



# Sustainability Report 2024

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# 1. Introduction

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## 1.1. About this report

Skellefteå Kraft AB publishes a voluntary sustainability report annually. Previously, this was part of the sustainability section of the Director's Report and published on our website. This report represents the second stand-alone sustainability report published by the company. The report, released on 27 February 2025, covers the company's sustainability work and ESG performance for the full financial year 2024. The reporting follows the annual calendar year cycle, which is consistent with the Director's Report.

The sustainability report includes Skellefteå Kraft as a fictitious group consisting of the municipal administration Skellefteå Kraftverk (parent company) and the subgroup Skellefteå Kraft Aktiebolag. The purpose of the report is to provide information on sustainability-related activities and to ensure communication with key stakeholders on operational performance. As a complement to the financial communication, this report focuses on the environment, social and governance (ESG) aspects. Selected KPIs are audited within the framework of a limited review by PwC as part of the Director's Report. This fictitious consolidated report is voluntary and has therefore not been audited externally.

The report has been written in accordance with the Global Reporting Initiative (GRI) Standards 2021. The report is available in PDF format, which offers detailed information, while the web format includes more in-depth case studies, providing a deeper insight into the company's sustainability initiatives and performance. In line with increased transparency, significant restatements of previous reports will be presented as footnotes, giving the reader a clear understanding of any changes and developments over time.

Contact: [information@skekraft.se](mailto:information@skekraft.se)

## 1.2.A message from the CEO –



## A sustainable future together

2024 is the year in which Skellefteå Kraft took another powerful step towards the future. With our vision to be the best energy company for Sweden, we are proud to meet the greatest challenge of our time: the transition to a sustainable society.

### Investments that make a difference

We know that the transition requires more than technology; it requires collaboration, innovation and long-term thinking. That's why we have stepped up our efforts to connect industries and sectors, from electricity generation to transport and energy optimisation. We are ensuring that solutions are not only built for today, but also for generations to come.

Our partnership with OKQ8 is a clear example of how we work with other actors to drive development. During the year, we continued to expand our charging network, which is now Sweden's largest with charging stations established in all counties.

We are also proud of the joint venture with OKQ8 and Volvo Trucks, where we built the first of 41 charging stations for heavy vehicles during the year. This initiative enables heavy transport to switch to electric power more quickly and thus reduce emissions – an important key to accelerating the transition.

The joint venture with SkyNRG to establish a production plant for sustainable aviation fuel is another example of how our operations contribute to a sustainable transition. All these collaborations are strategically important for the development of a sustainable society, with Skellefteå Kraft playing an important role as an enabler.

### With responsibility for the future

During the year, we strengthened our dialogue with both political and

industrial actors to secure the conditions required for success. 2024 was also the year in which we continued to strengthen our position as a reliable partner in electricity-intensive industrial initiatives where, by developing the electrical grid and increasing access to renewable power, we create opportunities for new green industries to grow in the region.

We also believe in creating conditions for innovation and education that promote the transition to a sustainable society. Skellefteå Kraft's involvement in the Arctic Center of Energy and Skellefteå University Alliance are examples of initiatives that represent an important element of our responsibility to build for the future.

### Together we are strong

The eventful autumn brought us major challenges – from the impact of a



Skellefteå Kraft contributes to the transition to a sustainable society

squeezed Northvolt to storms and operational disruptions.

I am proud of how we handled these challenges and our ability to rally and work together to find solutions. We know that challenges are meant to be overcome, and that the solutions lie in our hands – as companies, customers and society. By keeping our promises, continuing our efforts to ensure our reliability of supply and constantly striving for improvements in everything we do, we keep moving forward.

It is particularly gratifying that the results of this work are reflected in our topping SKI's customer satisfaction survey for the second year in a row and being crowned industry winner in Evimetrix's survey as the energy company most likely to be recommended.

As one of Sweden's largest energy companies, our role in the transition is self-evident and we are proud to be part of the journey towards a sustainable future together.

Finally, I would like to extend my warmest thanks to our dedicated employees, customers and partners. Together we are building a stronger and more sustainable Skellefteå Kraft, both locally and nationally.

Thank you for your continued support.

**Joachim Nordin, Managing Director and CEO Fredrik Lundberg, Chair**

### 1.3. Skellefteå Kraft in brief



Joachim Nordin, Managing Director and CEO  
and Fredrik Lundberg, Chair

## GRI 2-2, 2-6

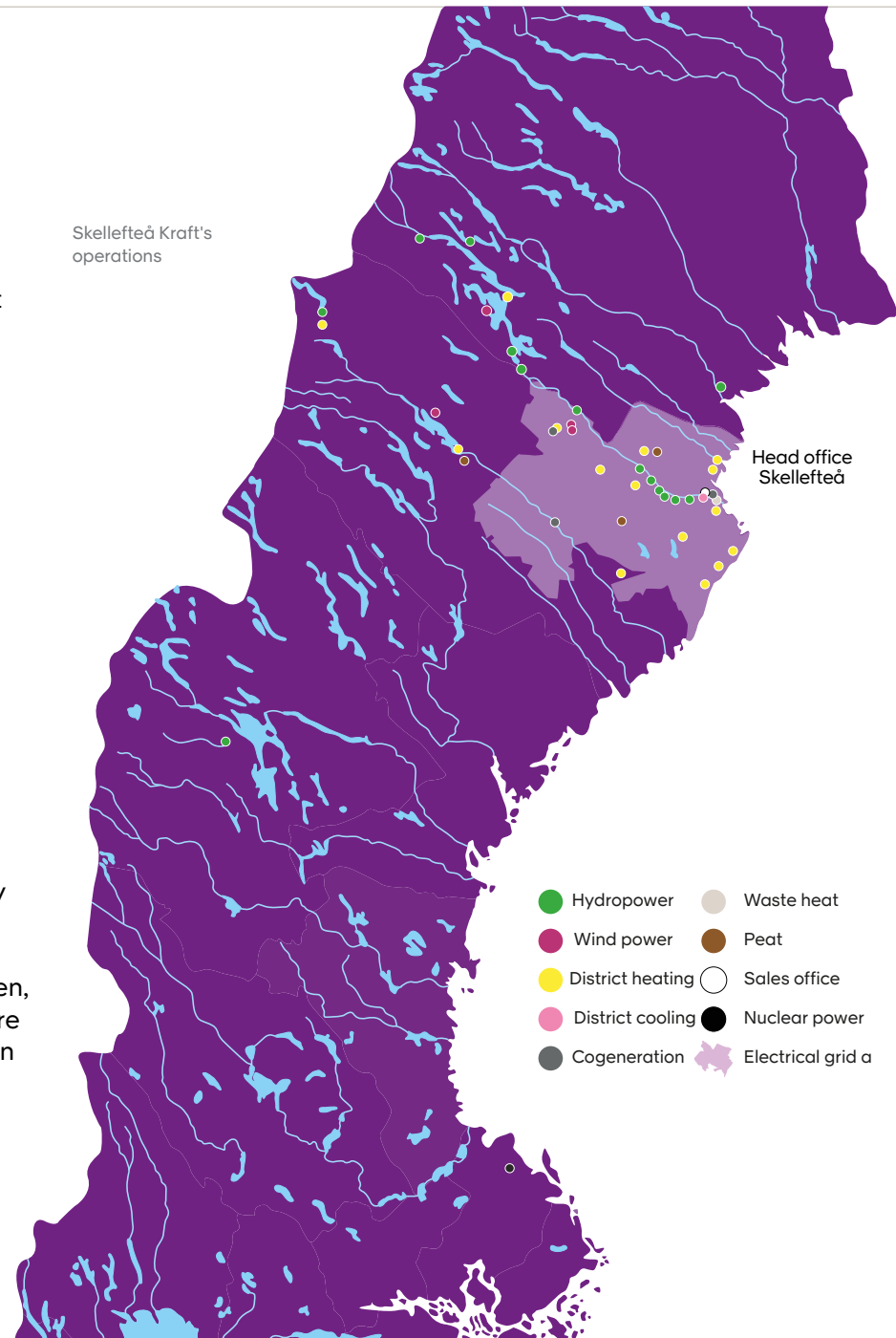
Skellefteå Kraft operates in an ever-changing world. Climate change resulting from human activities is an established fact, and the importance of reducing emissions is growing. We work with the vision of being the best energy company for Sweden. For us, this means looking at the big picture. We see that the whole of society needs to switch to a fossil-free energy system, and Skellefteå Kraft both wants and is capable of being a pioneer through our contribution with renewable power. With a long history in renewable energy production, distribution and electricity trading, we are well equipped to work innovatively to transform more sectors.

By striving to act as an engine of growth for sustainable development, we contribute to the international competitiveness of both Sweden and the region. In our work, we take responsibility for how our activities affect people, society and the environment, but also for contributing to a well-functioning energy system of the future and competitiveness for the whole country. In this way, we are a positive force in society.

Skellefteå Kraft is one of Sweden's five largest electricity producers and the largest municipally owned energy company. The Group has its own production plants for wind power, hydropower, heat and bioenergy, and is building charging infrastructure in Sweden and Denmark. Hydropower is our largest energy source, contributing to around 90 per cent of our energy production being renewable. The hydropower comes mainly from the Skellefteälven River, but also from the Pite River in Norrbotten and some smaller rivers in the area. Our four wind farms are located in Jokkmokksliden, Storliden, Blaiken and Uljabuouda. The largest bioenergy plants we own are located in Skellefteå, Lycksele and Malå in Västerbotten County. In addition to our own plants, we also have ownership interests in Forsmark. Our head office is located in Skellefteå.

### Owners and corporate governance

Skellefteå Kraft's operations



Skellefteå Stadshus AB is wholly owned by Skellefteå Municipality and is the parent company of the Skellefteå Kraft AB group. Skellefteå Kraft, in turn, has a number of subsidiaries that are covered by this report: Skellefteå Kraft Elnät AB, Skellefteå Kraft Service AB, Skellefteå Kraft Energiservice Aktiebolag, Skellefteå Kraft Fibernät AB, Skellefteå Kraft Industry Locations AB, BlaikenVind AB, Skellefteå Kraft Fastighetsutveckling AB and Skellefteå Kraft Denmark A/S.

The Municipal Council has the central and statutory ownership role for all companies in which the municipality has a shareholding. It is the Municipal Council that decides whether a municipal activity is to be conducted in the form of a company and thus determines the purpose and the powers that are to apply to the company's activities. Thus, our overall operational governance and risk management is based on the owner directive and follows our corporate strategy, which includes clearly defined objectives, detailed operational plans and key performance indicators.

As a wholly owned municipal company, Skellefteå Kraft has a politically composed board of directors that bears ultimate responsibility for our operations and a group management team responsible for strategic issues and company-wide matters. In our governance structure, the Municipal Council is responsible for appointing a nomination committee, which proposes members and other positions of trust for the Municipal Council to decide on. The nomination committee considers democratic support, experience and industry knowledge in its nominations, and emphasises that these are not solely motivated by party politics. It is the political parties within the municipality that propose candidates for the boards of the municipally owned companies. The nomination process takes into account aspects such as gender, age and geographical location. The Board is appointed by the Municipal Council for each term of office. Skellefteå Kraft's current Board consists of nine ordinary members (no alternates), of which three are women and six are men. All members of the Board are

| Age   | Women | Men |
|-------|-------|-----|
| <30   | 0     | 0   |
| 30-50 | 0     | 1   |
| >50   | 3     | 5   |

Board by gender and age 2024

independent, except for one member who is an executive. All have been recruited from the local community. The chair is Fredrik Lundberg.

Our highest governing body, the Municipal Board, is responsible for reviewing and approving the reported information, including the material issues affecting our organisation. The review and approval process involves a thorough review of submitted documents, minutes of general meetings and board meetings, and other relevant reports. This approach ensures that the information reported is accurate and consistent with the established guidelines.

If the highest governing body were not ultimately responsible, it would be due to specific circumstances that require a different allocation of responsibility. In such cases, the reason would be clearly explained to maintain transparent reporting and stakeholder trust.

The Municipal Board implements stringent processes to prevent and mitigate conflicts of interest. Using the companies' descriptions of the current situation, goal attainment and finances as a foundation ensures a transparent and sustainable planning process for the subsidiaries within the Skellefteå Stadshus Group, which includes Skellefteå Kraft. Conflicts of

interest are clearly disclosed to stakeholders. This includes membership in multiple boards, cross-shareholdings with suppliers and other stakeholders, the existence of controlling shareholders, and relationships, transactions and outstanding claims with related parties.

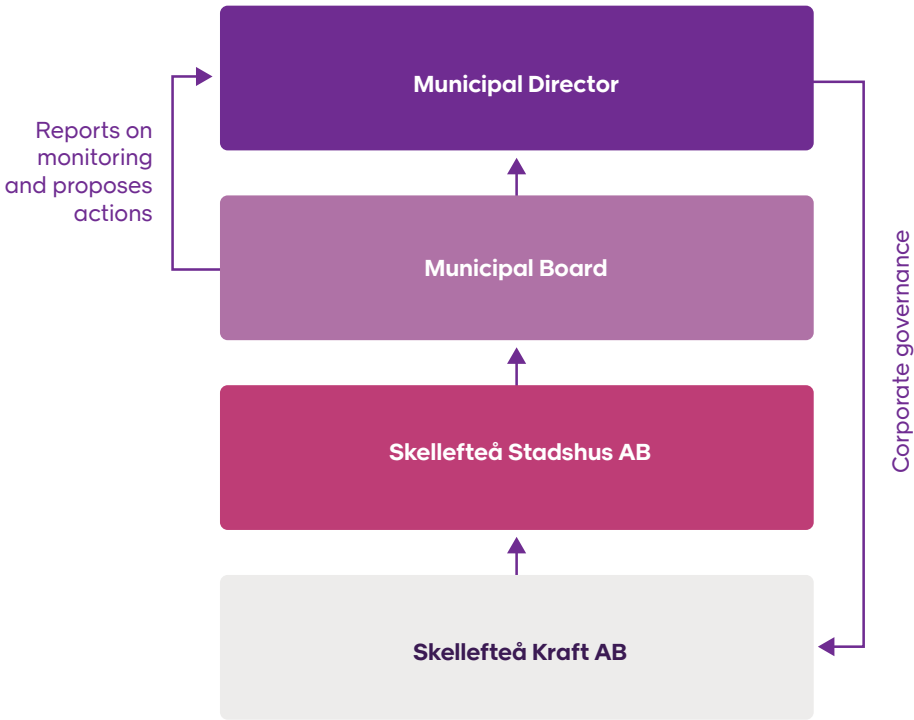
Communication of critical issues is integrated in the owner dialogues and other meetings between the parent company management and the subsidiary representatives. The MDs of the subsidiaries update the parent company's MD regularly about business-related issues of major importance, and material sustainability issues are presented to the Board.

In 2024, the Board and group management team underwent training on upcoming changes in sustainability reporting legislation. Going forward, the Board will undergo annual training on sustainability issues relevant to Skellefteå Kraft, with the aim of boosting the level of knowledge. Each year, our owners, Skellefteå Municipality, conduct a board evaluation of the board's work in all companies of the Skellefteå Kraft Group.

**Our mission**

Skellefteå Kraft's mission is to secure the municipality's energy supply and offer a well-developed infrastructure for electronic communication. Skellefteå Kraft shall produce, sell and deliver energy and energy-related products and services. A stable and well-functioning energy system is a prerequisite for industrial production, trade and many everyday conveniences.

