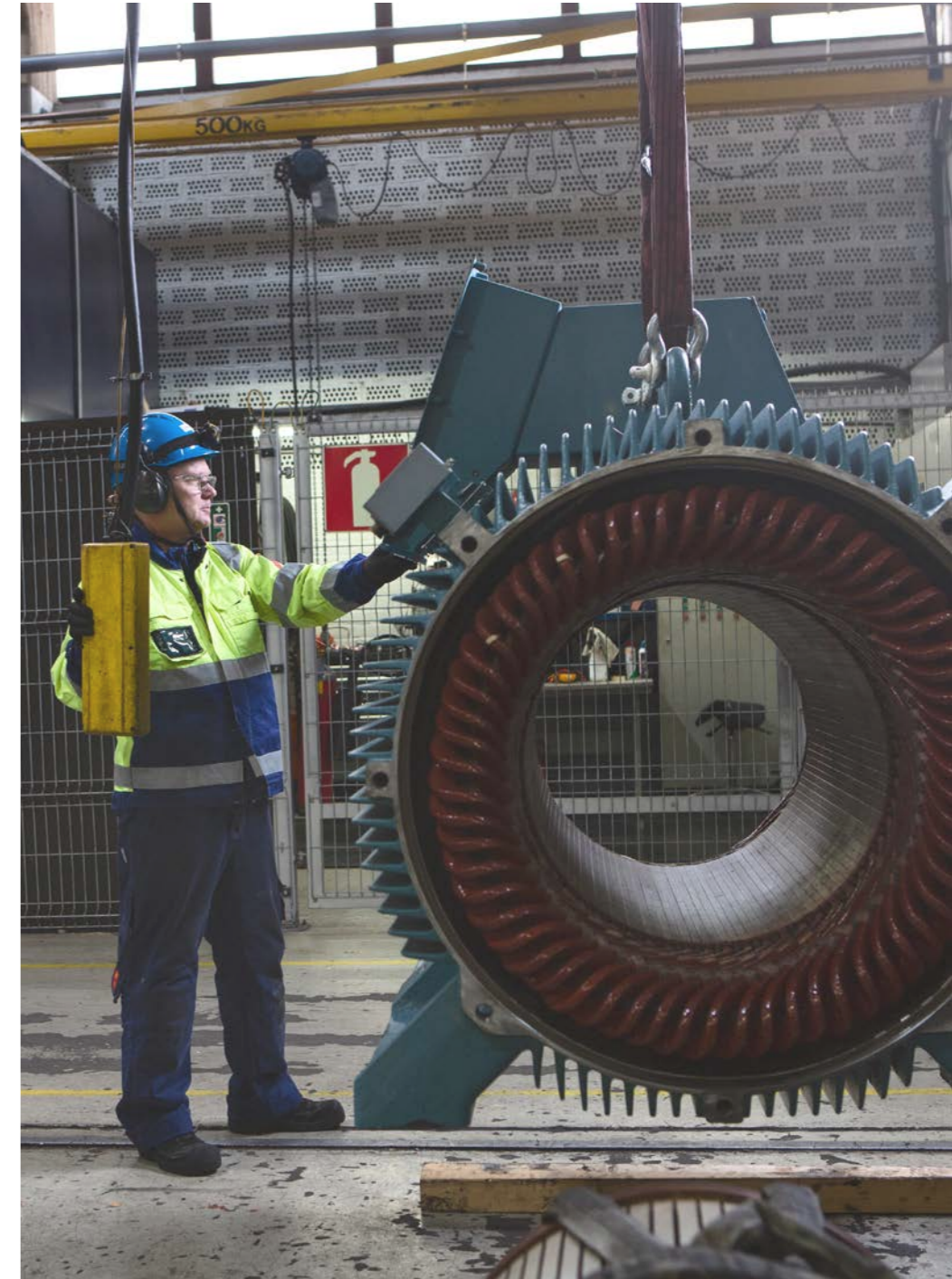
Maintaining and developing employees' professional skills is critical for ensuring Enersense's operational capacity and the quality of its services for customers, as well as employees' well-being and safety. It is therefore important to ensure that our personnel meet and maintain the competence and qualifications required for their tasks.

