

loiste

2022

Sustainability and
Responsibility Report

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Our sustainability programme and approach to sustainability

Responsibility is part of our day-to-day operations, based on our sustainable development strategy. Our goal is to renew the energy infrastructure of Kainuu and its surrounding areas through responsible operations to ensure that the region achieves carbon neutrality. We focus on developing our own operations (in terms of internal processes, personnel and production, for example), the value chain (subcontractors, partners and customers) and our products and services. As part of responsible operations, we monitor the direct and indirect impacts of the company on society.

The Loiste Group's Board of Directors has outlined and approved a sustainable development strategy in 2022. The strategy defines the target state and the methods to change the Loiste companies' processes, business operations and cooperation with contractors to ensure commitment to ESG principles. The ESG and net-zero leadership standards and principles are the new standard for us.

By making a commitment to the ESG and leadership standards and principles, we are showing our commitment to ESG and net zero. We use organisational standards and frameworks that are universally accepted.

We are committed to the requirements of the UN climate agreement, EU taxonomy directives,

OECD standards, CSRD directives and other ESG sustainable development requirements. Our commitment is described in this responsibility report. This report also provides information about the foundation for our operations and their environmental, social and governance (ESG) aspects and impacts.

SOCIAL RESPONSIBILITY

We take care of human rights and implement our values whenever we interact with our customers, employees and partners. Everyone deserves to feel valued and safe.

We develop our employees' expertise as the needs of the industry and customers change. We work to be a good partner, and we treat our customers equally. Safety is an important part of our culture, and we have created a working environment that generates and maintains well-being.

ENVIRONMENTAL RESPONSIBILITY

We work close to people and recognise the environmental impacts of our operations. We take environmental aspects and energy efficiency into account in all our purchases. We provide our customers with energy-efficient solutions and services, taking account of responsible land use and biodiversity. We are committed to

supporting Finland's transition to carbon neutrality by 2035. We are involved in designing, building and maintaining a weatherproof electricity network, which also enables the growth of wind power. We seek to move towards carbon-neutral forms of production in district heating and electricity. Preventing environmental risks is a priority for us. We also expect our partners to contribute to a carbon-free Finland through concrete action.

FINANCIAL RESPONSIBILITY

We manage our business operations competitively, with high quality and a high level of solvency. Social responsibility is part of our day-to-day work, and we create added value for all our stakeholders through responsible action. We supply electricity and heat cost-effectively while also ensuring sustainable profitability. In addition to financial profitability, responsibility means creating and maintaining vitality. Our day-to-day activities are guided by ethical rules. Responsibility also creates added value for our shareholders.

Excellent result in an international sustainability assessment – great leaps towards carbon neutral production

Our excellent results in the international Global Real Estate Sustainability Benchmark (GRESB) assessment in the infrastructure sector show that we are on the right track with our responsibility programme.

Our overall score (92/100) is markedly above the average score (84/100) of all of the companies assessed. We scored four out of five stars in the comparison and placed fifth in our peer group. In our group, we were the company that had improved its performance the most.

Each year, the GRESB assessment measures the operations and performance of companies in several areas of environmental and social responsibility and good governance (ESG). Sustainability is key in all our operations. We work actively and systematically to reduce emissions and promote the green transition. Our goal is to increase the production and use of renewable energy and reduce the use of fossil fuels.

Our major project to renew our district heat production method made significant progress in 2022, with Business Finland providing around EUR 5.4 million in EU support for the project. We are moving to a hybrid model that uses a mix of electricity and combustion-based sources. Our goal is to achieve carbon neutrality in our district heat production by 2030.

In district heating, we introduced a ze-

ro-emission energy product based on waste heat from the LUMI supercomputer in Kajaani. We are aiming for a 20% share of district heat production for production based on the recovery of waste heat.

We continued our investments in the district heating network by building a kilometre of new trunk line in Heinisuo in Kajaani. Today, the district heating network covers around 70% of the area of the Kajaani urban centre.

In 2022, we also continued our work to improve the security of supply of the electricity network and to increasingly connect local electricity generation to the network.

A total of 186.7 MW of new wind power was connected to our grid. There are currently five wind farms connected or in the process of being connected to the grid, with a total capacity of around 500 MW.

The construction of small solar power plants also continued at a high level. A total of 208 new small solar power plants were connected to the grid, with an increase of almost 100% from 2021.

As a responsible employer, we promote an open and caring work culture. Our prestigious Great Place to Work™ certification attests to our good team spirit. Of our employees, 90% feel that Loiste is a very good workplace over-

all, with the average being 39% in Finnish companies. We have carried out the certification process since 2013. This was our best result so far and the fourth time we have been recognised for our efforts.

Lasse Aarnio, CEO, Loiste Companies



Loiste highlights in 2022

January

Strong gusty winds knocked down trees onto power lines and caused power outages in different parts of Kainuu (12–14 January)

March

Seven youth organisations received a Backup Power (Taustavoimaa) grant from Kajave.

Kajave issued a temporary reduction in the basic electricity transmission fee for April and May and did not charge its customers for two months of basic fees.

The security of electricity supply improved in Puolanka when Kajave built a new 110 kV power line from Seitenoikea to Lietekylä. The construction work started at the beginning of March and was completed on schedule at the end of June.

May

Kajave improved the security of supply and weather reliability of the Kainuu electricity network on several sites during the spring, summer and autumn. The people of Kainuu were informed about the replacement investment project through the publication of a regularly updated project map online.

Kajave published its development plan to be assessed by its customers and stakeholders from 12 May to 12 June 2022, and their comments were taken into account during the planning process.

Kajave decided to transfer the delivery of the metering data required by the electricity market to the national data hub maintained by Fingrid, by using the Datahub Connector (DHC) service provided by Landis+Gyr.

July

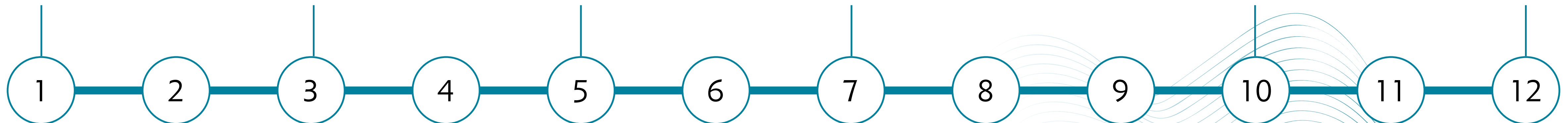
A development plan and a summary of the results of the customer survey were published on Kajave's website in July.

October

Loiste Rahoitus changed its name. The new name is Loiste Holding Oy (1 October 2022). The Loiste Group improved its ranking in the international GRESB sustainability assessment of the infrastructure sector. The Loiste Group ranked in the top five of its international peer group with a score of 92/100. The Loiste Group, Loiste Lämpö and Kajave joined the energy sector's Down a Degree electricity saving campaign.

December

Electricity shortage exercise – Kajave's experts practised how to operate in the event of an electricity shortage. Our partners, the municipalities of the Kainuu region, rescue departments, the Centre for Economic Development, Transport and the Environment (ELY) and the well-being services of the County of Kainuu took part in the exercise. Kajave prepared for the launch of Datahub, a national consumption information system.



February

The first phase of the Datahub service was introduced to companies in the sector.

On 25 February 2022, Kajave signed a business transfer agreement. In accordance with the agreement, Rejlers took over Kajave's operation centre in Kajaani on 1 April 2022.

April

Following a business transfer, Rejlers took over Kajave's operation centre on 1 April 2022.

In April 2022, Kajave and Loiste Lämpö organised their second occupational safety seminar for their key partners to discuss safety at work and measures to prevent accidents. Kajave and Loiste Lämpö are part of the Loiste Group.