Operations shall be conducted in a commercial manner based on good business ethics. The company shall also contribute to local and regional community development. Our work to create value covers all aspects of our operations and the entire value chain, from the selection of energy sources and production of energy, to distribution and use by end customers.



Organisational structure and corporate governance of Skellefteå Kraft AB



## 1.4. Significant events during the year

### The drive to electrify heavy road transport continues

OKQ8, Skellefteå Kraft and Volvo Trucks' efforts to electrify heavy road transport continue. In January, two super fast charging points opened at OKQ8's IDS station in Örebro. With 41 charging stations in total, the aim of the initiative is to establish one of Sweden's largest cohesive networks of public charging stations for heavy transport.

[Read more about the electrification of heavy road transport here](#)

### Skellefteå Kraft has been granted a permit to capture carbon dioxide

This initiative would mean that the already climate-neutral emissions from Hedensbyn's bioenergy co-production plant will become climate-positive, which will be another way for Skellefteå Kraft to contribute to the transition to a more sustainable society.

[Read more about Skellefteå Kraft's permit to capture carbon dioxide here](#)

### Groundbreaking sustainable aviation fuel initiative made possible by new partnership

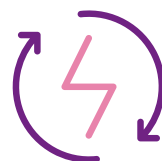
Aiming to help enable the green transition in yet another area, Skellefteå Kraft is partnering with global player SkyNRG on a groundbreaking project to produce sustainable aviation fuel.

[Read more about Skellefteå Kraft's partnership with SkyNRG here](#)

### A fifth season of the series "Högspänning" is set

Skellefteå Kraft is proud to be part of Viaplay's reality series "Högspänning" [High Voltage]. Together with Vattenfall, we showcase the important work that our employees do to ensure that electricity and heat reach the consumer. The main purpose of the series is to attract more people to studies and professions in the energy industry and to us at Skellefteå Kraft.

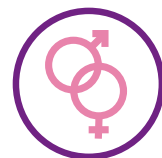
[Read more about Skellefteå Kraft and Högspänning here](#)

**90%**

Proportion of renewable energy production

**98 %**

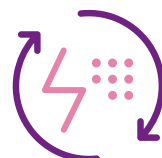
Percentage of households and businesses with a fibre optic broadband connection

**910**

Number of permanent employees

**SEK 501 million**

Our profit

**572**

Number of charging points

**79**

Engagement index

**Skellefteå Kraft and OKQ8 now the largest in the country for super fast charging**

With 100 stations, the charging network that Skellefteå Kraft is building in partnership with OKQ8 is now the largest in Sweden. The aim of this joint investment in charging infrastructure is to increase the availability of charging throughout the country, with 800 charging points distributed over 300 OKQ8 stations by 2026.

[Read more about Skellefteå Kraft's and OKQ8's investment in super fast charging here](#)

**Skellefteå Kraft's customers still the most satisfied in the country**

When the energy industry's customers have their say, Skellefteå Kraft's customers continue to place the company in the absolute top tier. This is shown by the latest customer survey from the Swedish Quality Index, SKI.

[Read more about Skellefteå Kraft's results in SKI's customer survey here](#)

**Locally produced batteries partner with hydroelectric power plant at Skellefteälven River**

A facility for frequency regulation using batteries is being completed at Båtfors hydropower plant at the Skellefteälven river. It will provide capacity and even out peak loads in the electrical grid. The plant, which is the first of its kind with its Swedish locally produced batteries, is the result of a collaboration between Skellefteå Kraft, Northvolt and Hitachi Energy.

[Read more about locally produced batteries at Båtfors hydropower plant here](#)



A new battery plant at the Båtfors hydropower plant provides capacity and peak load balancing in the electrical grid

# 2. A sustainable organisation

For Skellefteå Kraft, sustainability means running and developing our operations in a long-term and responsible manner, while leading the way for the energy supply of tomorrow. Our impact on people, the environment and the economy is an integral part of strategic operational governance and daily decisions.

|      |   |    |
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Our overall governance and risk management is based on the owner's directives and our corporate strategy with associated objectives, operational plans and key performance indicators. Every manager and employee has a shared responsibility for integrating sustainability perspectives into their operational planning, their respective roles, responsibilities, decision-making processes and daily work.

## 2.1. Sustainable integration in the organisation

To realise our vision and goals, we work according to defined principles and core values. Our principles support us in thinking, reasoning and acting in the way that Skellefteå Kraft's employees are expected to do. We have three principles; Learn and improve, Right from me and Best practice. Our core values describe who we are at Skellefteå Kraft and what we believe in. They should guide us in everything we do. They should characterise us in everything we do. At Skellefteå Kraft, we are driving, responsible and work together – with each other, with our customers and with our partners – to meet the future.

- Driving:** We are challenging, innovative, smart, courageous and enterprising.
- Responsible:** We take responsibility for the needs of our customers and society, and are true to our word, reliable and trustworthy.
- Together:** We face the future, working together with each other, our customers and our partners.

By working in a process-oriented manner and constantly striving for improvement, we are open to learning and changes that lead us in the right direction in a constantly changing world.

We comply with laws and regulations and strive to meet the requirements and expectations placed on us. We are committed to good relations with those around us and those affected by our activities. Taking responsibility and engaging in open and honest dialogue with them is a prerequisite for developing our operations in line with our goals and values.

Our workplace is designed to be attractive, with opportunities for development and leadership that promotes participation and a sustainable working life, which in our view means being able to find a physical and social balance for a whole working life. We recognise the value of people's skills, differences and commitment to ensure the quality and continued development of our operations.



Skellefteå Kraft's core values and principles



How we build our corporate culture



## Policies and principles

Our corporate culture and overarching principles are summarised in our operating policy, which provides a comprehensive foundation for our organisation's policies and values. The policy works in harmony with other policies to ensure a consistent approach across the organisation. All policies, including implementation, have been approved by the Board and apply to relevant parts of the organisation's operations. The guidelines are communicated and made available to all employees.

| Policy/Document                              | Purpose and description   |
|--|---|
| <b><u>Operating policy</u></b>               | Provides overall guidelines and values for the whole organisation and refers to other policies and guidelines for more detailed information.  |
| <b>Environmental policy</b>                  | Sets out the Group's environmental responsibilities.  |
| <b>Occupational health and safety policy</b> | Specifies how Skellefteå Kraft works to achieve a good physical, organisational and social working environment.   |
| <b>Human resources policy</b>                | Sets out how Skellefteå Kraft's core values in order to attract, retain and develop employees and to enhance the company's reputation as an attractive employer.  |
| <b>Internal control guidelines</b>           | Clarifies the division of responsibilities to ensure that the municipality maintains adequate internal control in accordance with the Local Government Act and the Swedish Companies Act.                               |
| <b><u>Code of Conduct</u></b>                | Describes our fundamental approach and forms the basis for our actions.   |
| <b><u>Supplier Code of Conduct</u></b>       | Describes the fundamental approach and responsibilities of suppliers. Reduces the risk of environmental and human rights violations and protects individuals, regardless of nationality, employed in our supply chains. |
| <b>Guidelines on sponsorship</b>             | Provides guidance for commercial partnerships centred around mutual benefit for both the company and the sponsorship recipients.  |
| <b>Whistleblowing function</b>               | Enables anyone with a work-related connection to Skellefteå Kraft to safely and anonymously report suspected wrongdoing.  |
| <b>Diversity and equal treatment policy</b>  | Describes the importance of creating an inclusive and fair workplace and details this approach based on a number of areas of responsibility.  |

Table of policy documents related to ethical behaviour in our operations

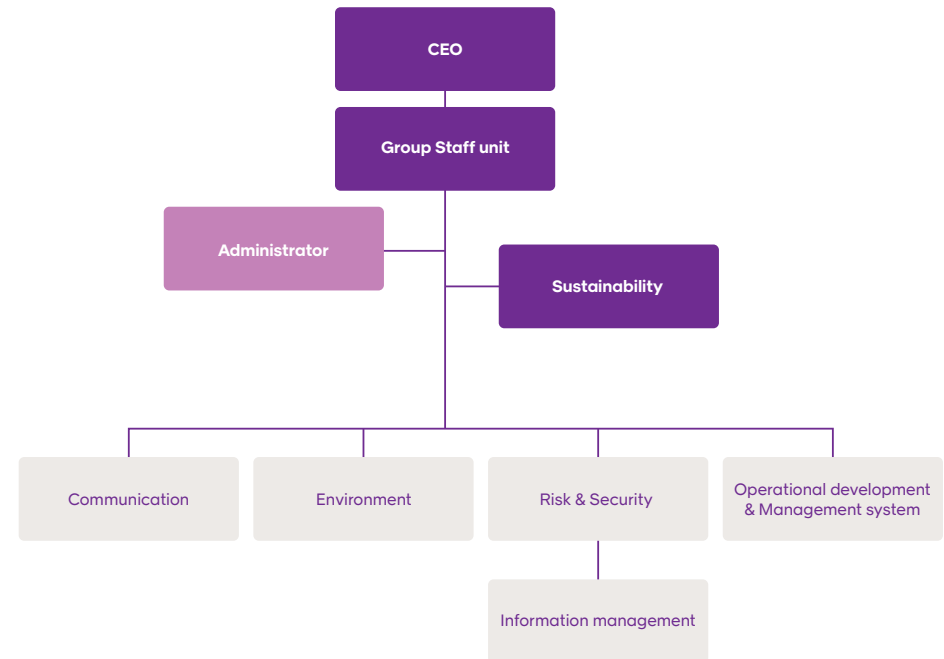
## 2.2. Sustainability governance

Our operations are highly regulated by legislation, not least by extensive environmental legislation linked to establishment and operation. The overarching responsibility for sustainability lies primarily with executive management. Within the group management team, the Head of Group Staff and Sustainability has overarching responsibility. The Group Staff unit supports and manages the organisation's sustainability work through its expertise in the environment, social responsibility and sustainability reporting. In our operations, every manager and employee has a shared responsibility for integrating sustainability perspectives into their respective roles, responsibilities, decision-making processes and daily work.

Work on further developing the Group's governance and management processes began in 2023 and will be continued and enhanced in 2025. The aim is to define the processes more clearly and at the same time promote efficient and cross-functional working methods, where, among other things, councils and forums complement the work in the line. The ongoing work on governance processes is also an important step towards further anchoring, formalising and monitoring our sustainability work.

Sustainability work is also governed through more formal processes. Our management system is process-oriented and based on our principle-driven approach. The management system is an integrated business system certified according to ISO 14001, ISO 45001 and built with the support of ISO 9001. In 2024, work began on ensuring the governance and monitoring of issues related to human rights and corporate social responsibility with the support of the management system.

Another example of the formal processes we have is the systematic business environment analysis we carry out. This analysis provides a basis for adapting our activities to respond to trends and changing requirements. Based on the PESTEL model, this analysis identifies political, economic, social, technological, environmental and legal factors that could potentially



How the sustainability function is organised at group level

affect the company. A Business Environment Council continuously monitors trends and signals that could affect the company, with an integrated focus on social, environmental and climate issues. The results of the business environment analysis provide important input to the strategy process and the Group's focus areas and targets.

We support the UN Universal Declaration of Human Rights and the ethical principles of the UN Global Compact. We also support the OECD Guidelines for Multinational Enterprises on Corporate Responsibility and the UN Guiding Principles on Business and Human Rights. With respect for human rights, Skellefteå Kraft focuses its attention on the entire value chain.

In summary, Skellefteå Kraft is committed to promoting sustainability governance, with a holistic approach to business management and ethics that extends from overarching strategic decisions to daily work practices. Commitment to sustainability permeates the entire organisation and characterises our work for positive societal development.

2.3. Value chain and materiality analysis

From the financial year 2025, Skellefteå Kraft will report sustainability-relevant information to Skellefteå Stadshus, which is subject to the new Corporate Sustainability Reporting Directive (CSRD). As part of the preparations for this, a double materiality analysis was carried out in 2024 according to the European Sustainability Reporting Standard (ESRS) 2.

The results showed that nine subject standards are material for Skellefteå Kraft, four of which from both an impact and a financial perspective. In a review of past material issues, clear synergies became apparent. Thus, last year's material issues are presented alongside the material ESRS standards in the table on the right, although this report is written in accordance with GRI.

The dual materiality analysis process involved area heads of several group functions and representatives from different parts of the organisation in workshops to identify and assess impacts, risks and opportunities. The results were validated by a number of selected stakeholders. The results were then aggregated with the other subsidiaries in the Skellefteå Stadshus Group and thus form an integral part of the Group's results. This report focuses on Skellefteå Kraft's material issues, which form the basis of our strategic sustainability decisions and will be integrated into our overall business strategy.

| Material issue 2023                  | Material issue 2024 according to ESRS  | Description   |
|--------------------------------------|--|---|
| Sustainable energy supply            | ESRS E1 Climate change   | Transitioning to renewable and fossil-free electricity as a primary energy source is key to meeting the climate challenge. Skellefteå Kraft has the expertise and capabilities to be pioneers in this area through our energy production from water, wind and bioenergy. In addition, we aim to actively participate in the construction of electricity, heating and charging infrastructure.   |
| Sustainable societal development     | ESRS S3 Affected communities;<br>ESRS S4 Consumers and end users   | We play a key role in Skellefteå's growth, and the expansion and capacity increase of our electricity, heating and digital communication networks is crucial for sustainable societal development. Through the use of new technologies and cross-sectoral energy solutions, Skellefteå acts as a test bed for ideas that contribute to sustainable development. Through intensified collaboration with various regional actors, we strive to create synergies and new energy solutions. |
| Sustainable use of natural resources | ESRS E1 Climate change;<br>ESRS E2 Pollution;<br>ESRS E4 Biodiversity and ecosystems;<br>ESRS E5 Resource use and circular economy | We take responsibility for the impact of our activities on nature and biodiversity. We are build knowledge and take action to protect and promote plant and animal life, and to minimise the negative climate and environmental impacts of our operations. When using land and forests, we pay due respect to their many values and benefits.   |
| Sustainable business practices       | ESRS S1 Own workforce;<br>ESRS S2 Workers in the value chain;<br>ESRS G1 Business conduct  | We maintain an active dialogue with those affected by our operations and value responsible, evolving relationships. We want to be the best place to work and a sought-after business partner for those who share our values and approach to sustainable business practices.   |

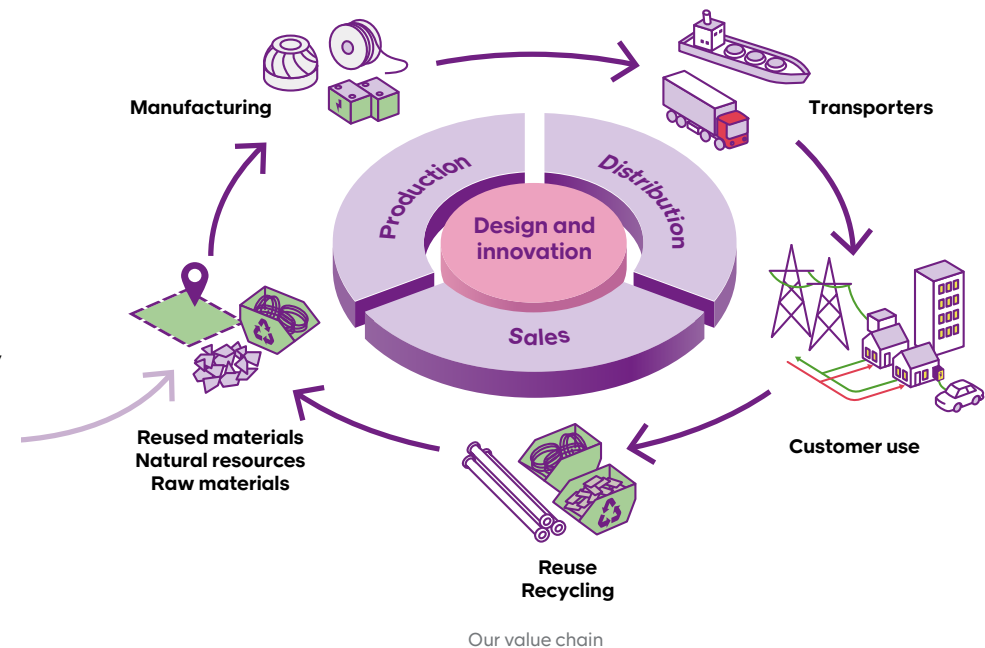
Skellefteå Kraft's material issues

Skellefteå Kraft has a diversified value chain that spans different areas and initiatives to promote sustainable societal development. It is influenced by a range of geographical, geopolitical and regulatory factors. Upstream, Skellefteå Kraft focuses on effectively managing its supply chain, where the purchase of raw materials, equipment and services for energy production and operation are central. Key suppliers, such as energy technology manufacturers and transport, play an important role in ensuring efficient deliveries. Our long-term relationships with our suppliers are characterised by contracts, innovation partnerships and interdependencies.