At Group level, we have identified the systematic management of our employees' competence as a factor critical for future success, and will invest in competence management over the next few years. A new HR system to be introduced in 2023 will signifi-

cantly support systematic competence management. The system covers the management of training and the setting of development goals as part of the performance management process, as well as the talent management process, among other aspects.

**We have identified the systematic management of our employees' competence as a factor critical for future success, and will invest in competence management over the next few years.**

In terms of business needs, competence development focuses on statutory and licensed training, as well as on the development of supervisory work. In addition to training, the competence necessary for work duties can be developed through learning on the job and online learning and by sharing information. By deepening and expanding competence, it is also possible to promote internal mobility and career opportunities within our Group.



# Respect for human rights

Enersense respects internationally recognised human and labour rights in all of its operations and promotes their implementation.

**ENERSENSE'S BOARD OF DIRECTORS** has confirmed the company's Code of Conduct, which includes requirements and commitments concerning respect for human rights.

Enersense does not condone any form of violation of human and work-related rights. Enersense does not accept any form of forced labour or the use of child labour. The company respects employees' right to organise, join or not join associations and trade organisations, and collectively negotiate with the employer. The equal treatment of all employees is one of Enersense's key principles. We seek to promote open, direct and respectful communication among all employees.

Enersense does not discriminate against anyone based on ethnic origin, age, gender, family situation, sexual orientation, conviction, functional limitations, political views or other similar factors. Enersense does not tolerate any form of bullying or harassment, such as violence, sexual harassment, inappropriate punishments or any kind of abuse. All employees must treat other employees with dignity and respect.

Enersense assesses human rights risks as part of its established risk management processes. The risks that are identified to be related to human rights mainly relate to occupational safety. In

Enersense's view, there are no significant risks related to human rights violations in its own operations. Any risks associated with human rights are related to the supply chain of Enersense and its Group companies. We seek to minimise these risks by selecting our partners carefully and requiring compliance with our Supplier Code of Conduct. Partner companies' operations are also audited as part of the risk management processes regarding the supply chain.

There were no suspected violations of human rights in the company in 2022.