The Loiste Companies received Great Place to Work™ certification, which is a highly valued accomplishment. (Around 67% of Loiste's employees say the company is a very good place to work overall, compared with 38% in a typical Finnish company.)

June

Loiste Energia sold its wind power plant monitoring services to Rejlers Finland. The agreements between Loiste Energia and the wind farm companies were transferred to Rejlers on 1 June 2022.

Call Waves Solutions Finland, the new customer service contract partner of Kajave and Loiste Lämpö, started working with the two companies' customers on 30 May 2022. A strike in the ICT sector hindered the start of cooperation for a couple of days.

Case

Preparing for exceptional circumstances

In December, Kajave organised an electricity shortage exercise with its partners and stakeholders. The stakeholders that participated in the exercise included representatives of municipalities, the well-being services county of Kainuu, the rescue department, the waterworks, the Regional State Administrative Agency, the Centre for Economic Development, Transport and the Environment (ELY) and the Finnish Broadcasting Company (Yle). The stakeholders participated in the exercise virtually, with around 60 people in total.

The exercise took place on a game platform created for the electricity shortage exercise. The game was managed by a consulting company, which created various scenarios for the exercise. Because the schedule was tight, the exercise was streamlined, covering the various phases of an electricity shortage concisely.

“The exercise was useful, and it showed that our contingency plans for electricity shortage situations work in practice,” says Operations Manager Marko Manninen.

“Some of our operating methods have room for improvement, particularly our ability to inform stakeholders in advance. We have provided municipalities with information about critical operating sites that will not be affected by power outages.”

Since the exercise, observations and feedback have been discussed several times internally, with partners and through a feedback survey submitted to stakeholders.



Loiste Group's strategy

Responsible innovator of the energy infrastructure

We focus on maintaining and developing the energy infrastructure in Kainuu and the surrounding areas.

Loiste's energy infrastructure includes the production and distribution of electricity and district heating, as well as the sale of district heating.

The most efficient energy information company in the industry

- We focus on core asset management functions
- We outsource operational functions and select service providers through competitive bidding
- We reduce unit costs by eliminating complexity

Growth and profitability through investment

- We optimise electricity network investments to meet customer's needs, taking account of changes in the operating environment
- We renew the district heating and steaming production distribution infrastructure
- We are expanding the district heating value chain to also include energy solutions for properties
- We develop the profitability and structure of the electricity generation portfolio

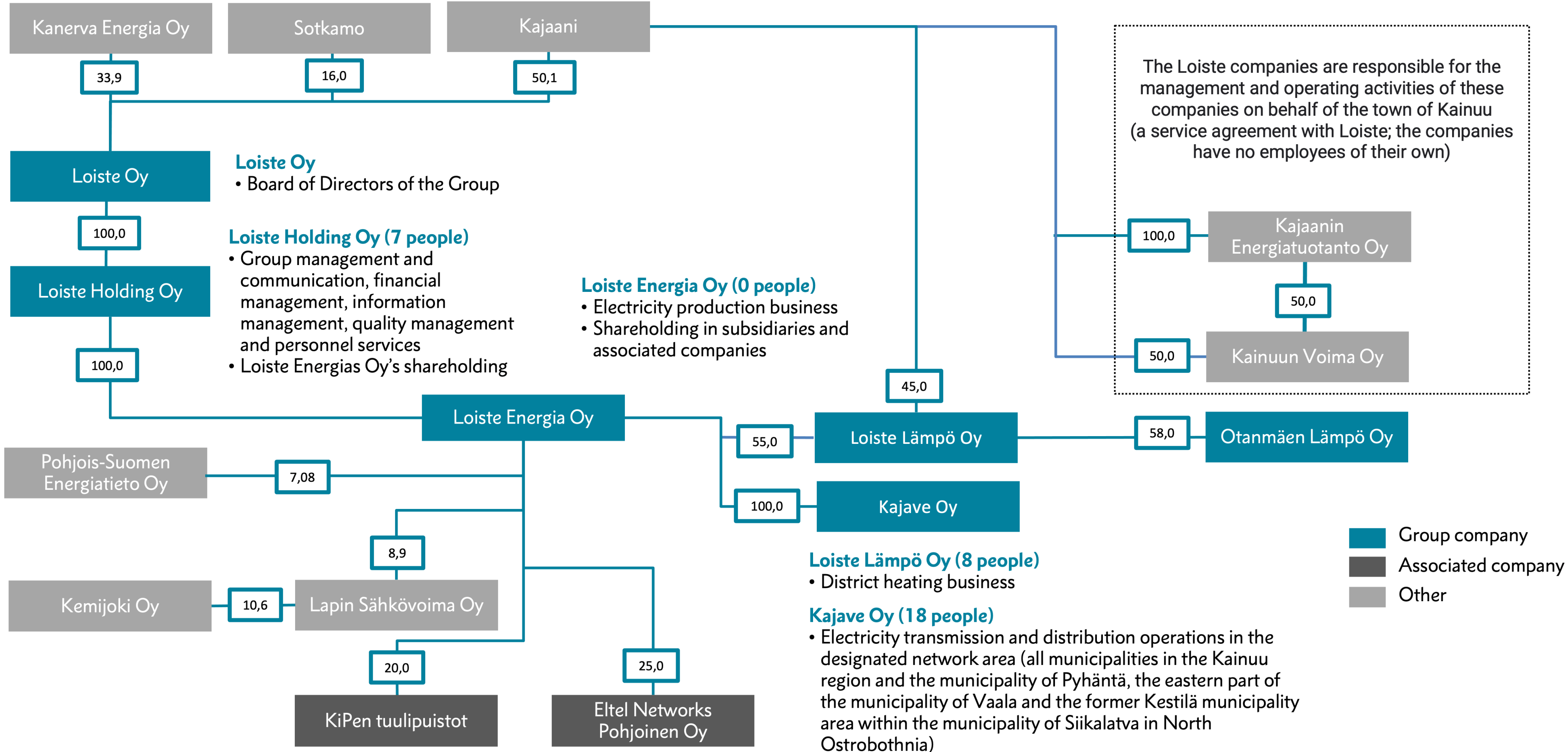
Customer-oriented and responsible

- We enable the electrification of society
- We accelerate the transition to renewable energy sources
- We sell responsible and competitive district heating and steam
- We act responsibly and expect the same from our partners

An evolving culture and renewed knowledge base

- We maintain an open and caring culture of cooperation
- We strengthen the knowledge base for asset management and procurement
- We are good employer for both current and future employees

Company ownership and governance



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Mission, visions and values

01

Towards a carbon neutral Finland

Mission

We work with various stakeholders to increase the use of climate-friendly energy and enable the transition towards renewable energy production.

We are responsible for the electricity network business throughout the Kainuu area and in parts of North Ostrobothnia, and for district heating operations and services in Kajaani, Otanmäki and Vuolijoki. We are also responsible for the hydropower plants that we own or operate.

In maintaining and developing our electricity network, we take account of current and future needs and local conditions. We prepare for power outages caused by weather phenomena by continuously monitoring the electricity network and maintaining troubleshooting capabilities to minimise any inconvenience caused to customers by interruptions. We enable the availability of carbon-neutral district heating to our customers by investing in renewable energy sources.

Our mission is to produce and supply electricity and heat equally to all customers in our region. We take care of the distribution of electricity and district heating and the construction, operation and maintenance of the related distribution networks. We are also responsible for managing electricity and district heating services and the partners involved in these services.

Vision

We focus on maintaining and developing the energy infrastructure in Kainuu and the surrounding areas. Our distribution network company is building a weatherproof electricity network that can also be connected to renewable energy production.