Through the production and distribution of electricity from renewable sources such as wind power and hydropower, we aim to increase renewable energy production and contribute to a sustainable societal transition. By upgrading existing hydropower capacity, we also aim to make better use of hydropower's flexibility and regulating capacity for the benefit of the entire Swedish energy system. As a local and regional grid owner of over 12,000 kilometres of electrical grid, we are working to expand and secure electricity supplies and power to a region that is experiencing historically rapid growth.

We are strengthening our role as a sustainable operator by offering district heating produced from biofuels (often residual products from nearby sawmills) and by utilising waste heat from local industries. This integrated approach minimises waste and promotes sustainable district heating production. Another part of our value chain is the Group's forest holdings, which contribute to both energy production and carbon sequestration.

A prerequisite for our production, distribution and sales is a strong corporate culture, satisfied employees and functioning internal systems. Our employees are one of our most important resources, and our HR processes focus on recruitment, training and skills development. The strong corporate culture fosters collaboration and innovation, and research and development are key to driving technological progress. We invest in new technologies and collaborate with educational institutions to develop and offer unique energy solutions.



Downstream, we are focusing on strengthening the region's infrastructure and customer relationships. We make customer relationships a priority and offer in-house customer service and multiple digital channels to simplify and improve the customer experience. We promote our services based on market research and through advertising campaigns and customer engagement, using digital tools to reach both individuals and businesses.

We are building charging infrastructure for electric transport in close cooperation with OKQ8, providing good accessibility. We are strengthening the region's infrastructure by providing reliable electricity, communications and district heating networks that guarantee energy and connectivity for both businesses and households. Our high-speed internet efforts promote digital accessibility for both households and businesses across the region. By actively participating in the energy debate, we contribute with knowledge and dialogue to support the development of the Swedish energy system.



Our commitment also extends to supporting local cultural and sports associations for children and young people. Overall, Skellefteå Kraft works actively to promote sustainable development and collaboration in order to create synergies and new solutions that help the region develop in a sustainable direction.

## 2.4. Risk governance and risk assessment

Skellefteå Kraft's risk management framework is based on the international standard ISO 31000. Our policies and governing documents provide overarching guidelines for the entire organisation and focus on minimising safety, strategic, financial, operational and environmental risks.

A group-wide risk and security function is tasked with coordinating, supporting and quality assuring this work. The work covers risk management, security, fire protection, crisis management and information management, ensuring a holistic view and management of the Group's risks.

Our processes consist of comprehensive risk management at all organisational levels. In the past, the organisation has been supported by the Group's risk controller for risk analyses in connection with operational planning, individual projects and investments. Going forward, the ambition is for the organisation to receive support in performing these risk analyses independently and for the Group Risk Controller to work more strategically.

We endeavour to address societal, climate and environmental risks, and our aim going forward is to price these risks as far as possible. To manage and minimise negative impacts on society, climate and the environment, we use developed risk management procedures, templates and matrices to systematically assess probability and impacts. Climate risk analyses have been carried out for half of Skellefteå Kraft's economic activities within the framework of the EU taxonomy in 2024 (see section 4.2). The remaining analyses are planned to be carried out in 2025.



Aerial view of Skellefteå

In procurement, checks on suppliers are paramount. This process is managed by our Purchasing Department, supported by tools such as Creditsafe Plus and EcoVadis. Carefully assessing opportunities and impacts entails evaluating and managing certain risks. We want to find investments that are both financially and environmentally rewarding and sustainable, while also benefiting society.

During the year, security issues continued to receive heightened focus as a result of increased threats and unrest in the world. Skellefteå Kraft provides critical societal infrastructure, and our owners place higher demands on, inter alia, contingency plans, scenario work and risk and vulnerability analyses. During the year, an enhanced preparedness plan was finalised and the crisis management plan was revised. A new Group Risk Controller was also appointed. Going forward, the focus in risk work will be on developing risk reporting to management and the Board and on developing cross-functional processes and working methods to integrate risk management with action plans and follow-up in the company's main processes.

Our commitment goes beyond simply preventing and mitigating negative risks. Positive impacts on society and the environment are integrated into our operational plans, where we focus on contributing to the Group's strategy while reducing risks. A challenge in this context is striking a balance between potentially conflicting objectives of business-driven measures and sustainability considerations.

## 2.5. Stakeholders

The process of defining and reviewing our priority stakeholders is part of the Group's communication strategy work. The Communications Department is responsible for ensuring that the strategy is reviewed regularly and as necessary. The strategic review identifies and analyses the stakeholders that are affected by or have a significant impact on the Group's activities, based on the results of the double materiality analysis.

In 2024, a double materiality analysis and stakeholder dialogue was carried out for the Group as part of the preparation for sustainability reporting under the CSRD. The aim was to gain a deeper understanding of stakeholders' needs and expectations and to use the information to validate and complement the materiality analysis. During the year, interviews were conducted with employees, owners, suppliers and partners. In 2025, the results will be validated through dialogues with representatives from society.

A stakeholder analysis has been conducted for the wholly owned subsidiary Skellefteå Kraft Fibernät AB. The analysis was conducted in five steps by identifying stakeholders, understanding their needs and expectations, ranking them in terms of priority, planning for interaction, and following up on the dialogue. The results of both analyses will form input into a group-wide stakeholder analysis that will be conducted in connection with review of the communication strategy in 2025. The sustainability function will be involved in the work to ensure a value chain perspective.



Our priority stakeholders

## GRI 2-29

The table below provides an overview of our main stakeholder groups and describes how dialogue with them is conducted, while identifying key issues under discussion.

| Stakeholder group   | Forms of dialogue   |   | Issues on the agenda  |  |
|---|---|---|---|--|
| <b>Customers</b><br>Private individuals<br>Companies<br>Potential customers   | <ul style="list-style-type: none"> <li>Annual customer surveys (Svenskt Kvalitetsindex, SKI)</li> <li>Customer service</li> <li>Meetings</li> </ul>   | <ul style="list-style-type: none"> <li>Social media</li> <li>Events</li> <li>Validation of material issues</li> </ul>   | <ul style="list-style-type: none"> <li>Prices and contract terms and conditions</li> <li>Delivery reliability, interruptions</li> <li>Service and quality</li> </ul>  | <ul style="list-style-type: none"> <li>Environmental profile and energy mix</li> <li>Contribution to the local community</li> <li>Risks, opportunities, impacts</li> </ul>                               |
| <b>Owner</b><br>Board<br>Municipal director<br>Municipal Board<br>Municipal Council<br>Stadshus AB  | <ul style="list-style-type: none"> <li>Annual report</li> <li>Board meetings</li> <li>Informal meetings</li> <li>Validation of material issues</li> </ul>   |   | <ul style="list-style-type: none"> <li>Financial performance (profit)</li> <li>Sustainability performance</li> <li>Local and regional growth</li> <li>Security of energy supply</li> </ul>  | <ul style="list-style-type: none"> <li>Electricity, heating and communication infrastructure</li> <li>Risks, opportunities, impacts</li> </ul>   |
| <b>Society</b><br>Politicians<br>Municipalities in which we operate<br>Government authorities<br>Stakeholder organisations<br>Social responsibility partners<br>Local residents<br>Local, regional, national population | <ul style="list-style-type: none"> <li>Supervision</li> <li>Environmental reporting</li> <li>Meetings</li> <li>Advocacy work</li> <li>Industry forum</li> </ul>   | <ul style="list-style-type: none"> <li>Study visits</li> <li>Consultations</li> <li>Annual municipal dialogue</li> <li>Validation of material issues</li> </ul> | <ul style="list-style-type: none"> <li>Policy instruments, taxes</li> <li>Authorisation and permitting processes</li> <li>Market design</li> <li>Employment, jobs</li> <li>Sports and cultural sponsorships</li> <li>Impact on ecosystems and biodiversity</li> </ul> | <ul style="list-style-type: none"> <li>Coexistence, compensation issues</li> <li>Spatial planning</li> <li>Risks, opportunities, impacts</li> </ul>  |
| <b>Employees</b><br>Existing<br>Potential   | <ul style="list-style-type: none"> <li>Employee survey</li> <li>Employee performance appraisals</li> <li>Daily meetings and dialogues</li> <li>Intranet</li> </ul>  | <ul style="list-style-type: none"> <li>Collaborations with universities and schools</li> <li>Study visits</li> <li>Validation of material issues</li> </ul>     | <ul style="list-style-type: none"> <li>Values, governance and leadership</li> <li>Working environment, health, safety</li> <li>Gender equality and equal treatment</li> <li>Corporate social responsibility and contribution to sustainable development</li> </ul>    | <ul style="list-style-type: none"> <li>Research and development</li> <li>Internships and degree projects</li> <li>Career and development opportunities</li> <li>Risks, opportunities, impacts</li> </ul> |
| <b>Suppliers</b><br>Existing<br>Potential<br>Development partners<br>Business partners<br>Networks  | <ul style="list-style-type: none"> <li>Supplier dialogues</li> <li>Project collaborations</li> <li>Business partnerships</li> <li>Industry partnerships</li> <li>Validation of material issues</li> </ul> |   | <ul style="list-style-type: none"> <li>Research, development and innovation</li> <li>Supplier requirements and evaluation</li> <li>Contractual terms and conditions</li> <li>Legal requirements, compliance</li> <li>Risks, opportunities, impacts</li> </ul>         |  |

Table of priority stakeholders, how dialogues with them are conducted and the agenda of the dialogues

## 2.6. Organisations and membership

Skellefteå Kraft is a member of industry organisations, such as Elforsk, GEODE, KFS, Business@Biodiversity Sweden, Energiföretagen Sverige, Regional Energi and Svensk Vindenergi, which drive and represent the interests of member organisations in relation to legislation and government authorities.

We participate in research collaborations with RISE, IVL Swedish Environmental Research Institute, Luleå University of Technology and Arctic Center of Energy, and there is a strong partnership with Bothnia Green Energy, Skellefteå Municipality, Skellefteå Science City, Skellefteå Airport, Region Västerbotten and other stakeholders to pursue common issues and initiatives. We are also members of CSR Sweden, where Skellefteå Kraft's sustainability manager is chair.



Skellefteälven River with Campus in the foreground



# 3. Sustainability at Skellefteå Kraft

We define sustainability as actively and effectively contributing to renewable energy supply and the electrification of society. We take responsibility for people and the environment throughout the value chain.

|   |           |
|---|-----------|
| <b>3.1. Ecological sustainability</b>       | <b>21</b> |
| <b>3.2. Social sustainability</b>           | <b>33</b> |
| <b>3.3. Corporate social responsibility</b> | <b>38</b> |

By adopting a holistic approach, establishing innovative partnerships and taking responsibility throughout the value chain, we aim to make a real difference on the journey towards our sustainable goals.

Skellefteå Kraft supports the 2030 Agenda in its entirety. Our expertise and core operations enable us to actively contribute to several of the Sustainable Development Goals (SDGs). At the same time, we have a great responsibility for the SDGs in areas where our activities can have a negative impact. Our activities have clear links to ten of the 17 SDGs. Of these, we have a particular focus on five of the SDGs: Affordable and Clean Energy (SDG 7), Decent Work and Economic Growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9), Sustainable Cities and Communities (SDG 11) and Life on Land (SDG 15).

[Read more about how we contribute to the SDGs here](#)

## 3.1. Ecological sustainability

We are building knowledge and taking action to protect and promote plant and animal life, and to minimise the negative climate and environmental impacts of our operations throughout the value chain. When using land and forests, we pay due respect to their many values and benefits.

Much of our environmental work is directly linked to our production plants and electrical grids, but covers all aspects of our operations. Our basic approach is to integrate climate and environmental considerations into all processes and decisions.

Our organisation has clear strategies and policies to govern and guide operations. The Group does not have a separate sustainability strategy, but instead has a sustainable operational strategy that integrates environmental responsibilities. The policy documents include, among others, our operating policy, which emphasises the importance of a long-term view on value creation with responsibility for the impact on society and the environment, our environmental policy, which strives for a sustainable energy

## GRI 3-3 Sustainable energy supply &amp; Sustainable use of natural resources

supply with the least possible environmental and climate impact, our internal code of conduct, which provides guidance for employees' actions and decision-making to ensure good ethics, environmental and social responsibility, and our quality policy, which focuses on a sustainable energy system with high quality. These policies clarify the Group's responsibility for preventing and mitigating potential and actual impacts on the climate and the environment.

Our environmental work is supported by an environmental management system and has been certified according to ISO 14001 since 2008. All operations have been included in the certificate since 2020. Within the framework of the environmental management system, there are measurable targets focusing on the organisation's significant environmental aspects, climate impact and biodiversity. The targets are linked to the EU and Swedish national environmental objectives. In 2022, the targets were updated with a higher level of ambition and with a view towards 2030. We monitor performance continuously internally and twice a year via management reviews. Externally, we communicate our progress in the annual external sustainability reporting.

An assessment of impacts and necessary mitigation measures is part of the environmental impact assessment of every major project. Risk analyses are carried out as part of our smaller projects. Environmental rounds and site inspections are a natural part of our plant management to proactively identify and manage environmental risks in our operations.

**Sustainable energy supply**

Sustainable energy supply is a key part of our value creation, and we endeavour to actively contribute to Sweden's energy transition through renewable energy production from hydropower, wind power, bioenergy and electricity distribution.

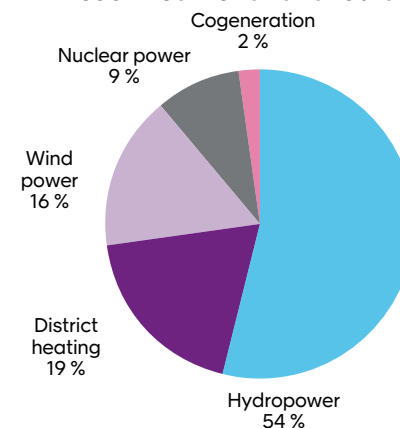
We strive for collaboration to find efficient energy solutions for the benefit society as a whole and our efforts include careful mapping and strategic plans. We are actively investing to increase hydropower output and grid capacity, and to reduce both the number and duration of power outages in our electrical grids.