## Enersense does not condone any form of violation of human and work-related rights.





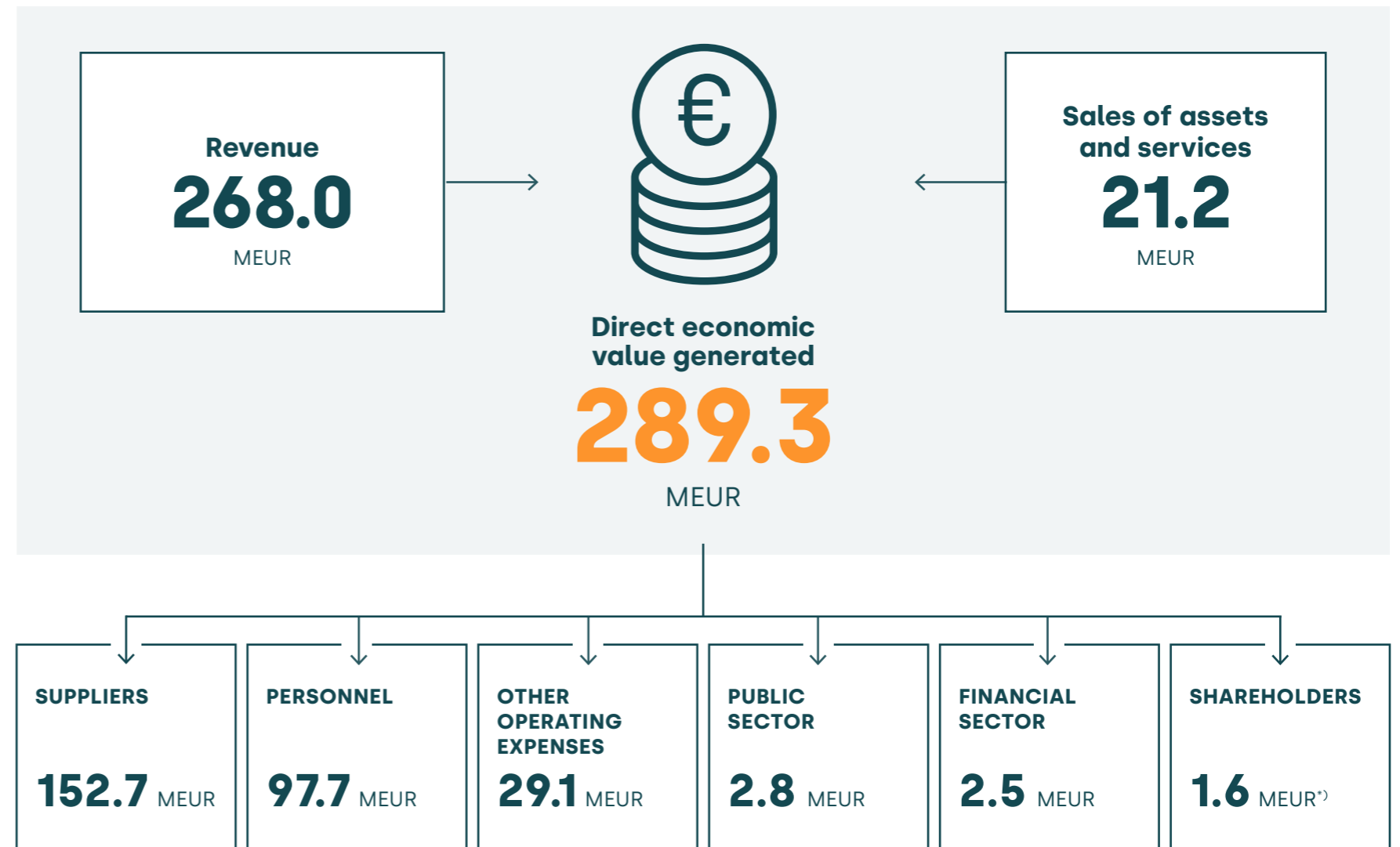
# Economic impact

**IN 2022**, our revenue from customer business operations was EUR 268.0 million. During 2022, we sold renewable energy wind farms that we had developed, as well as certain holdings in our partially owned companies. In addition to this, Enersense has certain operations that generate proceeds. The sales gains recognised for these totalled EUR 21.2 million. The direct economic value generated by Enersense was EUR 289.3 million.

The direct economic value distributed by Enersense to its stakeholders for the year 2022 totalled EUR 286.5 million. The most significant part of this consisted of payments for materials and external services which totalled EUR 152.7 million. Employee benefit expenses totalled EUR 97.7 million. In 2022, the company had a total of 1,836 employees (average for the year). Other operating expenses totalled EUR 29.1 million and consisted of office and building expenses, ICT software and equipment expenses as well as voluntary indirect personnel expenses such as expenses related to employees' working capacity maintenance and recreational activities.

Income tax to the public sector totalled EUR 2.8 million in 2022. Expenses to the financial sector totalled EUR 2.5 million.

Enersense's Board of Directors proposes to the 2023 Annual General Meeting that funds be distributed as a return of capital of EUR 1.6 million to shareholders.



\*) Proposal of the Board of Directors for distribution of funds.



# Tax footprint

**TAX FOOTPRINT DESCRIBES** the tax and other payments of fiscal nature that we generate to the society. Enersense pays its taxes in the countries in which their actual business operations take place according to local legislation. We are committed to accountability also in tax matters. We do not choose our operating countries based on taxation criteria and we do not practise aggressive tax planning.

The amount of income taxes is low due to the Group's losses in previous year, through which the Group has accumulated significant tax receivables on the balance sheet. However, we have paid taxes related to the acquisition and ownership of assets, according to normal practices, and we remit value added taxes and salary taxes.