Loiste's energy infrastructure includes the production and distribution of electricity and district heating, as well as the sale of district heating.

In our own operations, we focus on asset management and the competent acquisition and management of operational services.

Values

Customer orientation. We listen to our customers and look for suitable solutions for them. We understand and recognise people's life situations. We treat people as individuals.

Joy in life. We have a positive attitude.

Although we are highly competent professionals, we can also laugh at ourselves. We also dare to have fun.

Responsibility. We act ethically and responsibly, respecting people and the environment.

We contribute to the vitality of our region.

Together we are more. We approach changes with curiosity and ambition, together with our colleagues and partners. Our processes are inclusive, and we have the tenacity to keep working until we find a solution.



SUSTAINABLE DEVELOPMENT GOALS

We are committed to supporting Finland's transition to carbon neutrality by 2035. We are also involved in investing in and building wind power. We are enabling the green transition for our customers by developing the electricity network to meet their changing needs. We are committed to preventing the environmental risks of our own operations and the risks posed by climate change. We participate in social projects where we can make an impact and where we can use our expertise for the benefit of the climate. We also expect our partners to take concrete action to achieve a carbon-free Finland.

LOISTE-GROUP'S STRATEGY

The company's strategy is updated annually, and its key priorities are reviewed regularly. Loiste has a separate Group-wide sustainable development strategy. The related action plans are reviewed and updated regularly and monitored in business processes.

The Board of Directors is responsible for the Group's strategy. The CEO is responsible for preparing and implementing the strategy, and the CEO delegates responsibility for planning the business strategy to the business executives. The CEO prepares the strategy and implements it together with the Group Manage-

ment Team. Organisational staff are involved in the preparation of the strategy in different areas of expertise and at different stages of the planning process. The implementation of the strategy is reviewed regularly with the entire staff. A schedule is prepared for the measures included in the strategy, and responsibility is assigned to the appointed persons in charge. The business plans of the units are part of the strategy. The implementation of the strategy is guided and measures are prioritised at the monthly meetings of the Group Management Team. The persons in charge are responsible for ensuring that the strategy guidance monitoring tools are up to date.



We seek to move towards carbon-neutral forms of production in district heating and electricity.

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Operating environment

022

The energy sector is evolving

The energy sector is under constant change because of the energy revolution and digitalisation. New operating models are being developed for the sector. We play a major role in mitigating climate change and electrifying society. People expect the supply of electricity to be secure, with reliable quality.

The EU taxonomy sets requirements for sustainable development and thereby contributes to the achievement of the EU environmental goals. The achievement of these goals calls for concrete action, to which we are committed as an energy company. The production of wind and solar power is increasing in our areas of operation in Kainuu and its surrounding areas. In this respect, estimates of the implementation of Loiste's plans are monitored regularly.

We operate in line with the laws, regulations and standards applicable to our operations. We are expected to take good care of the environment and act responsibly as an employer, a customer and a supplier of energy. We are involved in promoting the UN Sustainable Development Goals.

In our business operations, we monitor the development of legislation proactively and are responsible for ensuring compliance with the law. We actively participate in and monitor development efforts in the energy industry. This also

provides us with information about legislative reforms, for example. This information is shared within the organisation and with partners.

Competition in the heating business is increasing. Geothermal heating systems and air source heat pumps are becoming more common and their technology is evolving.

The electricity generation market is challenging throughout Europe, and this is reflected in the pressure to raise prices in Finland. In the electricity network business, the requirements are stricter in terms of pricing and security of supply.

Long-term operations require that we adopt the principles of sustainable development and keep our stakeholders informed and involved. In terms of personnel, customers and other stakeholders, we comply with the General Data Protection Regulation (GDPR). Customer satisfaction is a key part of our company's values. Above all, satisfaction is guaranteed through our good security of supply.

Stakeholder policies and relations

Stakeholders are parties that have an impact on our operations and are also affected by our operations. Cooperation with stakeholders is based on trust. We cooperate with our stakeholders or engage with them in other ways. There are both internal and external stakeholders.

Stakeholder perspectives, roles, feedback management and relationship management are part of business planning. Stakeholder risks and their management models are considered and followed in various processes. Stakeholder management requires transparency and control over all stakeholders. Risks need to be considered in terms of how they affect all stakeholders.

Companies' operating environments and ways of working are changing, and change management includes considering the management of various ecosystems. In terms of stakeholders, we monitor activities and interactions at various meetings. We monitor and promote operations through feedback, development ideas and risk management surveys. We monitor the quality of stakeholder activities, respect for human rights, risks and occupational health and safety aspects, in addition to involving stakeholders in our activities. We require from stakeholders transparency and the reporting of any misconduct, penalties, incidents or acci-

dents. These are reviewed in accordance with the agreed schedules at the service management meetings to the extent that such meeting practices are in place.

CUSTOMERS

Our customers expect security of supply, reasonable prices and responsibility from our products and services. Customers are consumers of our products and users of our services. We monitor the customer experience and provide our customers with opportunities for feedback so that we can manage our obligation to meet customer requirements. Any issues are usually related to the processing of personal data. We comply with the GDPR.

PERSONNEL

Employees are an important resource for the company, and well-being and safety at work must meet the related requirements. Employees' expectations are monitored as part of Loiste's strategy work (our personnel strategy is updated every 1–3 years). Employee satisfaction is monitored by means of an annual TrustIndex survey and monthly pulse surveys. Employees are provided with opportunities for feedback and professional development, and their equal treatment is ensured. We comply

with the Act on Co-operation within Undertakings (1333/2021), the Government Action Plan for Gender Equality and the UN human rights rules. We have a Code of Conduct in place for our employees.

OWNERS

Owners' expectations are monitored through owner meetings at least twice a year. The owners expect the company to operate in line with its Articles of Association and develop its business operations so that the value of the company can be expected to increase over time. Through accurate reporting, the owners are provided with an overview of our financial situation, customers' expectations, well-being at work, the risks involved in our operations and our impacts on the surrounding society.



Cooperation with stakeholders is based on trust.



FINANCIERS

Financiers invest in the operations and development of the company. The financiers expect the company to secure a stable financial position and return on investment.

PARTNERS AND SERVICE PROVIDERS

Loiste's operating environment involves various service providers. We operate within an extensive partnership network. Our partners expect long-term business development and transparent operations from us. We expect high-quality, cost-effective and transparent operations from our partners. The selection of partners and the management of partnerships are documented. Partners comply with our principles and rules. Operations are monitored and measured regularly, and the results and operational development are reviewed with the partners.

SOCIETY

Our environmental performance and social responsibility are important in various areas of society. In our operations, we comply with

the law and EU regulations. Our operations are measured and monitored by the authorities. In environmental matters, we pay special attention to preparing for the future in terms of global warming, ESG and the EU taxonomy to the extent applicable to our industry.

MEDIA

The media expects responsible, timely and prompt communication from us.

THE AUTHORITIES

The electricity network business is the most strictly regulated aspect of our operations. It is regulated under the Electricity Market Act, and its regulation also covers pricing, investments and, in particular, the generation of revenues. Supervision and legislation safeguard the position of electricity customers. In the heating and production business, the supervisory authorities expect energy efficiency and compliance with the law and environmental permits in terms of emissions and the storage of raw materials.

Quality management as part of the operating policy

As part of Loiste's responsibility programme, quality management creates a common basis for quality assurance in our various businesses. Quality management is part of all business-related processes, from procurement to monitoring.