**Our production mix**

By producing renewable energy from water, wind and bioenergy, we contribute to a better climate. We see great potential in hydropower as Sweden's future basic and regulating power, as well as in wind power and other energy sources that can contribute to a sustainable energy system, such as solar power. By investing in renewable energy production while simultaneously phasing out our use of peat, we are contributing to the Swedish climate goals.

Our production mix is made up of five different types of production (see figure below). The distribution is affected by various factors. In simple terms, wind power and hydropower production depends on how windy it is and the amount of precipitation. In 2024, we produced 3,582 GWh of electricity and 851 GWh of heat. Nuclear power production comes from co-ownership in Forsmark. We own other types of production and plants ourselves.

The year began with cool weather and favourable winds, resulting in higher



Our production mix 2024

wind power production than the previous year. At the same time, works in the hydropower plants, coupled with increased capacity market trading, resulted in slightly lower hydropower production than planned. In 2024, district heating deliveries were also lower than expected, mainly due to milder than normal weather. Nuclear power production was slightly below expectations.

Proportion of renewables

The year started with a long cold spell, which meant that we had to use fossil backup power to ensure district heating deliveries were maintained. Despite this, we increased our proportion of renewable energy production, which reached 90 per cent in 2024. This increase is mainly due to increased wind power production combined with reduced nuclear power production.

Our work to phase out peat is helping to increase the proportion of renewable fuels in our overall production mix. We stopped harvesting fuel peat back in 2021, when there was sufficient stock to cover the remaining use until 2025. Peat use accounted for 0.5 per cent of the production mix in 2024, compared to 1.2 per cent the year before.

Minority shareholder in nuclear power

Skellefteå Kraft has long had a minority shareholding in the Forsmark nuclear power plant. We have no plans to divest this ownership in the near future and our long-term business assessment is to continue to invest only in renewable energy sources.

It is not responsible to prematurely shut down the nuclear power that already exists. To meet the climate challenge, we need to use the fossil-free resources we have. But our assessment is that investments in renewables create the best conditions for Skellefteå Kraft to be profitable in the long term.

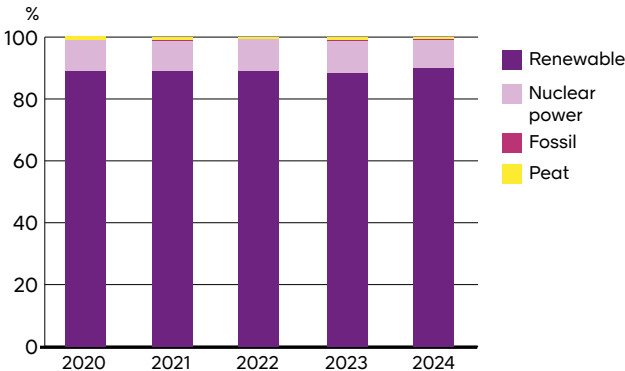


Table: Proportion of renewable energy production

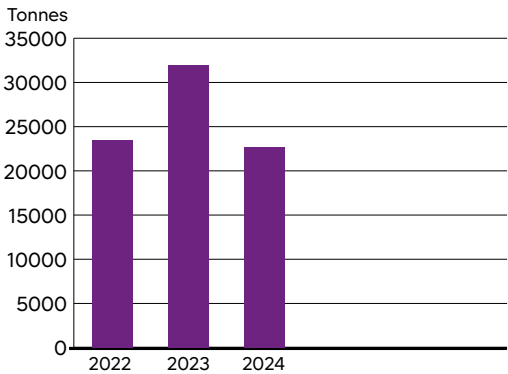


Table: Emissions of carbon dioxide equivalents

### Carbon dioxide emissions

We work to ensure that all our operations are sustainable and strive to reduce climate impact throughout the value chain.

The direct fossil emissions from our own operations come from the combustion of peat and oil in district heating production. In 2024, the production mix consisted of 0.5 per cent (2023: 1.2 per cent) peat and 0.4 per cent (2023: 0.2 per cent) oil. The combustion of biofuels in district heating production generates what are known as biogenic emissions, which in 2024 amounted to 302,319 tonnes of CO<sub>2</sub>e\*.

### Emissions reporting under the GHG Protocol

In 2024, our total market-based carbon footprint was 292,983 tonnes of CO<sub>2</sub>e across the three scopes of the GHG Protocol (2023: 326,307 tonnes of CO<sub>2</sub>e).

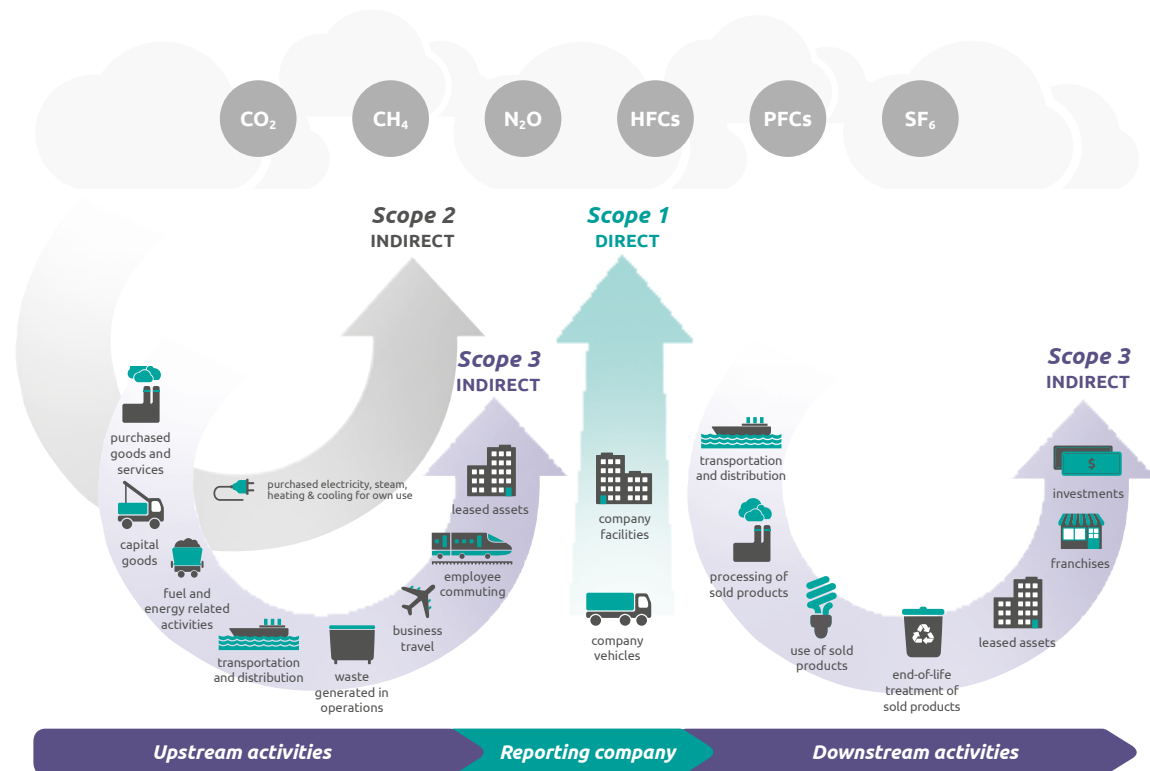
**Scope 1** direct emissions from our operations: 22,662 tonnes of CO<sub>2</sub>e.

**Scope 2** indirect emissions from the energy we purchase for our operations: 260 tonnes of CO<sub>2</sub>e.

**Scope 3** indirect emissions contributed by others in our value chain: 270,061 tonnes of CO<sub>2</sub>e.

For Scope 3, we report the categories that are deemed material.

\*carbon dioxide equivalents



The figure describes the emissions included in the different scopes throughout the value chain. Source: ghgprotocol.org



**GHG table 2024**

| Category       | Description                        | Unit                          | Climate impact<br>(market-based) | Climate impact<br>(site-based) |
|----------------|------------------------------------|-------------------------------|----------------------------------|--------------------------------|
| <b>Scope 1</b> | Vehicle combustion                 | tonnes CO <sub>2</sub> e      | 400,03                           | 400,03                         |
| <b>Scope 1</b> | Stationary combustion              | tonnes CO <sub>2</sub> e      | 22 238,62                        | 22 238,62                      |
| <b>Scope 1</b> | Fugitive emissions                 | tonnes CO <sub>2</sub> e      | 23,07                            | 23,07                          |
|                | <b>Total</b>                       | <b>tonnes CO<sub>2</sub>e</b> | <b>22 661,73</b>                 | <b>22 661,73</b>               |
| <b>Scope 2</b> | Electric vehicle charging          | tonnes CO <sub>2</sub> e      | 2,34                             | 0,32                           |
| <b>Scope 2</b> | Purchased electricity              | tonnes CO <sub>2</sub> e      | 258,14                           | 12 426,26                      |
|                | <b>Total</b>                       | <b>tonnes CO<sub>2</sub>e</b> | <b>260,48</b>                    | <b>12 426,58</b>               |
| <b>Scope 3</b> |                                    |                               |                                  |                                |
| <b>3,1</b>     | Purchased goods and services       | tonnes CO <sub>2</sub> e      | 33 159,26                        | 33 159,26                      |
| <b>3,2</b>     | Capital goods                      | tonnes CO <sub>2</sub> e      | 202 908,40                       | 202 908,40                     |
| <b>3,3</b>     | Fuel and energy-related activities | tonnes CO <sub>2</sub> e      | 31 964,20                        | 34 927,74                      |
| <b>3,5</b>     | Waste generated in own operations* | tonnes CO <sub>2</sub> e      | 54,75                            | 54,75                          |
| <b>3,6</b>     | Business travel                    | tonnes CO <sub>2</sub> e      | 218,01                           | 218,01                         |
| <b>3,7</b>     | Employee commuting                 | tonnes CO <sub>2</sub> e      | 705,11                           | 705,11                         |
| <b>3,15</b>    | Investments                        | tonnes CO <sub>2</sub> e      | 1 051,36                         | 1 051,36                       |
|                | <b>Total Scope 3 categories</b>    | <b>tonnes CO<sub>2</sub>e</b> | <b>270 061,09</b>                | <b>273 024,64</b>              |
|                | <b>Total</b>                       | <b>tonnes CO<sub>2</sub>e</b> | <b>292 983,30</b>                | <b>308 112,94</b>              |

\* Includes transport of waste and landfill incineration without energy recovery

The table presents a summary of Skellefteå Kraft's climate impact in 2024

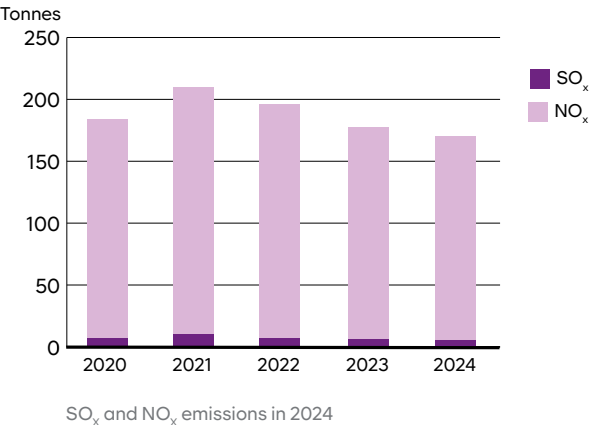
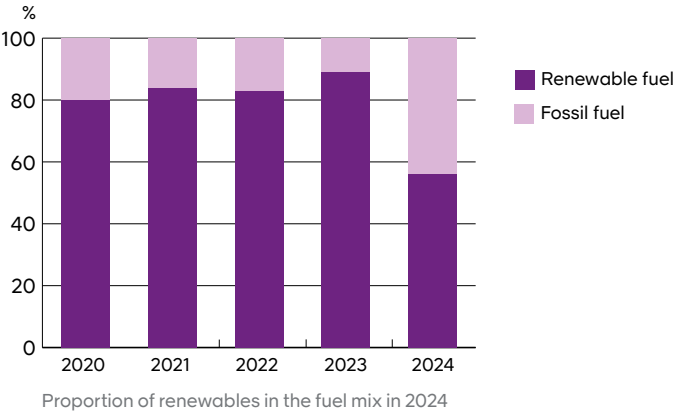
Emissions from our vehicles

We have our own fleet of passenger cars, light trucks and various work vehicles used in the operation and maintenance of our plants. We are working on the transition to electric cars and installing charging points at offices and plants. One challenge is that there is still a lack of electric vehicles on the market that are suited to our needs in a cold climate. For example, four-wheel drive models are few and far between, but development is fast and availability is increasing. This will enable us to continue our transition work and reach our goal of zero fossil fuel emissions from our vehicle fleet by 2030.

Our total share of renewable fuels in our vehicle fuel mix stands at 56 per cent, which is a decrease compared to previous years. This is because our suppliers no longer offer certified fuel. When we have the opportunity, we choose to refuel with HVO100. We are continuing to convert our vehicle fleet, and 90 out of our 124 passenger cars are powered by electricity or other renewable fuels as of 2024.

Other emissions to air

Other emissions are mainly from the combustion of wood fuel, peat and oil from our heating operations. Emissions consist of both fossil CO<sub>2</sub> from peat and oil, biogenic CO<sub>2</sub> from wood fuels and bio-oil, NO<sub>x</sub> and some sulphur and dust. All incineration plants are equipped with various types of flue gas cleaning and the plant in Hedensbyn also has NO<sub>x</sub> reduction equipment. 2024 was the last year peat was used as a fuel.



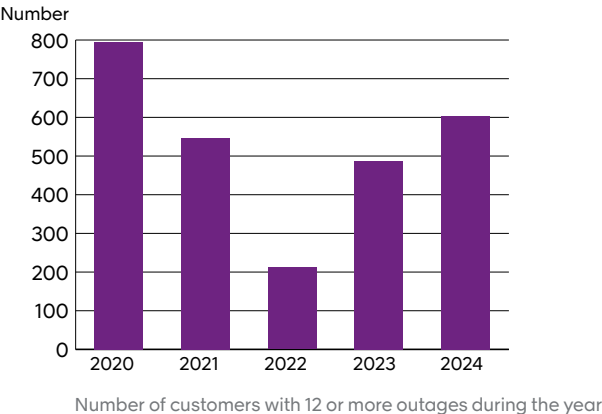
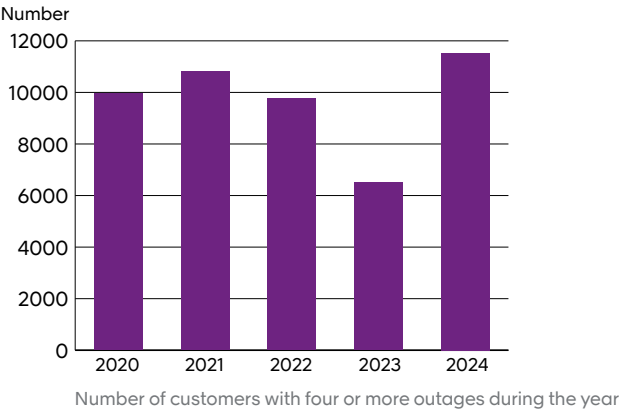
Reliable electricity distribution

Electricity distribution is a critical function of society that must be maintained. The legislation also requires us to ensure reliable supplies. At the same time, changing weather conditions due to climate change, as well as the expansion and increased demand for electricity in the region, pose somewhat new challenges for our operations. We are working continuously and systematically to meet demand and to prevent and minimise network outages.