Enersense does not report small amounts of paid and remitted other taxation items.

## **Paid taxes for the fiscal year, EUR million**

Income taxes	0.1
Transfer taxes	0.3
<b>Paid taxes, total</b>	<b>0.4</b>

## **Remitted taxes for the fiscal year, EUR million**

Value added taxes, sales (+)	78.6
Value added taxes, procurement (-)	-63.4
Salary taxes	21.0
<b>Remitted taxes, total</b>	<b>36.2</b>
<b>Paid and remitted taxes, total</b>	<b>36,6</b>







# Governance

# Members of the Board of Directors



## Jaakko Eskola

Chair of the Board

- b. 1958
- Board Professional, Wärtsilä Corporation
- MSc (Tech.)
- Shares: 7,405
- Varma Mutual Pension Insurance Company: Chair of the Board
- Technology Industries of Finland: Chair of the Board
- Cargotec Corporation: Chair of the Board
- Suominen Corporation: Chair of the Board
- Valmet Corporation: Vice Chair of the Board
- Finnish Foundation for Share Promotion: Board member
- P2X Solutions Oy: Board member
- Confederation of Finnish industries (EK): Board member



## Sirpa-Helena Sormunen

Vice Chair of the Board

- b. 1959
- General Counsel, Uniper SE
- LL.M (trained on the bench)
- Shares: 14,110
- Nammo AS: Board member



## Petri Suokas

- b. 1973
- Entrepreneur
- Vocational qualification in construction
- Shares: 12,210 shares directly, and 2,176,072 shares indirectly through MBÅ Invest Oy and 240,860 shares indirectly through Siementila Suokas Oy, which are entities in which he exercises influence
- Suotuuli Oy: owner, Managing Director and Chair of the Board
- Siementila Suokas Oy: owner, Managing Director and Chair of the Board
- Tilasiemen Oy: shareholder and Vice Chair of the Board
- MBÅ Invest Oy: Board member



## Herkko Plit

- b. 1970
- MSc (Tech.), Engineering Physics
- Shares: 1,221
- CEO and Founding Partner, P2X Solutions Oy



## Päivi Jokinen

- b. 1968
- Managing Director, Avant Advisors
- MSc (Econ.)
- Shares: 3,052
- InCap Corporation: Board member
- European Women on Boards: Chair
- Board Professionals Finland: Board member
- BoCap Group: Advisory Council member



## Sari Helander

- b. 1967
- CFO, Head of Group Functions, Ramirent Group
- MSc (Econ.)
- Shares: 854
- Evli Plc: Board member



# Members of the Group Executive Team



## Jussi Holopainen

- President and CEO
- since 1 January 2013
- b. 1977
- BBA (Business Administration and Management)
- Shares: 164,500 shares directly, and 2,176,072 shares indirectly through MBÅ Invest Oy, an entity in which he exercises influence
- MBÅ Invest Oy: Board member
- Suomi Teline Oy: Chair of the Board
- KT-Shelter Oy: Chair of the Board
- Yrittäjien Voima Oy: Chair of the Board



## Mikko Jaskari

- CFO since 2 August 2021
- b. 1969
- MSc (Industrial Management)
- Shares: 0



## Tommi Manninen

- SVP, Communications and Public Affairs, since 1 February 2021
- b. 1971
- Master of Social Sciences
- Shares: 1,221



## Sami Takila

- SVP, Legal since 1 July 2022
- b. 1974
- Master of Laws
- Shares: 495



## Hanna Reijonen

- SVP, HR, since 6 September 2021
- b. 1973
- MSc (Econ.)
- Shares: 755
- Oima Oy, Board member
- Attido Oy, Board member



## Jaakko Leivo

- EVP, Smart Industry, since 14 August 2020
- b. 1981
- BSc (Electrical Engineering)
- Shares: 2,442 shares directly, and 2,176,072 shares indirectly through MBÅ Invest Oy, an entity in which he exercises influence