THERE ARE SIX BASIC ELEMENTS TO QUALITY MANAGEMENT:

- Meeting the needs and expectations of our customers is a prerequisite for Loiste's success.
- We ensure that Loiste's assets are reliable and secure.
- In our operations, we adhere to Loiste's ethical principles and values and the applicable rules.
- Highly competent and motivated employees are a basic precondition for our operations. We aim to be the most attractive workplace in our industry.
- We monitor and measure the quality of our operations and are committed to continuous development.
- We also expect our partners to work in line with our quality management principles and practices.

Integrating quality management into our practices and day-to-day work is an ongoing challenge that requires the commitment of both the management and the employees.

The implementation of quality management is measured at different points in time.

LOISTE'S MANAGEMENT SYSTEM STANDARDS

The quality of our operations is reflected in our work performance, which is developed, monitored and reported through certification systems. In Finland, we lead the way in operational development in the energy sector with the help of certified systems. We had our quality, environmental and occupational health and safety systems certified at the same time in 2000. The certificates cover all our business areas: energy and heat production and the network and related internal services.

The following are also taken into account:

- Employees' full participation
- A process-based approach
- Improvement
- Evidence-based decision-making
- Relationship management

The requirements, policies, purposes, goals and operating guidelines included in our management system are based on the following standards: ISO 9001, ISO 14001, ISO 45001 and EES+. Our operating system covers all processes and Group companies.

Our guiding policies

The policies of the Loiste companies guide our operations to ensure that our owners' and stakeholders' expectations are met. The company's Board of Directors has set and approved the policies that guide our operations, as well as the Board's rules of procedure. In line with our strategy, we are committed to systematic and continuous development. Our operations are guided by the company's values. Loiste's management system aims for the safe, sustainable, reliable and cost-effective management of operations, products and services, considering their entire life cycle and the functionality of its own processes and the processes of its partners and customers. The aim is also to ensure that Loiste's own processes and the processes related to its partners and customers are always effective.

The requirements and guidelines related to infrastructure, information systems and reporting are considered in preparing and setting policies. Policies are reviewed regularly and updated as necessary to reflect operating methods and current standards. Policies are targeted at all employees to the extent that they are applicable to each organisation. Processes are monitored at various meetings as necessary. The implementation of the policies and the management of the system are regularly audited.

Loiste Group's policies

- Operating policy (ISO 9001, ISO 14001, ISO 45001, EES+), risk policy, procurement policy, treasury policy (asset management, included in the risk policy)
- Credit risk policy (included in the risk policy)
- Insurance policies (included in the risk policy)

We act responsibly, taking into account the needs and expectations of stakeholders and the importance of cooperation. Our operations are described in processes that measure and monitor the implementation of the responsibility of our operations, covering the requirements of the quality system, ESG and the EU taxonomy.

The risk policy covers environmental, social and governance risk areas. In addition, the policy takes into account separate detailed risk management guidelines for business operations. The risk policy and its appendices include the following policies: continuity management, production risk policy, production risk mandate, crisis management rules and guidelines, REMIT Compliance insider information,



Our operations are guided by the company's values: customer orientation, collaboration, joy in life and responsibility.

cybersecurity, authorisation and security risk management, environmental risks, social risks and management risks.

Risk management is the management of identified risks through various means such as risk elimination or reduction. Only identified risks can be managed. The risk policy is an expression of the will to manage risks in situations where there are several options. The risk policy includes a procedure for achieving the desired level of ambition. Internal control is management that ensures the proper operation and legality of people and processes. The document provides guidance on internal control and risk management.

The goal is the safe, sustainable, reliable and cost-effective procurement of products and services, taking into account their entire life cycle and the functionality of the Group's and its customers' operating processes. The Group's current guidelines related to infrastructure, information systems and reporting, for example, are taken into account in procurement. The product or service to be purchased must meet the requirements of the law. The supplier must meet the requirements of the Loiste companies' credit risk policy. The procurement principles cover the following areas: procurement principles, documentation, partner management,

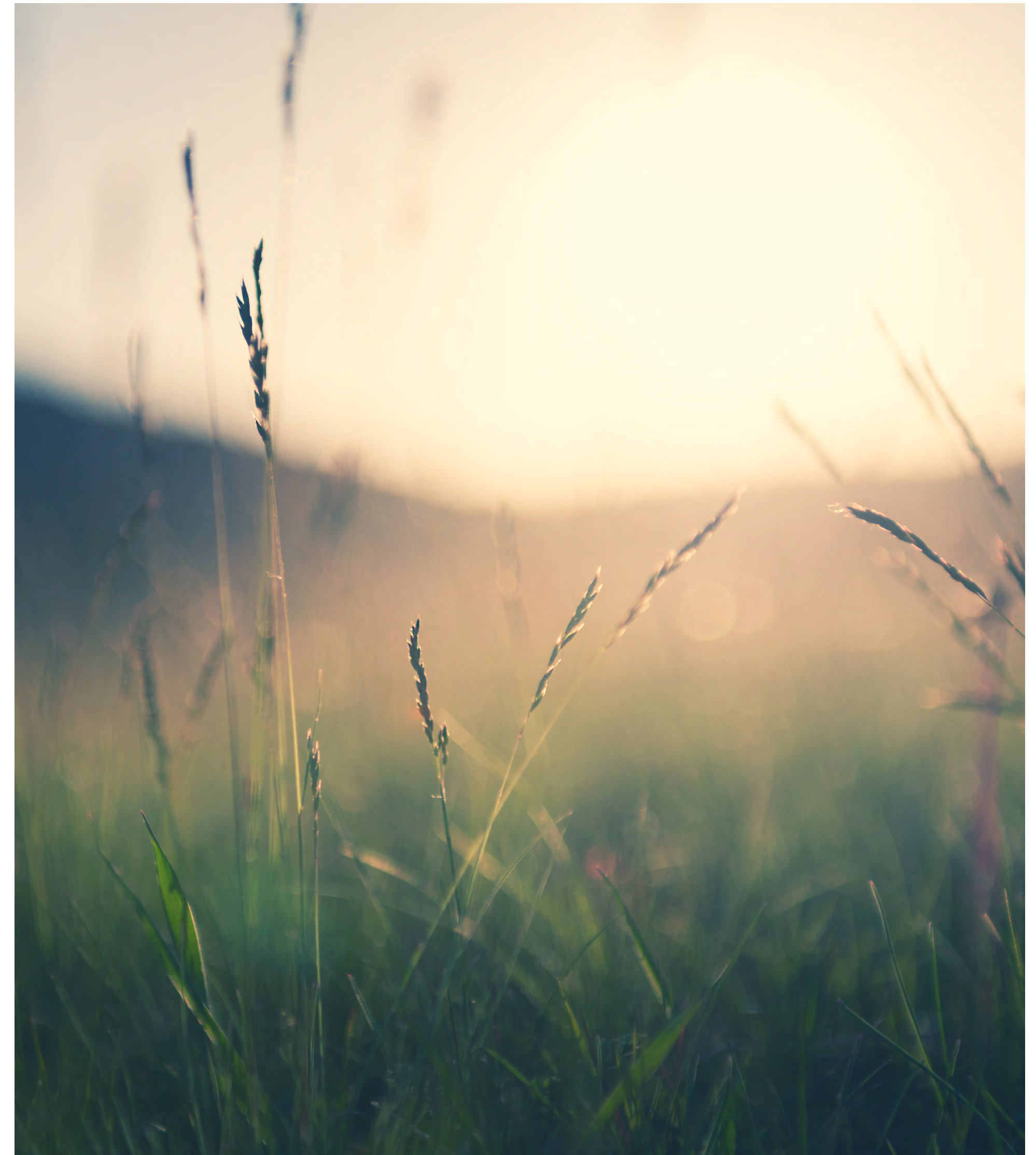
monitoring methods, feedback, measurement, quality, the environment, society, social aspects, security and data protection.