Our electrical grid is around 12,000 kilometres long, with long stretches running through rural areas. We are required by both our owner and the Government to minimise the number of power outages and reduce the number of customers affected by frequent and/or long outages. We have major investments and maintenance projects in the works to weather-proof the electrical grid, using new digital technologies for fast troubleshooting.

A total of 1,598 outages occurred in 2024, of which 561 were high-voltage outages with more than one customer affected. Most outages were due to weather conditions. It was an unusually cold start to the year, and the extreme cold caused a number of customer outages due to the strain on the electrical grid. During the summer, there were more than 200 operational disruptions due to thunderstorms, which is almost double the number from the previous year.

In November, gale-force winds swept across the coastal region, causing power outages. Many customers were without power for several days while intensive fault repair work took place. In total, 4,113 customers were without electricity for 12 hours or longer during the year. This resulted in a payment of statutory compensation totalling SEK 10,738 thousand. The high amount



is a consequence of long outages for a large number of customers during the November storm. As part of our customer promise, compensation of approximately SEK 252 thousand was paid to just over 603 customers who had 12 or more outages in a year.

#### **Projects that contribute to increasing the energy supply**

From 2017 to 2030, a major project is being carried out to modernise and expand the electrical grid around Skellefteå to secure that future electrical grid needs can be met as the city grows. The project involves both the expansion and reinforcement of the existing grid and new power lines to enable the establishment of new electricity-intensive industry. [Read more about how we secure electricity supply here](#)

Increased demand for expansion of the district heating network increases the need for fuel, while competition for biofuel increases. We therefore want to increase our use of other energy sources, mainly waste heat from other industries, for district heating production. In 2024, the Ecolink project was completed, linking the district heating networks in central Skellefteå and Skelleftehamn. This allows us to use the waste heat from Rönnskär and thus reduce our CO<sub>2</sub> emissions by around 25,000 tonnes per year. The project also allows us to stop using peat as a fuel in our district heating production. [Read more about the Ecolink project here](#)

A major investment in the Rengård hydropower station was completed in 2024. The project will increase both regulatory capacity and energy production. [Read more about the Rengård hydropower station here](#)

#### **Sustainable use of natural resources**

We care about our shared resource base and take responsibility for the impact that our activities have on nature and biodiversity. We are building knowledge and taking action to protect and promote plant and animal life, and to minimise the negative climate and environmental impacts of our operations. When using land and forests, we pay due respect to their many

values and benefits.

Our long-term commitment is reflected in our endeavour to reach the no net loss target for biodiversity by 2030.

#### **Impact on biodiversity**

Renewable energy production from wind and water has great benefits for the climate, but involves interference in the local natural environment. Our electrical grids also affect surrounding ecosystems and biodiversity. Hydropower in particular causes changes in fish migration and water level fluctuations, affecting plant and animal life in and around water bodies. Wind power and electrical grids can affect biodiversity through factors such as noise, impact on bird life and land use. At the same time, power line corridors and other installations can promote biodiversity by creating favourable conditions for threatened species.

Working with biodiversity is complex. It is a time-consuming process that involves inventorying plants and animals and identifying impacts, effects and appropriate measures. An important element is building knowledge, which is still limited in many areas. In recent years, we have worked with industry and experts to identify nature values and the impact of our activities on surrounding ecosystems, and to define priority target areas and actions. Another important element is investigating how Skellefteå Kraft can promote species and benefit ecosystems locally.

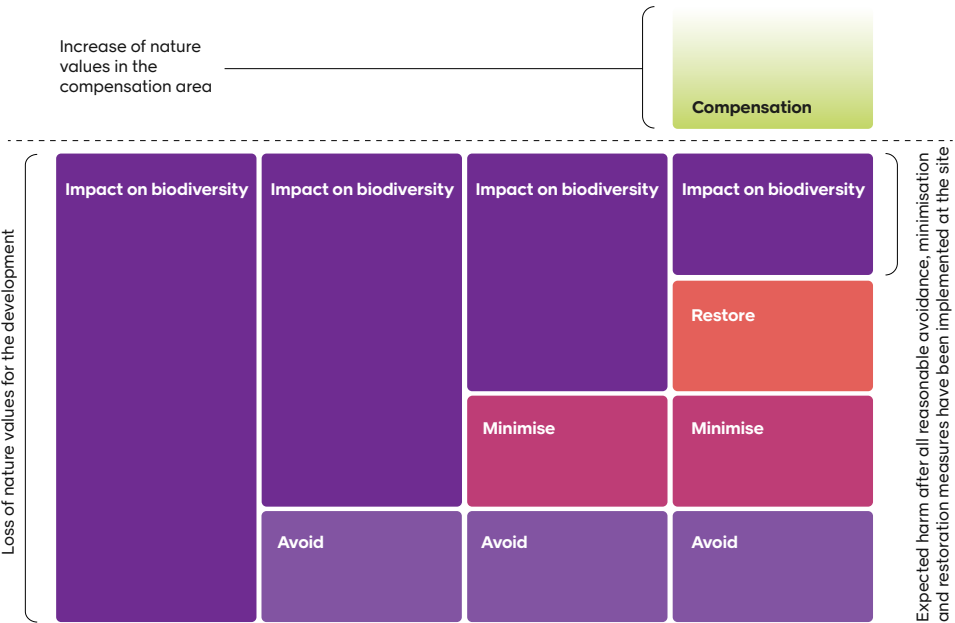
We are following an overarching strategy with activity plans for each operational area, including wind power, hydropower, electrical grids, forest and district heating. Our systematic biodiversity work starts with an inventory of plant and animal life in each area. For areas with special nature values, customised management plans are developed. Where we do not own the land, our biologist works with the organisations, external partners and other land-owners to implement measures and management. Inventories, follow-ups and actions provide experience that helps us develop our practices.

GRI 304-1

We use the mitigation hierarchy as our working model (see figure on page 29). This means that measures to protect biodiversity follow the priority order of Avoid, Minimise, Restore and Compensate for the negative impacts caused by the activity. In 2024, we continued our work to implement the model in operations, for decisions and evaluation of actions taken.

We are committed to good relations with those around us and those affected by our activities. Taking responsibility and engaging in open and honest dialogue with them is a prerequisite for developing our operations in line with our goals and values. Our key stakeholder groups include the Sami, customers, local residents, authorities and business partners.

Skellefteå Kraft's ambition is to be at the forefront and act as a role model in promoting biodiversity. As part of our next step, we will develop a strategy that sets out our ambition and goals to continue to drive ourselves and the industry to develop approaches and practices on site that link the climate issue and biodiversity.



The mitigation hierarchy with its four levels: Impact, Avoid, Minimise & Restore

| Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas |                       |                       |                       |  |   |  |
|--|-----------------------|-----------------------|-----------------------|--|---|--|
| Site ID  | Sikfors               | Hednäs                | Agnäs                 | Uljabuouda                               | Blaiken   | Norrheden                                      |
| Geographical location  | Piteälven River       | Åbyälven River        | Öreälven River        | Arjeplog                                 | Storuman  | Storuman                                       |
| Position in relation to protected areas  | Within Natura 2000    | Within Natura 2000    | Within Natura 2000    | Bordering forest with high nature values | Bordering nature reserve with high forest nature values | Bordering nature reserve with rich bird life   |
| Type of activity (office, production, extraction, etc.)  | Hydropower production | Hydropower production | Hydropower production | Wind power                               | Wind power  | Peat extraction                                |
| Comments   | Fish ladder exists    | Planned demolition    | Low impact            | Low impact                               | Low impact  | Restored to wetland – increase in nature value |

Our sites bordering protected areas/areas with high biodiversity



**Forest holdings create many values**

Skellefteå Kraft owns and manages 13,542 hectares of forest and land, of which approximately 9,300 hectares are productive forest land. Of these, approximately 10 per cent are reserved for nature conservation purposes. Demand for both land and forest raw materials is increasing, while society recognises the value of functioning ecosystems, carbon sequestration and biodiversity based on various special interests and levels of knowledge. This brings with it a great responsibility to apply a long-term perspective to the management of forests and land, including identifying which values and benefits should be prioritised.

**Current biodiversity projects and initiatives**

During the year, we took a major step forward in managing and increasing biodiversity in meadows with high nature values. About 20 different meadows were managed by clearing shrubs and removing brambles or by traditional mowing with a mowing bar and removal of meadow hay. In addition, we introduced grazing animals for the first time ever to manage a green space at one of our hydropower plants. We also conducted a controlled burn in a meadow and a forest area.

Several forest areas along the river were managed for increased biodiversity. In addition, deadwood was laid out in two areas. The wood had gotten stuck in our hydropower plants and were now put to a new use. So a problem for one arm of our operations can be used to create more biodiversity on our own land. Our methodology development to combat invasive species such as lupins continued, and new guidelines were developed to increase biodiversity awareness within the company.



Young summer workers help with the sheep grazing at Finnfors hydropower station

With regard to the Nature Restoration Act, the following focus areas have been highlighted:

- **Create more wetlands.** Here, we are working to restore 1,200 hectares of former peatland to wetlands.
- **Increase the amount of deadwood in the forest landscape.** Here, we are contributing with nature conservation management of our own forests, as well as by laying out deadwood that has gotten stuck in our hydropower stations. We have also taken the decision to increase the amount of deadwood at the edge of our power line corridors.
- **Increase populations of forest-dwelling bird species.** Here, we are contributing by putting up birdhouses on our own land, in our power line corridors and around our plants.

### **Circularity and resource efficiency**

Being economical with resources and striving for efficient and circular flows of raw materials and materials has been identified as an essential issue in our environmental work. Sustainable purchasing, chemicals, waste and recycling are key areas. The need for sustainable use of resources is understood in our processes and policy documents, but needs to be further clarified.

In the projects we run, critical resource flows are mapped within the framework of the Group's project model. By identifying at an early stage where the impact is greatest and what risks and opportunities exist in project implementation, we are in a position to set requirements in collaborations and procurements that increase circularity and resource efficiency. When considering investments and the resulting purchases, it is also important to consider the design of products to make them easier to reuse and recycle. Many functions are involved in this work, including sustainability, purchasing, land, project managers, contractors and suppliers.

In 2025, we will set targets and develop systematic approaches that make resource inputs and outputs measurable and traceable.

In procurement, we strive for partnerships for circular solutions through stricter requirements. Whether waste is generated internally or externally, it is at the centre of our efforts. We actively participate in various collaborative groups to discuss and share experiences on waste management and reuse. One example is our participation in the waste collaboration group within the circular construction network in Skellefteå, which is led by IVL Swedish Environmental Institute and their subsidiary organisation CC Build. These collaborative groups are of particular interest in a growing city like Skellefteå, where efficient waste management and sustainable use of resources are important factors for local sustainable societal development.

We recognise that unmanaged waste can have negative consequences for the environment and result in the loss of valuable resources. When we rebuild, renovate and dismantle plants, we look into the possibility of reusing both technical equipment and construction materials. We are also streamlining waste management in direct investments and plant refurbishments by securing contracts with waste contractors.

In 2024, we signed a new contract with a waste contractor to help us drive our circular flow work forward and create a structure for modern waste management. Having the same provider handle both waste and recycling services makes it easier to create circular flows and optimise waste as the resource it can actually be. Our partner also provides statistics on how much waste our operations generate.

We have also decided to use the Nordic common waste signage system (EU-picto) to simplify and improve waste sorting within the Group. Our work on circularity and resource efficiency is still in its infancy, and we will continue to work on responsibilities, governance and working methods going forward.

We are working on overall targets, processes and procedures aimed at reducing installed volumes of oil in our plants and keeping down the number of unique chemical products in our operations that may pose risks to health and the environment. Our Chemicals Council, with representatives from Environment, Health and Safety, the maintenance company Energiservice, Purchasing and Fire Protection, leads the work of defining the Group's hazardous waste targets and assessing chemical products in purchasing, ensuring effective monitoring and management of this potential risk.

Water use mainly relates to how water is utilised in our hydropower production and is regulated within existing legislation. We report our water consumption annually to Statistics Sweden and take frequent water samples to ensure we stay within the legal limits set for water quality.

By offering services that support energy efficiency, we aim to create a holistic view of our users' energy consumption.

#### **Current projects to increase circularity and resource efficiency**

During the year, we worked on a number of projects and initiatives to increase circularity and resource efficiency.

We tested mixing sulphide soil with ash from incineration in our own operations and using it as a material in road construction. This eliminated the need to use costly emissions-generating transport to bring the sulphide soil to Umeå for landfill, and made it possible to use ash that would otherwise also have incurred disposal costs.

We used peat from our own peat extraction site in a pilot project to develop



We are developing methods to recycle and reuse end-of-life wind turbine blades

methods to combat invasive species. The pilot was carried out in close proximity to one of our hydropower stations.

In recent years, we have been working with industry, research institutions and recycling and reuse stakeholders to find scalable ways to recycle and reuse end-of-life wind turbine blades as an alternative to landfill. The work includes several different initiatives and pilot projects in which we contributed expertise and wind turbine blades.

### 3.2. Social sustainability

The Group does not have a separate sustainability strategy, but instead has a sustainable operational strategy that integrates environmental, human and social responsibilities. Our corporate social responsibility policy documents include, among others, our operating policy, which emphasises the importance of taking responsibility for our impact on the environment, employees and the stakeholders in society affected by our operations, our internal Code of Conduct, which provides guidance for employee behaviour and decision-making, our human resource policy, which describes Skellefteå Kraft's fundamental values for attracting, retaining and developing employees, and our occupational health and safety policy, which focuses on preventing accidents and ill health. These policies clarify the Group's responsibility for preventing and mitigating potential and actual impacts.

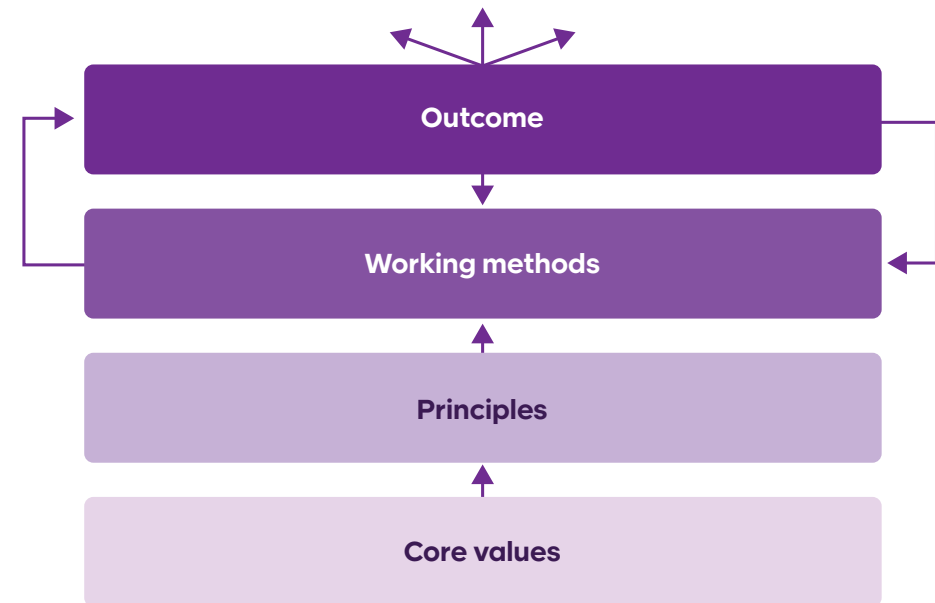
#### Sustainable business practices

We maintain an active dialogue with those affected by our operations and value responsible, evolving relationships. We want to be the best place to work and a sought-after business partner for those who share our values and approach to sustainable business practices.