## Juha Silvola

- EVP, Power, since 14 August 2020
- Acting EVP, Connectivity, since 16 September 2021
- b. 1972
- MSc (Manufacturing Technology)
- Shares: 15,210



## Margus Veensalu

- EVP, International Operations, since 14 August 2020
- b. 1968
- BSc (Mechanical Engineering), BBA
- Shares: 610

# Governance

**ENERSENSE'S DECISION-MAKING** and governance comply with the laws and regulations of Finland, its Articles of Association, the EU's Market Abuse Regulation (MAR), the rules of Nasdaq Helsinki Ltd, and the guidelines of the European Securities and Markets Authority (ESMA) and the Financial Supervisory Authority. Enersense also complies with the Finnish Corporate Governance Code published by the Securities Market Association. The code entered into force on 1 January 2020.

Enersense's Corporate Governance Statement has been published separately from the Board of Directors' report. Its 2022 financial statements, Board of Directors' report and remuneration report are also available as separate documents on [www.enersense.com/investors](http://www.enersense.com/investors).

## Financial reporting

Enersense's financial reporting is based on the company's disclosure policy. Enersense issued 57 stock exchange releases and 31 press releases in 2022. Enersense's 2022 reporting package includes a Board of Directors' report and financial statements, Corporate Governance Statement, a remuneration report and an annual report. All publications are available on Enersense's website at [www.enersense.com/investors](http://www.enersense.com/investors).

Enersense will publish two business reviews and a half-year report in 2023:

- Business review for January–March on 28 April 2023
- Half-year report for January–June on 3 August 2023
- Business review for January–September on 27 October 2023

The business reviews and the half-year report are published in Finnish and English and can be read on Enersense's website at [www.enersense.com/investors](http://www.enersense.com/investors). Enersense observes a silent period of 30 days prior to announcing its results.

## General disclosure principles

Enersense seeks to ensure that all parties operating in the capital markets have equal, simultaneous and undelayed access to relevant and sufficient information for determining the value of Enersense's financial instruments. The purpose of disclosures is therefore to provide accurate, sufficient and relevant information about Enersense's business operations, strategy, targets and financial situation in a timely manner.

Enersense's key communication principles are transparency, consistency, equality, timeliness, accuracy and comprehensibility. Enersense communicates about positive and negative aspects consistently and simultaneously to all stakeholders.

## Annual General Meeting 2023

Enersense's 2023 Annual General Meeting will be held on 4 April 2023. The Notice to the Annual General Meeting has been published on 27 February 2023 in a stock exchange release and on Enersense's website at [www.enersense.com/investors](http://www.enersense.com/investors).

## Distribution of funds to the shareholders

The Board of Directors of Enersense proposes to the General Meeting that the result for the financial period 1 January 2022 to 31 December 2022 be transferred to the profit and loss account for previous financial periods and that, based on the balance

sheet to be adopted for the financial period, funds be distributed to shareholders from the invested unrestricted equity reserve of the Company as a return of capital of EUR 0.10 per share, i.e. EUR 1,649,253.10 in total. The return of capital shall be paid in two instalments.

The first instalment, EUR 0.05 per share, shall be paid to shareholders that are registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the record date of the first instalment of the return of capital on 6 April 2023. The Board of Directors proposes that the first instalment of the return of capital shall be paid as from 5 May 2023. The second instalment, EUR 0.05 per share, shall be paid to shareholders that are registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the record date for the second instalment of the return of capital, as later decided by the Board of Directors. The Board of Directors will decide the record date and the payment date for the second instalment of the return of capital at its meeting to be held in October 2023. The record date for the second instalment of the return of capital is planned to be on 1 November 2023, and the payment date as from 8 November 2023.

According to the proposal, no dividend would be paid based on the balance sheet to be adopted for the financial period.

## Basic information on the Enersense share

Listed on: Nasdaq Helsinki

Trading ID: ESENSE

Shares outstanding 31 December 2022: 16 492 531



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