OUR GUIDING PRINCIPLES

At Loiste, we always comply with the current legislation, even if this means that our internal goals cannot be achieved.

We adhere to the following rules. We also familiarise our partners with the rules and require and monitor compliance with them.

- We always act honestly, responsibly and lawfully.
- We behave professionally and in accordance with good business practice (good business practice refers to good practice that reflects a general understanding of morality).
- We avoid situations in which our own personal interests may be considered to conflict with the interests of the Loiste companies.
- We always process the Loiste companies' business information confidentially.
- We will not abuse the powers granted to us for the benefit of ourselves or any third party, nor to the detriment of the Loiste companies.
- We actively promote equality and diversity. We do not tolerate discrimination based on gender, age, disability, ethnic origin, religion, worldview, sexual orientation or any other



personal characteristics. All our employees must treat each other respectfully and honour each other's right to privacy. Discrimination, harassment and offensive behaviour will not be tolerated.

LOISTE'S OPERATING POLICY

The Loiste Group's operating policy is based on its purpose, values and strategy. Our operating policy aims to take sustainability, people and the environment into account in all our operations. The Loiste companies act responsibly and transparently in all their operations:

- We identify the needs and expectations of our stakeholders for our operations and implement them through our processes. Our key stakeholders are customers, employees, suppliers, partners, the authorities and owners.
- In our operations, we take into account people's life situations and needs, and we do not exclude anyone from our daily operations. We respect the diversity of people.
- We actively monitor the development of the operating environment. We comply with the requirements of the law and other standards that apply to our operations.
- We comply with the national legislation, ESG, the EU taxonomy requirements and the UN human rights rules.

- ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ETJ+.

THE ENVIRONMENT

- Climate change mitigation: we seek to develop our processes to minimise our climate impacts.
- We promote adaptation to climate change.
- We promote the sustainable use and protection of water and marine resources.
- We promote the transition to a circular economy.
- We prevent environmental pollution.
- We protect and seek to restore biodiversity and diverse ecosystems.
- We take forests into account as comprehensively and efficiently as possible in construction. We are freeing forest areas for forest growth when we move power lines next to the roads.

SOCIAL SUSTAINABILITY

We develop and maintain a corporate culture that takes into account aspects related to people's gender, diversity, working conditions and human rights.

GOOD GOVERNANCE

- Good governance involves protecting the rights of owners, treating them equally and

recognising their legal rights. Owners are encouraged to participate in the company's operations and are regularly provided with accurate reports on the organisation's financial situation. Good governance also includes the control and supervision of the organisation's governing bodies and accountability.

- Our monitoring responsibilities include the timely and accurate reporting of financial information and the proper organisation of auditing, internal control, risk management, compliance with laws and regulations, and management and governance practices.
- Governance must ensure independence, cybersecurity, data protection, authorisations, reward methods and the identification and prevention of conflicts of interest.
- Significant conflicts of interest related to our business are reviewed with sufficient care and addressed as necessary.
- We also require good governance from our partners, and we expect good governance throughout our value chain.
- We ensure sufficient resources and tools for our operations, chosen operating methods, operational development and expertise.
- We encourage participation and involve and engage our own and our partners' employees in improving efficiency, safety and well-being

at work, reducing environmental impacts and improving energy efficiency.

- In new investments, we adopt the best and most reliable technologies available.
- We guide our customers to act responsibly in their decisions that affect safety, the environment and energy efficiency.
- We require our partners to commit to our operating methods and policies. We support the development of our partners' operations and management and improve the performance of the entire network in terms of quality, efficiency, safety, environmental impacts and energy efficiency.
- Our operating system meets the requirements for ISO 9001 quality management systems, ISO 14001 environmental systems, ISO 45001 occupational health and safety systems and EES+ energy efficiency system standards.



Responsibility is part of our day-to-day operations.

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Social responsibility

03

Employees as part of the operating policy

We follow the values of the Loiste companies. Loiste's high level of ethical and moral standards is reflected in our common values. Through social responsibility, we can contribute to and safeguard well-being in society. This responsibility includes statutory matters, such as those related to employees' social security and occupational healthcare, but it also includes voluntary contributions. Efforts that have a positive impact on employees, stakeholders and society create added value and a competitive advantage.

In addition to our own personnel, the Loiste companies' social responsibility also applies to the employees of our partners, contractors and subcontractors when they are involved in our assignments.

We also expect our subcontractors to take good care of their employees. The well-being of our personnel has been monitored since 2003 through an annual personnel barometer survey. Since 2016, the survey has been conducted within the Great Place To Work survey, which enables us to address any challenges related to work or working conditions at an early stage. In addition, we conduct a monthly anonymous pulse survey, through which employees can also provide free-form feedback or submit questions to the management. These are re-

viewed at monthly briefings for employees. Opportunities to have constructive development discussions with the supervisor and provide confidential feedback are important. We strongly support the voluntary training of staff.

Employees are our company's most important resource. We support our employees' development and encourage them to:

- Participate actively in the planning and development of our operations
- Learn to manage continuous change
- Engage in professional development
- Apply for meaningful and challenging jobs
- Take care of their physical and mental well-being

Our goal is to be a team whose members can work together flexibly and seek to solve problems in the workplace community boldly and constructively. Our operations are guided by positivity, initiative and open-mindedness.

Case

Oulu Chamber of Commerce: Training Client of the Year

In 2022, the Oulu Chamber of Commerce selected the Loiste companies as its Training Client of the Year, in terms of both the quantity and quality of education. Loiste's employees used the Chamber of Commerce's training services in the fields of finance, taxation, management and supervisory work.

– We have an organisation of 35 experts, and maintaining their competence and broad-based expertise is essential. Every employee is important, so practically everyone attends training. For example, the Board of Directors' work and, of course, sustainability are currently topical training themes for Loiste," says CEO Lasse Aarnio.

The Training Client of the Year has been selected annually since 2004.

HEALTH AND SAFETY

We work to ensure the occupational health and safety of our employees and partners. These are regularly monitored at committee and service management meetings.

Each committee has its own goals, which are discussed at its meetings. More detailed descriptions are stored in the locations specified in the process descriptions. The Loiste companies comply with the applicable laws, standards and other regulations. Occupational health and safety and shop stewardship activities are organised in accordance with the law.

Occupational health refers to physical and mental working capacity and occupational health. The goal of occupational health and safety activities is to maintain occupational health and prevent hazards and disadvantages arising from work and working conditions.

Occupational safety means that the physical, mental and social working conditions in the workplace are in order. When an employee has a safe environment, a well-functioning workplace community and an appropriate workload, their work is meaningful and productive.

Occupational health and safety are cooperation between the employer and the employees to ensure that it is safe and healthy to work in the workplace.



Case

Safety begins with the right attitude – A helmet protects you only if you wear it

In April 2022, Kajave and Loiste Lämpö organised their second occupational health seminar. Safety at work is not just about guidelines and regulations. Safety can be improved by making observations and being aware of risks on the construction site. Everyone's commitment and input are needed.

Safety is a common concern for the employee, their colleagues and the people around them.

"In the energy and electricity sector, work on construction sites often involves cooperation with several operators and contractors. It has been great to see that everyone is personally committed to improving safety," says Eetu Niskanen, Construction and Procurement Manager at Kajave.

The second occupational safety seminar was organised for their key partners to discuss safety at work and measures to prevent accidents. The previous seminar was held in November 2021.

"We have seen a positive change in attitudes towards safety considerations over the past few years. Safety guidelines and protective equipment are taken more seriously on construction sites, and development needs are discussed," Niskanen says.