To ensure a systematic approach to due diligence in line with the OECD Guidelines for Responsible Business Conduct, we conducted a baseline and gap analysis in 2024. The results have provided a basis for further development and improvement measures, such as clarification of policies and procedures where needed and new ways of working to ensure due diligence.

#### An attractive and healthy workplace

Building an attractive workplace is one of the Group's four strategic focus areas. We want to create a workplace that is not only attractive, but also characterised by sustainable leadership and employeehip. The aim is to



Our improvement work is based on our core values and principles. They guide us in creating the best ways of working that deliver results and create value.

support employees both physically and socially throughout their working lives. We strive to create a positive working environment by prioritising skills provision, occupational health and safety, equal treatment and skills development.

At Skellefteå Kraft, we follow the Code of Conduct, policies and guidelines, and work in a process-oriented manner and with continuous improvements. We base our ways of working on our principles and core values, and this work is ongoing. Targets and KPIs are part of our everyday work, and we pride ourselves on being deviation- and idea driven. To us, deviations are not necessarily negative; they are opportunities for improvement and development.

Health and safety at work

We strive for a working environment in which everyone thrives and avoids injury and illness. This includes the physical, organisational and social working environment. We work preventively to keep everyone healthy and avoid injuries and illness. Our efforts include offering benefits such as wellness care, occupational health services and illness insurance to ensure employee well-being. All employees at Skellefteå Kraft are covered by collective agreements.

We create the conditions for a good working environment through measures that include the use of protective equipment, technology optimisation, efficient time management and knowledge sharing. We focus on fostering a good psychosocial working environment by actively managing resources,

working practices and policy guidance. We recognise that training and skills development are key elements, and we are committed to creating a sustainable working environment by being proactive and principle-driven in our improvement efforts.

Skellefteå Kraft is certified according to ISO 45001, which underscores our commitment to sustainable business practices and employee-ship. Through internal and external audits, we ensure continuous improvement and monitor the effectiveness of our actions. All our employees are covered by our occupational health and safety management system, which is both internally and externally audited. We carefully manage incidents through an incident management system and use safety alerts to communicate and address risks. A Health and Safety Committee, with representatives from

| Sickness absence and other occupational injuries | Target | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|--------|------|------|------|------|------|
| Sickness absence                                 | <2,5%  | 3,5  | 3,6  | 3,5  | 2,6  | 2,6  |
| Accident frequency <sup>1</sup>                  | 0      | 7,9  | 2,9  | 3,2  | 2,3  | 2,3  |
| Number of accidents <sup>2</sup>                 | 0      | 11   | 7    | 4    | 3    | 3    |
| Total accident frequency <sup>3</sup>            | 0      | 44,5 | 30,5 | 30,5 | 48,5 | 26,9 |
| Total number of accidents <sup>4</sup>           | 0      | 66   | 48   | 48   | 63   | 35   |
| Accidents with serious consequences <sup>5</sup> | 0      | 0    | 0    | 0    | 0    | 0    |

<sup>1</sup>Number of accidents with absence per million hours worked (LTIF), rolling 12 months.  
<sup>2</sup>Number of accidents with absence beyond the day of injury (LTI).  
<sup>3</sup>Number of accidents with and without absence per million hours worked (TRIF), rolling 12 months.  
<sup>4</sup>Number of accidents with and without absence (TRI).  
<sup>5</sup>Number of serious accidents with actual or expected absence > 6 months, also includes fatalities.

Sickness absence and other occupational injuries



Group Management, meets regularly to steer the health and safety work in the right direction.

Health and safety are at the heart of our daily operations, and we are striving to reach the target of zero lost-time accidents. However, we have seen a negative trend in the number of accidents in the past two years. Work is ongoing to analyse the underlying causes so that we can put the right preventive measures in place and reverse the trend.

The HR Department underwent reorganisation in 2024. Fire Protection, CE coordinators and health and safety coordinators are brought together in a new group to consolidate and strengthen the work of the Health and Safety Group.

### **High engagement index**

With annual employee surveys and in partnership with Nyckeltalsinstitutet, we measure and evaluate our efforts to ensure a holistic view of workplace quality. The assessments also include the identification of possible discrimination or differential treatment. In cases of suspected harassment, discrimination or unhealthy working environment, we conduct an investigation internally or with the support of occupational health services.

We regularly monitor our performance through monthly reports on risks, accidents, sickness absence, employee turnover and other health and safety issues. Gender mainstreaming at both managerial and employee level is an integral part of our strategy to create an equal workplace.

An employee survey was conducted in 2024. The previously used motivated employee index (MMI) has been replaced by an engagement index, and a new leadership index (LI). The new tool will facilitate managers' work environment management. As a result, neither the engagement index nor the leadership index can be compared with the surveys of previous years. The results of the engagement index (79 out of 100) show that we are high at



Skellefteå Kraft employees have a high level of commitment

group level compared with other companies in the country.

### **The challenge of skills provision**

The changes in the energy market place high demands on our employees, and competition for expertise is high in northern Sweden. We have identified the future provision of skills as one of the company's most significant challenges, and conduct risk analyses linked to this. We have conducted skills analyses to get an overall picture of training and development needs in the Group, and aim to make our processes person-independent to facilitate adjustments in the event of increased employee turnover. We encourage internal mobility, and we work actively on skills provision through the ARUBA method (Attract, Recruit, Develop, Retain and Retire), which places particular





The TV series “Högspänning” (High Voltage) boosts interest in the energy industry

emphasis on attracting, retaining and developing qualified personnel.

Through active partnerships with industry peers, training programmes, and initiatives such as the “**Högspänning**” TV series, we are working to bridge the labour shortages and increase interest in our industry. We are also recognised by our peers for our successful efforts to validate skills internally (referred to as micro-credentials). In 2024, local competition for skills slowed to some extent due to redundancies at Northvolt.

During the year, the performance appraisal model was updated with a stronger link to strategic and operational objectives. We use salary setting guidelines that combine job evaluation and individual assessment to ensure our salaries remain competitive. The pay criteria were updated during the year.

Our employees have access to specialised training in areas such as electrical safety and cardiopulmonary resuscitation (CPR). The Training Coordination Group meets monthly to ensure training coverage. The aim is to create an environment in which employees have access to relevant and regular training. New managers undergo a three-day induction training programme, which is updated every three years in the framework of the Better Working Environment (BAM) programme.

### **Gender equality and diversity**

We do not tolerate any form of discrimination or victimisation, and actively promote inclusion and equal treatment. We also consider increased diversity to be an important success factor for skills provision and operational development. To harness the collective skills available in the market, and to contribute to an inclusive labour market, we focus on diversity in our recruitment processes. Among other things, we encourage

the recruitment of employees who do not speak Swedish for those roles that do not require it.

Our people

Employee turnover has increased compared to previous years. This is partly due to increased mobility, but also to more staff retiring during the year.

In 2024, 82 employees joined us and 67 employees left. The average age in 2024 was 43.99, compared to an average age of 44.1 in 2023.

Non-discrimination

Every year we carry out a joint group pay survey. The pay survey is part of the Discrimination Act's "active measures" regulations and aims to investigate, analyse, implement and follow up to ensure that there are no unfair pay differences. A review of the salary structure is ongoing, comparing our salaries with equivalent positions in other industries. The salary setting guideline has also been updated. Among other things, the measures linked to performance have been updated.

During the year, zero cases of discrimination/differential treatment were reported. If an incident is reported, we use an independent party to investigate and handle the case. Following the investigation, the organisation draws up action plans and implements them. The results of the actions are reviewed through internal processes and management review.

In 2024, the Group has set the target that all employees should know how to report victimisation, and a new procedure for handling cases of victimisation has been adopted. In addition, all managers have been

| Average age and employee statistics                           | 2024  | 2023 | 2022 |
|---|-------|------|------|
| Average age, women  | 42,68 | 42,6 | 43,5 |
| Average age, men  | 45,3  | 44,8 | 44,6 |
| Total average age   | 43,99 | 44,1 | 44,3 |
| Number of permanent employees*                                | 910   | 856  | 798  |
| Number of substitutes or general/special fixed-term positions | 23    | 15   | 10   |
| Average number of employees                                   | 883   | 837  | 752  |

\*as of 31 December 2024

Table: Average age and employee statistics

| Concerns 2024         | Total | Women | Men | <29 | 30-39 | 40-49 | 50-59 | 60-65 | >65 |
|-----------------------|-------|-------|-----|-----|-------|-------|-------|-------|-----|
| Board*                | 13    | 4     | 9   | 0   | 0     | 1     | 8     | 1     | 3   |
| Group management      | 10    | 5     | 5   | 0   | 0     | 6     | 4     | 0     | 0   |
| Permanent employees** | 910   | 301   | 609 | 91  | 234   | 269   | 228   | 83    | 5   |

\*Including four co-opted trade union representatives (1 woman and 3 men)

\*\*as of 31 December 2024

Table: Age distribution of men and women in the Board and Group and ages in 2024

| Incidents of discrimination: Number |      |      |
|-------------------------------------|------|------|
| 2024                                | 2023 | 2022 |
| 0                                   | 1    | 0    |

Table: Number of incidents of discrimination

trained in victimisation and anti-corruption to prevent and reduce risks in our operations.

#### **Support for future skills provision**

Skellefteå needs to find the potential employees of the future in the technical and scientific professions. That is why we support the Exploratoriet science centre, which seeks to inspire a new generation in science and technology through experiences and interactivity, as well as Luleå University of Technology's Engineering Programme with a specialisation in Energy Technology at Campus.

Skellefteå Kraft has had a broad study visit and placement programme for many years. School pupils, job seekers and the general public are all welcome to visit us in various forms. We offer degree project and trainee positions via [our website](#).

#### **Whistleblowing function**

An external whistleblowing function is in place to enable employees internally and in the supply chain to anonymously report breaches of the Code of Conduct. In 2024, one whistleblowing case was received in the category of corruption and bias. The case is under investigation at the time of publication of this report.

### **3.3. Corporate social responsibility**

#### **Sustainable societal development**

Sweden is well positioned to drive the sustainable transition and play a crucial role in Europe's transition. With abundant renewable energy resources, we are uniquely positioned to support multiple sectors. Skellefteå Kraft is striving to make Skellefteå a role model for sustainable transition and growth in Europe. The Group has been working strategically for several years to further process the renewable kilowatt hours produced. This reduces dependence on market price fluctuations and creates added value, both financially for the company and for the development of the region and Skellefteå Municipality. The expansion of the electrical grid around

Skellefteå creates further conditions for large-scale electricity-intensive industrial establishments, which benefits societal transition.

Development and expansion in Skellefteå have accelerated over several years, with Skellefteå Kraft playing a central role by developing infrastructure for electricity, heating and communication and acting as an important knowledge partner. According to the municipality's development strategy, the goal is to reach 90,000 inhabitants by 2030, an increase of



Skellefteå Kraft endeavours to actively sustainable growth for both the city and the region



around 12,000 compared to 2024. The mission we have been given by our owner, Skellefteå Municipality, makes it clear that Skellefteå Kraft must actively promote sustainable growth for both the city and the region.

Our mission carries with it a special responsibility to local residents to ensure that development takes place in a responsible and socially beneficial manner. We proactively engage with our stakeholders through consultation and risk analysis in all our processes and operational plans. To ensure continuous monitoring, we use standardised approaches to systematically assess probability and consequences. Our financial planning also includes long-term forecasts over 10 years, which are shared with the municipality for greater transparency and collaboration.

### **Many interests to balance**

As the city and region expand, issues of land use and sustainable development come more into focus. Many different interests and benefits need to be respected and balanced, while legislation and authorisation and permitting processes are complex and do not always provide clear answers. For Skellefteå Kraft, it is important to be and be perceived as a transparent, responsible and responsive actor.

In recent years, we have developed closer cooperation with Skellefteå Municipality, giving us a better holistic perspective and more coordinated processes for community planning and urban development. Together with IVL Swedish Environmental Research Institute, we are participating in the research project CSRD as a driver for the sustainable living environments of the future – method development and collaboration between local communities and industry.

### **Support for local clubs and associations**

We sponsor and support more than 50 non-profit sports and cultural clubs and associations in the communities where we operate. The support is mainly targeted at children's and youth activities. Local clubs and associations play an important role, and are a strong positive force for sustainable societal development. The agreements with the larger associations include a quid pro quo, for example, that the association is to contribute to increased diversity in the association, create meaningful



Skellefteå Kraft supports more than 50 non-profit sports and cultural clubs and associations in the communities where we operate. Horse and rider at Kågedalens Ryttarförening. Photo: Evalena Karlsson

leisure time for young people in at-risk neighbourhoods or help in Skellefteå Kraft's work to promote biodiversity by, for example, clearing invasive species and undergrowth in our power line corridors.

**Long-term profitability**

Our overall financial goals centre on good profitability over time, the development of new business models and contributing to the local and regional economy. Our owner, Skellefteå Municipality, requires us to achieve a profitability of 6 per cent on capital employed over time. If we do well, it benefits the region in which we operate, as some of the surplus goes back to the municipality. In 2024, SEK 374 million went back to our owners. Good finances also allow us to invest in maintenance, development, innovation and research.

Profit for the year amounted to SEK 501 million. A more stable electricity market with lower electricity prices resulted in a decrease in turnover compared to the previous year.

The rate of investment remains high, with investments in the expansion of the electrical grid in Skellefteå, the development of charging infrastructure, investments in waste heat, reinvestments and new investments in hydropower production, and new partnerships. We also set aside money for future significant costs related to the reassessment of water rights and the remediation of wind farms and peat extraction sites. In 2024, investments totalled SEK 1.4 billion.

The organisation is working to develop and integrate all sustainability perspectives into our core processes, and Group Management is striving

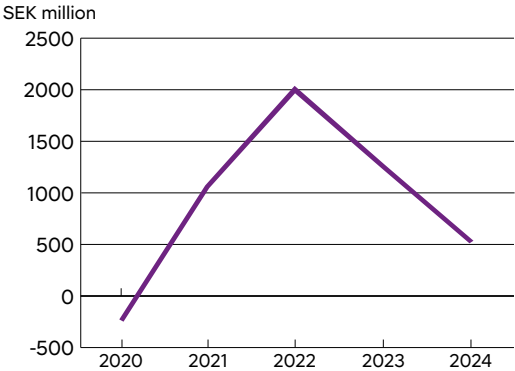


Table: EBIT

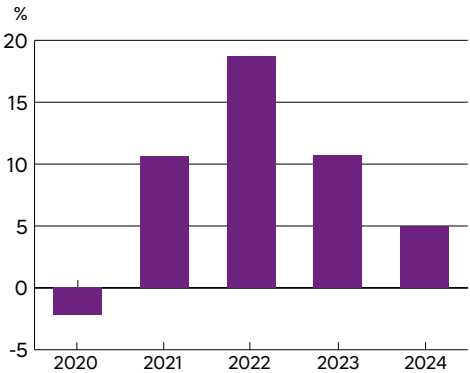


Table: Return on capital employed

to weigh up different options against each other when making investment decisions. Challenges may include conflicts in pricing where sustainability considerations contrast with financial considerations.

### **Business innovation**

Based on our vision to be the best energy company for Sweden, we want to take a market-leading position in research, development and innovation in the energy field. To capitalise on the rapid transition, we have strengthened our business innovation efforts in recent years. Our focus is on developing and implementing new technologies and solutions in profitable products and functioning business models. Innovation work is driven through collaborations and partnerships with many different actors.

We are focusing our business innovation on development areas that respond to the energy system's transition to 100 per cent fossil-free and development areas that are driven by market needs and requirements during the transition.

### **Politics and policies have an impact**

Skellefteå Kraft is very much affected by politics and policies. This creates both financial opportunities and risks for Skellefteå Kraft's various operational areas. The national plan for hydropower is one example. Changes in taxation of production plants and the possible increased requirements for redundancy in the electrical grids as a result of NATO accession are examples of issues that may involve both risks and opportunities. Skellefteå Kraft is an active participant in the dialogue on Sweden's energy supply, and contributes knowledge about which measures and solutions will have the best effect.

### **Purchasing and procurement**

An important aspect of sustainable societal development work is the influence we have when it comes to purchasing and procurement. The purchasing and logistics process at Skellefteå Kraft comprises three main levels: strategic, tactical and operational purchasing. At the strategic level,



Skellefteå Kraft's operations depend on equipment and services from a large number of suppliers and contractors



overall goals, guidelines and standards have been set for purchasing activities, providing important guidance for the organisation's long-term plans and vision. Work is ongoing to update the purchasing guidelines. At the tactical level, the guidelines are put into practice through the implementation of procurement, contract signing and other specific actions. This is where the procurement process takes shape and is adapted to achieve the strategic objectives. Finally, at the operational level, the concrete purchases are implemented and called off to meet the ongoing needs and requirements of the organisation. This structured approach ensures that purchasing activities are efficient and well-coordinated.

#### **Development of responsibilities in the supply chain**

Within the procurement and purchasing process, work is underway to systematise the work of assessing, managing, monitoring and communicating risks throughout the production chain in accordance with the OECD Guidelines for Responsible Business Conduct. During the year, the content of the Supplier Code of Conduct was reviewed to develop operations and align with the requirements. In the majority of completed procurements, suppliers are assessed against environmental and social criteria. In 2024, 80 per cent of all procurements were reviewed against these criteria. A new approach to risk analysis of complex purchases is currently being implemented, with a group of strategic buyers assessing risks using a new prioritisation matrix before operational buyers take over. This helps to improve the quality of risk assessment while reducing dependency on individuals.

During the year, system support enabling supplier categorisation was put in place and is now being populated with item-level data. The EcoVadis system is used as a decision support tool, and suppliers are encouraged to join the system. Although there are challenges in obtaining information from suppliers, especially further down the supply chains, supplier awareness has increased.

During the year, we developed a battery of questions for suppliers to describe how they address human and environmental responsibility in their

operations. The answers help us in our risk assessment and monitoring work. Our future plans include increased monitoring and communication with suppliers to reduce negative impacts within the supply chain. However, the increased level of ambition coincides with sharply increased purchasing volumes, which is a challenge. To relieve the workload of our staff, we use external resources for simpler procurements.

Reuse and the circular economy are increasingly being considered as an alternative to new purchases, and increased use of Power-BI is planned to collect and rank information on suppliers. Over the past year, cooperation between clients, contractors and the sustainability function has increased, with the common goal of better understanding risks and opportunities together and finding new sustainable solutions when implementing different projects.

Skellefteå Kraft offers solar cells to our customers. China's total dominance in the extraction of silicon in solar panels poses a major challenge. We are growing increasingly concerned about the situation of forced labour for the Uyghurs in the Xinjiang region as reports emerge that more and more sectors are being subjected to unacceptable working conditions. Skellefteå Kraft finds forced labour in any form to be unacceptable, and we will continue to strengthen due diligence measures. We are investigating and participating in various industry initiatives to address complex supply chain issues.

Regular follow-ups and updates of the Code of Conduct and procurement process are conducted to ensure compliance and continuous improvement.

#### **Good business ethics**

We have high expectations of ourselves and from the outside world to be a role model in all business relationships. Our Code of Conduct defines what we mean by good business ethics and sets the framework for how we will act in line with our values, policies and regulations.

Governing documents, policies and procurement legislation regulate the purchasing process depending on the amount and type of purchase.

Our framework agreements set relevant requirements for human and environmental responsibility. The Group's internal purchasing portal (Medius) only includes items covered by the framework agreements to prevent indiscriminate purchases.

We strive to ensure good competition in all our purchases, whether or not the purchase falls under procurement legislation or not. In supplier meetings, the focus has gradually shifted to sustainability aspects. It is important to note that the law prohibits direct targeting of procurement to local suppliers. The procurement process must be open, non-discriminatory and competitive to ensure equal and transparent treatment of all potential suppliers.

### **Anti-corruption**

A thriving culture with well-functioning rules and procedures is required to combat corruption and misconduct. Our Code of Conduct, which is provided to all employees when they join the company, provides guidance on how employees are expected to act and make decisions in their daily work to prevent corruption risks. A cross-functional working group is tasked with working actively, continuously and preventively on corruption issues within the Group, not least through training and dilemma exercises.

### **Respect for human rights**

Skellefteå Kraft supports and respects the UN Universal Declaration of Human Rights, as well as the UN Global Compact's ethical principles on responsible business for human rights, working conditions, the environment and corruption, and the International Labour Organization (ILO) conventions.

Responsibility and risks related to human rights affect the entire value chain. For Skellefteå Kraft, this includes the impact of operations on reindeer husbandry and local residents, issues of labour conditions and non-discrimination internally and in the supply chain, as well as ethical aspects in the relationship with customers and business partners.

Our codes of conduct and stakeholder dialogues are important elements of our work to identify and manage risks. Skellefteå Kraft's internal Code of Conduct sets out how each employee is expected to behave and treat each other and external partners and other stakeholders with respect. It specifies Skellefteå Kraft's approach to protecting and respecting human rights and that we do not accept any form of harassment, discrimination or other behaviour that may be perceived as offensive or victimising. The Code of Conduct is included in new employee induction and in occupational health and safety training for managers.

With many suppliers and large purchases, there are sustainability-related risks in the supply chain. Our Supplier Code of Conduct is designed to address material impacts, risks and opportunities related to workers in our value chain, including both specific groups and the workforce as a whole. We set general and specific social and environmental requirements in our purchasing and procurement processes. **Supplier Code of Conduct** applies to all suppliers, is incorporated into the contract and is communicated to suppliers via our [supplier portal](#). In 2024, a baseline and gap analysis against the OECD due diligence guidelines was carried out. In 2025, an action plan and measures will be implemented to ensure that our working practices are compliant with applicable requirements.

### **Indigenous peoples**

We actively engage with our local stakeholders on the conflicts of interest and implications of land expansion and development in the region in which we operate. The expansion of electrical grids and wind power and hydropower plants affects local residents in various ways, and in many cases takes place in areas where reindeer husbandry is practised. Through consultation and ongoing dialogue with the Sami villages, we try to find solutions and mutual adaptation of the respective activities to minimise negative impact. This can involve anything from compensation measures and agreements on the timing of various activities to financial

compensation for Sami villages, local heritage organisations, municipalities and others.

|                                   |           |
|-----------------------------------|-----------|
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| <b>4.3. GRI index</b>             | <b>56</b> |

# 4. Appendices

## 4.1. KPI table

| Environment                                       | Unit                              | 2024      | 2023      | 2022      | GRI   | Comments  |
|---|-----------------------------------|-----------|-----------|-----------|-------|---|
| <b>Greenhouse gas emissions</b>                   |                                   |           |           |           |       |   |
| Scope 1 Direct greenhouse gas emissions           | total in tonnes CO <sub>2</sub> e | 22 662    | 22 291    | -         | 305-1 |   |
| Scope 2 Indirect greenhouse gas emissions         | total in tonnes CO <sub>2</sub> e | 260       | 1 890     | -         | 305-2 |   |
| Scope 3 Other indirect greenhouse gas emissions   | total in tonnes CO <sub>2</sub> e | 270 061   | 202.7     | -         | 305-3 |   |
| <b>Significant emissions to air, per</b>          |                                   |           |           |           |       |   |
| NO <sub>x</sub>                                   | kg                                | 164 923   | 171 843   | -         | 305-7 |   |
| SO <sub>x</sub>                                   | kg                                | 5 323     | 5 711     | -         | 305-7 |   |
| <b>Energy consumption</b>                         |                                   |           |           |           |       |   |
| Total fuel consumption from non-renewable sources | MWh                               | 37 633    | 59 116    | 43 139    | 302-1 |   |
| Total fuel consumption from renewable sources     | MWh                               | 925 659   | 977 211   | 946 261   | 302-1 |   |
| Total electricity consumption                     | MWh                               | 66 767    | 73 701    | 69 698    | 302-1 | Total and significant energy use according to energy mapping. |
| Total heat consumption                            | MWh                               | 5 833     | 6 029     | 5 769     | 302-1 |   |
| Total cooling consumption                         | MWh                               | 734       | 723       | 736       | 302-1 |   |
| Total steam consumption                           | MWh                               | 12 140    | 30 556    | 14 433    | 302-1 |   |
| Electricity sold                                  | MWh                               | 4 223 830 | 4 175 607 | 4 090 076 | 302-1 |   |

| Environment   | Unit               | 2024      | 2023      | 2022      | GRI   | Comments   |
|---|--------------------|-----------|-----------|-----------|-------|--|
| Heat sold   | MWh                | 711 560   | 764 446   | 696 180   | 302-1 |  |
| Cooling sold  | MWh                | 4 413     | 3 789     | 4 254     | 302-1 |  |
| Steam sold  | MWh                | 0         | 0         | 0         | 302-1 |  |
| <b>Total energy consumption within the organisation</b> | MWh                | 124 446   | 126 666   | 118 442   | 302-1 | Total and significant energy use according to energy mapping.          |
| <b>Total energy intensity</b>                           | kWh/MWh produced   | 31        | 40        | -         | 302-3 | Total electricity use within the organisation, to produce electricity. |
| <b>Total energy reduction</b>                           | kWh/m <sup>2</sup> | 183       | 182       | 175       | 302-4 | Concerns electricity, heating and cooling in properties.               |
| <b>Water</b>  |                    |           |           |           |       |  |
| <b>Water withdrawals all areas</b>                      | m <sup>3</sup>     | 6 378 724 | 5 994 870 | 5 473 232 | 303-3 |  |
| Surface water   | m <sup>3</sup>     | 6 378 724 | 5 994 870 | 5 473 232 | 303-3 |  |
| <b>In areas with water scarcity</b>                     | m <sup>3</sup>     | 89 302    | 93 148    | -         | 303-3 |  |
| Water from third parties                                | m <sup>3</sup>     | 89 302    | 93 148    | -         | 303-3 |  |
| <b>Water discharges all areas</b>                       | m <sup>3</sup>     | 6 393 706 | 6 121 046 | -         | 303-4 |  |
| Surface water   | m <sup>3</sup>     | 6 393 706 | 6 121 046 | -         | 303-4 |  |
| <b>Water consumption (all areas)</b>                    | m <sup>3</sup>     | 2 969     | 2 897     | -         | 303-5 | Concerns water consumption in the properties.                          |

| Environment  | Unit   | 2024  | 2023  | 2022  | GRI   | Comments |
|--|--------|-------|-------|-------|-------|----------|
| <b>Waste</b>   |        |       |       |       |       |          |
| Total waste generated                                  | tonnes | 2 188 | 2 140 | 4 622 | 306-3 |          |
| Hazardous waste  | tonnes | 1,049 | 718   | 832   | 306-4 |          |
| Total weight of hazardous waste diverted from landfill | tonnes | 2,087 | 2,102 | 2,869 | 306-4 |          |
| Total weight of waste diverted to landfill             | tonnes | 101   | 38    | 90    | 306-5 |          |
| Landfill   | tonnes | 101   | 38    | 90    | 306-5 |          |

| Social                       | Unit   | 2024 | 2023 | 2022 | GRI   | Comments  |
|------------------------------|--------|------|------|------|-------|---|
| <b>Number of employees</b>   |        |      |      |      |       |   |
| Total                        |        | 910  | 856  | 798  | 2-7   | Concerns permanent positions, not including substitutes or general/special fixed-term positions |
| <b>Total number</b>          |        |      |      |      |       |   |
| Women <30                    | Number | 36   | 26   | 15   | 2-7   |   |
| Women 30–50                  | Number | 178  | 169  | 149  | 2-7   |   |
| Women >50                    | Number | 87   | 81   | 81   | 2-7   |   |
| Men <30                      | Number | 56   | 43   | 37   | 2-7   |   |
| Men 30–50                    | Number | 324  | 322  | 307  | 2-7   |   |
| Men >50                      | Number | 229  | 215  | 209  | 2-7   |   |
| <b>Employees by contract</b> |        |      |      |      |       |   |
| Permanent employment (Women) | Number | 301  | 276  | 245  | 2-7   |   |
| Temporary employment (Women) | Number | 10   | 8    | 6    | 2-7   |   |
| Full-time employment (Women) | Number | 280  | 259  | 226  | 2-7   |   |
| Part-time employment (Women) | Number | 21   | 17   | 19   | 2-7   |   |
| Permanent employment (Men)   | Number | 609  | 580  | 553  | 2-7   |   |
| Temporary employment (Men)   | Number | 13   | 15   | 11   | 2-7   |   |
| Full-time employment (Men)   | Number | 566  | 539  | 517  | 2-7   |   |
| Part-time employment (Men)   | Number | 43   | 41   | 36   | 2-7   |   |
| <b>New hires</b>             |        |      |      |      |       |   |
| Women <30                    | Number | 9    | 12   | 4    | 401-1 |   |
| Women 30–50                  | Number | 18   | 25   | 29   | 401-1 |   |
| Women >50                    | Number | 4    | 4    | 4    | 401-1 |   |
| Men <30                      | Number | 14   | 10   | 9    | 401-1 |   |



| Social  | Unit   | 2024 | 2023 | 2022 | GRI   | Comments  |
|---|--------|------|------|------|-------|---|
| Men 30–50   | Number | 27   | 40   | 48   | 401-1 |   |
| Men >50   | Number | 10   | 15   | 12   | 401-1 |   |
| <b>Employee turnover: number who left during the reporting period</b> |        |      |      |      |       |   |
| Women <30   | Number | 2    | 0    | 3    | 401-1 |   |
| Women 30–50   | Number | 7    | 5    | 11   | 401-1 |   |
| Women >50   | Number | 8    | 2    | 11   | 401-1 |   |
| Men <30   | Number | 6    | 5    | 7    | 401-1 |   |
| Men 30–50   | Number | 22   | 13   | 37   | 401-1 |   |
| Men >50   | Number | 22   | 15   | 43   | 401-1 |   |
| <b>Employee turnover</b>  |        |      |      |      |       |   |
| Women <30   | %      | 6    | 0    | 20   | 401-1 |   |
| Women 30–50   | %      | 4    | 3    | 7    | 401-1 |   |
| Women >50   | %      | 9    | 2    | 13   | 401-1 |   |
| Men <30   | %      | 11   | 12   | 19   | 401-1 |   |
| Men 30–50   | %      | 7    | 4    | 12   | 401-1 |   |
| Men >50   | %      | 10   | 7    | 21   | 401-1 |   |
| <b>Board of Skellefteå Kraft</b>                                      |        |      |      |      |       | Data provided for the Board excludes trade union representatives. |
| Women <30   | Number | 0    | 0    | 0    | 405-1 |   |
| Women 30–50   | Number | 0    | 0    | 0    | 405-1 |   |
| Women >50   | Number | 3    | 3    | 3    | 405-1 |   |
| Men <30   | Number | 0    | 0    | 0    | 405-1 |   |
| Men 30–50   | Number | 1    | 0    | 0    | 405-1 |   |
| Men >50   | Number | 5    | 6    | 6    | 405-1 |   |
| <b>Board of Skellefteå Kraft</b>                                      |        |      |      |      |       | Data provided for the Board excludes trade union representatives. |
| Women, executive  | Number | 0    | 0    | 0    | 2-9   |   |
| Women, non-executive  | Number | 0    | 0    | 0    | 2-9   |   |