SAFETY EXTENDS BEYOND THE CONSTRUCTION SITE

Working conditions can be challenging in the energy sector, which increases the risk of accidents. Construction sites can be located on roads and in yards that can also be accessed by outsiders. The appropriate marking of construction sites and the completion of work are important, for both employees and outsiders.

"Hazards can arise if work involving land areas is poorly completed, or if the construction site is not appropriately isolated. It must also be taken into account that emergency vehicles have access to the site. Consideration of the areas surrounding the site is a key aspect of safety," says Jari Väisänen, Maintenance and Operations Manager at Loiste Lämpö.

IDENTIFYING PROBLEMS THROUGH OBSERVATION AND REPORTING

In cooperation with its partners, Loiste has further improved reporting related to occupational safety. New risk identification tools have been introduced that make it easy to report accidents and near misses.

Reporting improves the availability of information between operators and enhances the

prevention of incidents.

"We have consciously lowered the threshold for reporting even the smallest incidents by building good relationships and communication with our employees and contractors. I'm actively involved in this work, and I frequently discuss safety with employees on the phone, for example," Kimmo Kallinen, Occupational Health and Safety Representative at ENP.

INDUCTION TRAINING THROUGHOUT THE PROJECT

Safety is based on good induction training, which always begins before starting work on the construction site, and continues throughout the project by means of monthly safety walks. The safety and special features of the construction site are observed during safety walks, with a focus on one theme at a time.

Observations made during safety walks were shared at the occupational safety seminar. Based on the observations, the induction training on the construction sites had been effective. The key aspects of safety identified by participants in the safety walks were cooperation and the reporting and sharing of safety observations.

Equality and non-discrimination programme

The Loiste companies have an equality and non-discrimination programme in place. Equality must be promoted in a goal-oriented and systematic way by creating conditions that do not hinder the realisation of equality.

In planning related to equality, solutions must be found that increase gender equality. The purpose of the obligations and measures to promote equality is that workplace practices are genuinely non-discriminatory in terms of recruitment, the division of duties, training, remuneration and the determination of employment and employment-related benefits and obligations. This means practical action to promote equality.

We appreciate the freedom and convictions of the individual. We respect each other equally, regardless of age, gender, organisational status or other personal characteristics. We actively provide feedback and develop remuneration models. We acknowledge and reward individual employees for significant work performance.

COMMITTEES

Committees work to ensure compliance with the standards, which is reflected in the day-to-day operations of all our businesses. The role of the committees is to take care of policy com-

pliance processes and monitor the related indicators. The committees provide information in accordance with the procedure agreed within the organisation. The work of the committees and the management is also assessed through internal audits.

THE FOLLOWING COMMITTEES DISCUSS THE MONITORING OF PROCESSES:

- Environmental and Energy Efficiency Committee
- Health and Safety Committee
- Data Protection Group
- Service Management and Steering Groups

TARGET PROGRAMMES AND MEASURES

Target programmes are set by business operations and approved by business operations and the Group's management. Target programmes are monitored by various committees by means of indicators. The committees provide the organisations of various business operations with information and verify the indicators as agreed.

Employees and administration

In 2022, of the employees of the parent company and the Group, 77% were men and 26% were women. On 31 December 2022, the average age of our personnel was 47.57 years.

Our employee benefits

- ePassi Flex sports, cultural and wellness benefits
- Physical therapy, 10 times per year
- Glasses for computer work
- Work ergonomics measurements
- Extensive occupational healthcare
- Staff club activities (under a separate budget)
- Birthday and anniversary celebrations
- Recreational facilities
- Leisure accident insurance

STRUCTURE, GOVERNANCE AND THE BOARD'S RESPONSIBILITIES

In accordance with the Group's strategy, its structure, governance and decision-making,

monitoring of business areas, impact and measures are maintained and monitored in the systems used to describe business processes and sub-processes, as well as in the related documentation tools. The Articles of Association determine the company's business name, domicile in Finland, business sector and signature rights. The current version of each company's Articles of Association is available from the Patent and Registration Office. The Board's rules of procedure include guidelines on compliance with the company's ethical rules, Articles of Association, corporate governance, operating method and decision-making procedure.

THE COMPANY'S BOARD OF DIRECTORS IS RESPONSIBLE FOR ENSURING THAT:

- The company's accounting and the related documents are up to date and complete and in compliance with the laws of Finland.
- The company's audit is performed by an independent and internationally known audit firm.
- The company's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in Finland and in accordance with the EU and Finnish legislation.
- The company's internal control and risk management are organised, the risks are insured and the insurance cover is sufficiently

comprehensive.

- The company's Board of Directors and management manage the company in accordance with its current business plan.

GOVERNANCE DEVELOPMENT

The role of Administrative Services is to support the boards and business management of its customer companies in financing, financial and information management and HR and in any mergers or acquisitions. Administrative Services is also responsible for providing its customers with personnel and communication services to a separately specified extent and for coordinating competence development and project management.

In addition, Administrative Services is responsible for coordinating the development and maintenance of the business systems of the Loiste companies, in cooperation with the boards, management teams, business management and experts of the various companies. To a limited extent, it is also responsible for coordinating the development work related to management and quality systems, as well as the Group's information management (in terms of quality, the environment, occupational health and safety, information security, cybersecurity and corporate social responsibility).

Year	Average number of personnel	Salaries (1,000€)
2022	38	4 852
2021	59	4 172



Case

Grants to support local hobby activities

In 2022, Kajave granted a total of EUR 5,000 in Backup Power (Taustavoimaa) grants to eight associations in support of leisure activities for children and young people. The grant recipients were selected in early March.

“We are delighted that children and young people actively participate in hobbies in our region. This year, we received 43 applications, a third more than last year. More than half of the applications were for sports, so more than half of the support was granted to sports activities,” says Maarit Tuovinen, Customer Relationship Manager at Kajave.

Grants are also awarded for local child and youth work, the promotion of arts and culture, and nature and wilderness activities. Kajave’s policy is to award grants to as many organisations as possible for a diverse range of activities, so that the support reaches children and young people on a broad scale.

“Shared activities that are fun and meaningful increase well-being. We seek to support a wide range of hobbies across our electricity network area,” Tuovinen says.

Kajave has supported recreational activities for children and young people for almost twenty years. The first grants were awarded in 2004.

Grant recipients in 2023:

- Ruhtinansalmen kyläyhdistys ry (village association)
- Kosken kyläyhdistys ry (village association)
- Kainuun Kirjailijat ry (writer’s association)
- Paltamon riistanhoitoyhdistys ry (game management)
- Vuokatti Team Sport ry (ice hockey, football, floball)
- High Five Agility Team ry (agility for dogs)
- Kajaanin Pallokerho ry (Finnish baseball)
- Paltamon Urheilijat ry (sports club)

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Environmental responsibility

044

Environmental responsibility

The company aims to increase energy efficiency and make environmentally friendly choices in its business operations. We pay attention to waste management and the final disposal of waste. We pay particular attention to hazardous waste, minimise its generation and measure and monitor its appropriate treatment.

The key principle of our environmental and energy policy is to secure energy supply sustainably. Our energy policy also aims to take care of the environment and minimise greenhouse gas emissions that cause climate change. Laws and regulations related to the environment and energy efficiency set the minimum requirements for our operations. We supplement these minimum requirements in accordance with the EU taxonomy and directives.

In addition to saving energy, we use as much energy from renewable sources as possible in heat and electricity production. In energy production, we strive for solutions that promote sustainable development.

We promote the efficient use of energy in our own and our customers' operations. We maintain our employees' expertise in environmental and energy efficiency considerations. We take the environment and energy efficiency into account when planning new purchases. Our customers and other visitors have access to energy

efficiency instructions on our public website. In energy management, we pay special attention to risk management

Our activities must not pose any health or safety risks to our employees or third parties. We also expect our service providers to ensure the safety and well-being of their employees. We carry out preventive work related to environmental risks. However, if an environmental incident occurs in spite of all preventive measures, we will seek to mitigate its impacts as soon as possible and will contact the relevant authorities and communicate openly about the development of the situation. We regularly report on our environmental and energy efficiency measures to the public and the authorities.

In the business process for water, we take into account the environmental impacts and improve the energy efficiency of water management and minimise water losses. Our responsibility is related to the use and availability of water and its quality. We strive to minimise water consumption and wastewater generation in our facilities.

Statutory environmental responsibilities and agreements

Our businesses monitor the development of legislation in their own business areas and are responsible for complying with the law. This is achieved by being actively involved in preparatory work within the industry association and distributing information about legislative changes received from the industry association within our own organisation. We monitor the development of laws and regulations and implement environmental programmes as required by changing regulations.

Our most important statutory environmental responsibilities are based on the following laws and regulations:

- Water Act
- Dam Safety Act
- Nature Conservation Act
- Environmental Protection Act
- Act on Oil Pollution Response
- Decree on Industrial Handling and Storage of Dangerous Chemicals

Our environmental objectives are related to:

- Increasing remote control and using automation for troubleshooting
- Reducing road traffic emissions in network repair operations
- Reducing losses in electricity and district

- heating networks
- Replacing pole-mounted substations in groundwater areas with environmentally safe options
- Mitigating climate change and reducing our carbon footprint together with our customers and partners



Our environmental targets for 2023

ELECTRICITY NETWORK

Energy efficiency

- Measures that permanently improve the energy efficiency of the electricity network, with annual energy savings of 220 MWh per year in accordance with the Energy Efficiency Agreement (1,984 MWh in 9 years)
- Supplier assessment: readiness for Scope 3 through supplier reports; indicator = availability of data
- Supplier assessment: operations comply with the EU taxonomy; readiness for data through supplier reports; indicator = availability of data

Environmental target

- Demolition of overhead power lines, land becomes available for forestry use: INDICATOR 70 hectares of land freed for forestry use, which enables carbon sequestration
- Supplier assessment: readiness for Scope 3 through supplier reports; indicator = availability of data
- Supplier assessment: operations comply with the EU taxonomy; readiness for data through supplier reports; indicator = availability of data

OUR CUSTOMERS

- We guide our customers to choose cleanly produced energy.
- We challenge our partners to take concrete action to achieve a carbon neutral Finland

OUR PERSONNEL

- We encourage commuting by bicycle, as well as reducing the use of private cars and limiting business travel to what is absolutely necessary.

District heating and production

ENERGY EFFICIENCY

- Reducing electricity use at our own sites and its losses
- Lowering the temperature of the water entering the district heating pipelines in accordance with changes in the outdoor temperature – reducing district heating losses and enabling increased production of back-pressure electricity
- Supplier assessment: readiness for Scope 3 through supplier reports; indicator = availability of data
- Supplier assessment: operations comply with the EU taxonomy; readiness for data through supplier reports; indicator = availability of data

DISTRICT HEATING

Promoting green district heating (5% of sales at the end of the year)

PRODUCTION (ELECTRICITY)

- Investments, phase 1 plan completed - non-combustion plants
- Investments, phase 2 investment proposal - combustion plants
- Proportion of peat in the main boiler 10%, with the remainder being wood

PRODUCTION (HYDROPOWER)

Minimising the negative impacts of regulation, taking account of feedback from lakeside residents; indicator: regulatory deviations reported by <5 different people

Environmental aspects

ENVIRONMENTAL IMPACT OF THE ELECTRICITY AND DISTRICT HEATING NETWORK

- + The fuel used is primarily sustainably grown and harvested wood (verified in accordance with the Energy Authority's KEKRI criteria for sustainable development)
New energy sources (waste heat, LNG)

- Fossil fuels are used in heat production

ENVIRONMENTAL IMPACTS OF HYDROPOWER GENERATION

- + Flood management
- + Less fluctuation of the water surface in regulated lakes in the summer

- Fluctuation of the water surface due to regulation
- Changes in aquatic life

MATERIALS USED IN ENERGY PRODUCTION AND DISTRIBUTION

- + Transport (wood collected in nearby areas)
- + Disassembled materials are used in the event of a major disruption
- + Dismantled metal structures and waste are recycled efficiently and possibly reused

- Impregnated wood materials, oils and other chemicals and waste generated

ENVIRONMENTAL IMPACT OF THE ELECTRICITY AND DISTRICT HEATING NETWORK

- + Traffic safety is improved as a result of wider visibility
- + Replacing pole-mounted substations with weatherproof transformer substations
- + Long life cycle of the built network
- + Demolition of overhead lines frees up areas for recovery

- The construction and maintenance of the district heating and electricity network causes changes in the landscape
- Risk of oil spills in the event of transformer damage

USE OF ENERGY IN OWN, CUSTOMERS' AND SUBCONTRACTORS' OPERATIONS

- + Advice on saving energy
- + A green district heating product for customers

- Network losses
- Use of vehicles for construction and maintenance
- Business trips



DEMOLITION OF OVERHEAD LINES FREES UP AREAS FOR RECOVERY

Every year, we install around 100 kilometres of medium-voltage cables underground for weather protection. The overhead lines to be dismantled are mainly located in forests. As the right-of-way zones are usually ten metres wide, around 100 hectares of land is released each year. The released land may remain as a carbon sink or may be used by landowners for agricultural and forestry purposes or for other uses such as nature trails.

LONG-TERM ENVIRONMENTAL PROJECTS

- Consideration of environmental aspects in electricity network design
- Environmental art, landscaping of electrical cabinets and landscape poles
- Replacement of pole-mounted transformers in groundwater areas
- Installation of bird balls and reflectors on line sections on bird routes

RECYCLING AND WASTE

As the construction and maintenance of electricity and district heating networks and the operation of power plants, as well as waste management, are either partially or completely the responsibility of our subcontractors, the principles and practical operating methods for

the appropriate treatment of the waste generated have been negotiated with our subcontractors. We require our subcontractors to report annually on different waste types and their final disposal.

REDUCING THE ADVERSE ENVIRONMENTAL IMPACTS OF ENERGY PRODUCTION

- Involvement in increasing wind power production
- Combined heat and power generation from renewable energy sources

CONSIDERATION OF ENVIRONMENTAL ASPECTS IN THE DESIGN, CONSTRUCTION AND MAINTENANCE OF ENERGY NETWORKS

- The widening and moving of right-of-way zones along roads will improve security of supply and speed up fault correction, in addition to increasing road safety (wider visibility)
- The use of landscape poles in visible locations such as urban centres
- Installation of bird balls and reflectors on overhead lines, especially on bird routes
- Improving energy efficiency in our own and our customers' operations
- EES+ certification
- Energy-saving agreements and reporting
- Energy-saving advice for customers

loiste

Financial responsibility

05

Production volumes in 2022

THE CONSTRUCTION OF KAJAVE'S ELECTRICITY NETWORK BRINGS CONTINUITY AND WORK FOR PARTNERS

Kajave The company transferred 718 GWh (794) of electricity from production to consumption in the distribution network and 68 GWh (79) in the regional network. Transferred production totalled 835 GWh (264) in 2022.

The company had a total of 58,713 (58,736) electricity use locations at the end of 2022. A total of 186.7 MW of new wind power capacity was connected to the Kajave grid in 2022. A total of 386.6 MW (199.9) of wind power capacity had been connected to the Kajave grid by the end of 2022. The construction of small solar power plants continued at a high level. A total of 208 new small power plants were connected to the grid (114) in 2022. A total of 776 (568) small power plants had been connected to the grid by the end of 2022.

During the year under review, there was one significant weather-related supply disruption event in Kajave's network area. The snow burden on trees started to cause challenges in December 2021 and continued to do so until January 2022, resulting in EUR 603,000 in additional preventive maintenance and repair costs. The snow and ice that had accumulated on power lines caused a fault on the Vuolijoki-

Murronkangas power line. The equipment of around 230 customers suffered damage, and Kajave was liable for EUR 282,000 in damages.

During 2022, the standard compensation paid to customers for interruptions of more than 12 hours amounted to around EUR 13,000 (EUR 230,000).

Investments in a more weatherproof distribution network and the connection of wind power production to the grid progressed slightly slower than planned. In total, Kajave invested EUR 22.3 million (36.6) in the development of the electricity network in 2022.

Following the changes made by the Energy Authority to the control model, Kajave did not charge its customers for the basic fees in April and May. This had a total impact of around EUR 4 million on the operating margin. Because of the additional revenue from high regional electricity price differences, the national transmission system operator, Fingrid, waived EUR 0.5 million in network service charges in December.

Kajave carried out a competitive bidding process for its customer and operation centre services as part of its efficiency programme launched in 2021. Kajave selected Call Waves Solutions Finland as its customer service partner and Rejlers Finland for its operation centre

766

small power plants had been connected to the grid by the end of 2022

services. In connection with this, four employees transferred from Kajave to Rejlers.

LOISTE LÄMPÖ PRODUCES DISTRICT HEAT FOR KAJAANI RESIDENTS

Loiste Lämpö Oy is responsible for the transmission, distribution and sale of district heating in the Kajaani urban area and for the maintenance and operation of the heating plants it owns. Several new customers were connected to the company's heating network in 2022. A total of 276 GWh (300 GWh) of heat was sold.

During 2022, the company generated a total of 312 GWh of district heat, of which 98% came from Kainuun Voima's main and spare boiler

production units and 0.5% from the company's own oil-fuelled boilers. Because of malfunctions in the main boiler of Kainuun Voima, 2% of the production was fuelled with oil. In 2021, the proportion of oil heat was 3.3%. The proportion of waste heat was 1%.

The company has an ISO 14001 environmental certificate for Loiste Oy. The company is committed to increasing energy efficiency in its own operations and promoting the more efficient use of district heat by its customers. In 2022, Loiste Lämpö started to reduce supply water in its district heating network. This will reduce network losses.

The company has seven oil-fuelled heating plants, with a total nominal power of 116 MW. These oil-fuelled heating plants have the necessary permits in accordance with the Environmental Protection Act, the Pressure Equipment Act, the Emissions Trading Act and the Chemicals Act, for example.

The company has an emissions trading policy in place. It has entered into an emission allowance delivery agreement with Loiste Energia. Based on the agreement, Loiste Lämpö is entitled to use Kainuun Voima's share of the emission rights for district heat production. The company also has an obligation to purchase additional emission allowances if necessary.

In 2022, Loiste Lämpö started to reduce supply water in its district heating network.



Consolidated Income Statement

	1.1.-31.12.2022	1.1.-31.12.2021
Turnover	121 677 037	129 520 119
Production of own use	222 738	
Other operating income	5 231 176	10 948 789
Materials and services	-50 445 833	-73 503 377
Personnel expenses	-4 851 520	-5 128 827
Depreciation and amortisation	-21 659 788	-20 903 032
Other operating expenses	-16 593 177	-16 262 802
Share of profit of associated companies	40 273	375 123
Operating profit/loss	33 620 905	25 045 992
Financial income and expenses	-7 615 555	-7 178 534
Earnings before appropriations and taxes	26 005 350	17 867 458
Income taxes	-4 246 529	-5 460 498
Minority interests	1 423 431	1 268 503
Profit/loss for the accounting period	23 182 252	13 675 464

Consolidated balance sheet

	31.12.2022	31.12.2021
Assets		
Non-current assets		
Intangible assets	14 390 696	16 479 659
Tangible assets	323 622 706	319 927 147
Investments	27 786 845	28 042 317
Current assets		
Inventories	1 441 090	733 868
Non-current receivables	15 316 889	328 781
Current receivables	25 328 056	21 059 909
Cash in hand and at bank	34 074 131	18 820 251
Total assets	441 960 413	405 391 932

Consolidated balance sheet

Equity and liabilities	31.12.2022	31.12.2021
Shareholder's equity		
Share capital	2 500	2 500
Reserve for invested non-restricted equity	23 306 129	23 306 129
Profit (loss) for previous accounting periods	-123 053 178	-124 420 642
Profit (loss) for the accounting period	23 182 252	13 675 464
Total Equity	-76 562 297	-87 436 549
Minority interests	5 755 852	7 179 284
Provisions		
Other provisions	1 584 446	1 643 905
Liabilities		
Non-current liabilities	477 069 344	461 991 683
Current liabilities	34 113 067	22 013 609
Total equity and liabilities	441 960 413	405 391 932

Consolidated cash flow statement

	Loiste Group 1.1.-31.12.2022	Loiste Group 1.1.-31.12.2021
Cash flow from operations		
Profit/loss before appropriations and taxes	26 005 350	17 867 458
Financial income and expenses		
Depreciation, amortisation and write-offs	21 659 788	20 903 032
Other adjustments	7 615 555	7 178 534
Cash flow before change in working capital	-40 273	-375 123
Change in working capital	-135 359	-8 830 998
Increase (-) / decrease (+) in long-term receivables	55 105 062	36 742 904
Increase (-) / decrease (+) in short-term receivables		
Increase (-) / decrease (+) in inventories	0	0
Increase (-) / decrease (+) in short-term debts	-3 844 573	1 947 229
Operating cash flow before financial items and taxes	-707 221	181 965
Interest received	12 766 385	9 166 678
Interest paid	63 319 653	48 038 775
Dividends received	150 384	155 928
Taxes paid	-7 350 195	-6 938 580
Operating cash flow	274 665	232 269
Direct taxes paid	-1 091 239	-84 978
The cash flow of a business (A)	55 303 269	41 403 415

Consolidated cash flow statement

	Loiste Group 1.1.-31.12.2022	Loiste Group 1.1.-31.12.2020
Cash flow from investments		
Investments in tangible and intangible assets	-23 416 186	-38 232 072
Investments in group companies	0	352 553
Acquisitions by associated companies	0	-4 272
Other investments	28 864	28 867
Other long-term deposits	-15 000 000	5 500 000
Proceeds from the sale of tangible and intangible assets	225 702	1 659 529
Income from other sales of assets	0	8 909 254
Sales of group companies	0	791 700
Repayment of loan receivables	0	34 300
Cash flow from investments	-38 161 620	-20 960 142
Financial cash flow		
Dividends paid	-12 308 000	-21 499 992
Withdrawal of long-term loans	10 225 000	10 280 000
Repayment of long-term loans	0	-20 010 920
Withdrawal of short-term loans	0	4 500 000
Repayment of short-term loans	195 231	-39 034
Change in connection fee liability (C)	-1 887 769	-26 769 945
Financial cash flow (A + B + C)	15 253 880	-6 326 673

Loiste tax footprint 2022

1,000eur

Turnover	121 677
Average number of employees	38
Taxes on an accrual basis	
Corporate taxes	1*
VAT	12 256
Excise duties	15 149
Withholding taxes	0
Property taxes	72
Payroll taxes	1 210
Additional costs related to salaries	750



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www.loisteyhtiot.fi

www.kajave.fi

www.loistelampo.fi

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