| Social  | Unit   | 2024      | 2023      | 2022      | GRI   | Comments  |
|---|--------|-----------|-----------|-----------|-------|---|
| Women, independent  | Number | 3         | 3         | 3         | 2-9   |   |
| Men, executive  | Number | 0         | 0         | 0         | 2-9   |   |
| Men, non-executive  | Number | 0         | 0         | 0         | 2-9   |   |
| Men, independent  | Number | 6         | 6         | 6         | 2-9   |   |
| <b>Work-related injuries</b>  |        |           |           |           |       | These include accidents, occupational diseases and accidents while travelling |
| Work-related fatalities   | Number | 0         | 0         | 0         | 403-9 |   |
| High consequence work-related injuries  | Number | 0         | 0         | 0         | 403-9 |   |
| Total number of work-related injuries   | Number | 66        | 52        | 66        | 403-9 |   |
| <b>Number of hours worked</b>   | Number | 1 392 098 | 1 367 826 | 1 268 679 | 403-9 |   |
| <b>Occupational health and safety management system</b>   |        |           |           |           |       |   |
| Number of employees* covered by an occupational health and safety management system   | Number | 910       | 856       | 798       | 403-8 |   |
| Percentage covered by an occupational health and safety management system   | %      | 100       | 100       | 100       | 403-8 |   |
| Percentage covered by an occupational health and safety management system that has been internally audited                            | %      | 100       | 100       | 100       | 403-8 |   |
| Percentage covered by an occupational health and safety management system that has been audited and/or certified by an external party | %      | 100       | 100       | 100       | 403-8 |   |
| *All employees at Skellefteå Kraft  |        |           |           |           |       |   |
| <b>Performance and career development (Gender)</b>  |        |           |           |           |       | Information is based on the annual employee survey.                           |
| Number of employees receiving regular performance and career development reviews (Women)  | Number | 292       | 195       | 178       | 404-3 |   |
| Number of employees receiving regular performance and career development reviews (Men)  | Number | 568       | 420       | 411       | 404-3 |   |
| Women   | %      | 97        | 71        | 73        | 404-3 |   |
| Men   | %      | 93        | 72        | 74        | 404-3 |   |
| <b>Discrimination</b>   |        |           |           |           |       |   |
| Incidents of discrimination   | Number | 0         | 1         | 0         | 406-1 |   |
| <b>Violations of the rights of indigenous peoples</b>   |        |           |           |           |       |   |

| Social   | Unit         | 2024      | 2023      | 2022      | GRI   | Comments   |
|--|--------------|-----------|-----------|-----------|-------|--|
| Incidents of victimisation   | Number       | 0         | 0*        | 0         | 411-1 |  |
| Incidents reviewed by the organisation   | Number       | 0         | 0*        | 0         | 411-1 |  |
| Action plans under implementation  | Number       | 0         | 0*        | 0         | 411-1 |  |
| * In 2023, 1 case of violation of the rights of indigenous peoples was reported. Upon review, this was found to be incorrect, as it related to a case of victimisation of own workforce. |              |           |           |           |       |  |
| <b>Standard benefits for full-time employees but not provided for temporary or part-time employees</b>   |              |           |           |           |       |  |
| Life insurance   | Yes/No       | No        | No        | No        | 401-2 | For all employees.   |
| Healthcare   | Yes/No       | Yes       | Yes       | Yes       | 401-2 |  |
| Parental leave   | Yes/No       | No        | No        | No        | 401-2 | For all employees.   |
| Pension contributions  | Yes/No       | No        | No        | No        | 401-2 | For all employees.   |
| <b>Parental leave</b>  |              |           |           |           |       | Includes both longer and shorter periods during the respective reporting year. |
| Entitled to parental leave (Women)   | Number       | 301       | 276       | 245       | 401-3 |  |
| Entitled to parental leave (Men)   | Number       | 609       | 580       | 553       | 401-3 |  |
| Total number of employees who returned to work during the year (Women)   | Number       | 70        | 58        | 53        | 401-3 |  |
| Total number of employees who returned to work during the year (Men)   | Number       | 127       | 122       | 122       | 401-3 |  |
| Percentage returning to work (Women)   | %            | 86        | 80        | 84        | 401-3 |  |
| Percentage returning to work (Men)   | %            | 96        | 96        | 98        | 401-3 |  |
| Number who took parental leave (Women)   | Number       | 81        | 72        | 63        | 401-3 |  |
| Number who took parental leave (Men)   | Number       | 132       | 127       | 124       | 401-3 |  |
| <b>Annual remuneration</b>   |              |           |           |           |       |  |
| Total remuneration of the highest paid in the organisation   | Number (SEK) | 2 387 000 | 2 220 000 | -         | 2-21  |  |
| Median total remuneration of all employees (excluding highest paid)  | Number (SEK) | 519 840   | 493 632   | -         | 2-21  |  |
| Ratio of highest paid to median (excluding highest paid)   | %            | 459       | 450       | -         | 2-21  |  |
| <b>Basic salary and remuneration</b>   |              |           |           |           |       |  |
| <b>Board</b>   |              |           |           |           |       |  |
| Average basic salary (Women)   | Number (SEK) | 1 267 356 | 1 059 840 | 1 001 880 | 405-2 |  |

| Social                         | Unit         | 2024      | 2023      | 2022      | GRI   | Comments  |
|--------------------------------|--------------|-----------|-----------|-----------|-------|---|
| Average basic salary (Men)     | Number (SEK) | 1 480 800 | 1 503 000 | 1 384 800 | 405-2 |   |
| Basic salary ratio (Women/Men) | %            | 86        | 71        | 72        | 405-2 |   |
| <b>Employees</b>               |              |           |           |           |       |   |
| Average basic salary (Women)   | Number (SEK) | 523 116   | 498 168   | 477 948   | 405-2 |   |
| Average basic salary (Men)     | Number (SEK) | 556 068   | 528 924   | 506 124   | 405-2 |   |
| Average remuneration (Women)   | Number (SEK) | 31 406    | 29 280    | 22 776    | 405-2 | Remuneration in addition to basic salary, includes e.g. standby duty. |
| Average remuneration (Men)     | Number (SEK) | 60 997    | 60 372    | 53 376    | 405-2 | Remuneration in addition to basic salary, includes e.g. standby duty. |
| Basic salary ratio (Women/Men) | %            | 94        | 94        | 94        | 405-2 |   |

| Governance   | Unit         | 2024          | 2023           | 2022          | GRI   | Comments   |
|--|--------------|---------------|----------------|---------------|-------|--|
| <b>Direct economic value created and distributed in SEK (EV&amp;D)</b>   |              |               |                |               |       |  |
| <b>Direct economic value generated: revenue (net turnover)</b>   | Number (SEK) | 5 437 000 000 | 6 920 000 000  | 7 664 000 000 | 201-1 |  |
| <b>Distributed economic value: operating profit (EBIT)</b>   | Number (SEK) | 501 400 000   | 1 610 100 000* | 2 002 000 000 | 201-1 |  |
| Salaries and benefits to employees   | Number (SEK) | 751 000 000   | 679 000 000    | 645 000 000   | 201-1 |  |
| <b>Economic value created</b>  | Number (SEK) | 4 935 600 000 | 5 309 900 000* | 5 662 000 000 | 201-1 |  |
| <b>Equity</b>  | Number (SEK) | 7 700 800 000 | 7 956 000 000* | 7 838 000 000 | 201-1 |  |
| <b>Return on equity (before tax)</b>   | %            | 4             | 20*            | 27,5          | 201-1 |  |
| *Adjusted amounts for 2023   |              |               |                |               |       |  |
| <b>Communication and training about anti-corruption policies and procedures</b>  |              |               |                |               |       |  |
| Total number of board members informed about the organisation's anti-corruption policies and procedures                          | Number       | 9             | 9              | 9             | 205-2 |  |
| Percentage of board members informed about anti-corruption policies  | %            | 100           | 100            | 100           | 205-2 |  |
| <b>Total number of employees informed about the organisation's anti-corruption policies and procedures, by category of staff</b> |              |               |                |               |       |  |
| Board  | Number       | 9             | 9              | 9             | 205-2 |  |
| Management team  | Number       | 9             | 9              | 9             | 205-2 |  |
| Other employees  | Number       | 910           | 847            | 789           | 205-2 | All employees over the years via Code of Conduct, intranet, induction and digital training. The figure excludes all managers, who participated via instructor-led training in the learning portal (see row above). |
| <b>Total number of board members who have received anti-corruption training</b>  | Number       | 9             | 9              | 9             | 205-2 |  |

| Governance  | Unit   | 2024 | 2023 | 2022 | GRI   | Comments   |
|---|--------|------|------|------|-------|--|
| Percentage of board members who have received anti-corruption training                            | %      | 100  | 100  | 100  | 205-2 |  |
| <b>Total number of employees who have received anti-corruption training, by category of staff</b> |        |      |      |      |       |  |
| Board   | Number | 9    | 9    | 9    | 205-2 |  |
| Management team   | Number | 9    | 9    | 9    | 205-2 |  |
| Other employees   | Number | 910  | 847  | 789  | 205-2 | All employees over the years via Code of Conduct, intranet, induction and digital training. The figure excludes all managers, who participated via instructor-led training in the learning portal (see row above). |
| Percentage of employees who have received anti-corruption training                                | %      | 100  | 100  | 100  | 205-2 |  |
| <b>Confirmed incidents of corruption</b>  |        |      |      |      |       |  |
| Total number of confirmed incidents   | Number | 1    | 0    | 0    | 205-3 | Incident under investigation 31 Dec 2024.  |
| Number of incidents where employees were dismissed or disciplined                                 | Number | 0    | 0    | 0    | 205-3 |  |
| Number of incidents where contact with business partners was terminated                           | Number | 0    | 0    | 0    | 205-3 |  |
| Public corruption legal cases brought against the organisation                                    | Number | 0    | 0    | 0    | 205-3 |  |
| <b>Number of legal actions taken</b>  |        |      |      |      |       |  |
| Number of legal actions for anti-corruption behaviour   | Number | 0    | 0    | 0    | 206-1 |  |
| <b>Suppliers</b>  |        |      |      |      |       |  |



| Governance   | Unit   | 2024 | 2023 | 2022 | 2021 | Comments  |
|--|--------|------|------|------|------|---|
| Number of suppliers  | Number | 144  | 145  |      |      | contribute to the EU's overall climate and environmental ambitions already from 2024. This year, taxonomy reporting will include the qualitative aspects. In 2025, we will work on the financial allocation so that we can present a full taxonomy account in the next report for 2025.   |
| New suppliers that were screened using environmental criteria        |        |      |      |      |      |   |
| New suppliers  | Number | 8    | 8    |      |      | Scope of the reporting  |
| New suppliers that were screened using environmental criteria        | %      | 87.5 | 87.5 |      |      | 374 308-1 Number of procurements completed.   |
| New suppliers that were screened using social criteria               |        |      |      |      |      |   |
| New suppliers  | Number | 5    | 5    |      |      | This report relates to the financial year 2024 and includes all business areas and operating segments within Skellefteå Kraft, to the extent that relevant data and assessments have been available. In some cases, simplified assumptions and distribution keys were used when detailed information was not available. We may revise and refine methods and data in future reporting as further guidance from the EU and industry practice develops. |
| Percentage of new suppliers that were screened using social criteria | %      | 60   | 60   |      |      | Applied to all procurements with social risks   |

4.2. EU taxonomy reporting

The EU Taxonomy Regulation is a key part of the European Union's efforts to steer financial flows towards more sustainable activities. By introducing a common classification system for environmentally sustainable economic activities, the taxonomy provides clear guidance for both investors and companies. The ambition is for economic activities to contribute significantly to at least one of the six environmental objectives of the taxonomy, while avoiding harm to other objectives and complying with established minimum safeguards. Large companies are expected to report the proportion of capital expenditure, turnover and operating expenditure that is covered by and meets the taxonomy requirements. In this way, the Taxonomy Regulation contributes to the EU's overall climate objectives and paves the way for a carbon-neutral economy by 2050.

As of financial year 2025, Skellefteå Kraft is indirectly subject to these reporting requirements as a subsidiary of the Skellefteå Stadshus Group. Through this voluntary reporting, Skellefteå Kraft wants to give investors, customers and other stakeholders a clear picture of how our operations

Identified economic activities covered by the EU taxonomy

In 2024, Skellefteå Kraft mapped how the company is covered by the EU taxonomy ("eligibility"). The mapping was carried out with the support of external consultants, where Skellefteå Kraft's various areas of activity were evaluated based on the delegated regulations (EU 2021/2139 and EU2023/2486) which define the economic activities that are considered

to be capable of having a significant contribution to any of the six environmental objectives.

Skellefteå Kraft is assessed to carry out a total of 16 economic activities covered by the EU taxonomy, the majority of which are considered to have a significant contribution to the objective of climate change mitigation. For the economic activities that can have a significant contribution to several of the environmental objectives, Skellefteå Kraft has assessed that they mainly have a significant contribution to climate change mitigation. This choice is based on the company's stated focus on contributing to positive societal development with a focus on sustainable energy supply, electrification and mobility.

Of the economic activities covered by the Delegated Regulation EU 2021/2139 and thus considered to have a significant contribution to the objective of mitigating climate change, Skellefteå Kraft is deemed to carry out the following activities:

- 1.3 Forest management
- 4.3 Electricity generation from wind power
- 4.5 Electricity generation from hydropower
- 4.9 Transmission and distribution of electricity
- 4.10 Storage of electricity
- 4.15 District heating/cooling distribution
- 4.20 Cogeneration of heating/cooling and power from bioenergy
- 4.24 Production of heat/cooling from bioenergy
- 4.25 Production of heating/cooling using waste heat
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 6.15 Infrastructure enabling low-carbon road transport and public transport
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.6 Installation, maintenance and repair of renewable energy technologies
- 7.7 Acquisition and ownership of buildings
- 9.3 Professional services related to the energy performance of

buildings

Furthermore, Skellefteå Kraft is deemed to conduct an economic activity covered by the Delegated Regulation EU 2023/2486 and thus deemed to be able to make a significant contribution to the objective of protecting and restoring biodiversity, namely:

- 1.1 Conservation, including restoration, of habitats, ecosystems and species

Each activity has been analysed against the technical screening criteria in the delegated acts to determine both applicability and compatibility.

### **Compatibility with the EU taxonomy**

In the autumn of 2024, Skellefteå Kraft started the process of analysing how the economic activities covered by the EU taxonomy meet the criteria set out in Article 3 of the EU Taxonomy Regulation (EU 2020/852, "alignment"). This means that the economic activity must make a significant contribution to one or more of the environmental objectives, and not cause significant harm to any of the environmental objectives. Furthermore, each economic activity shall fulfil the technical audit criteria set out in the delegated acts. The analysis was carried out with the support of external consultants.

In 2024, Skellefteå Kraft worked on finalising the climate risk and vulnerability analyses concerned by the EU Taxonomy Regulation for each economic activity, to demonstrate that the activity does "no significant harm" for the objective of Climate change adaptation. The analyses identify and assess relevant climate parameters and the risk events they may result in. Once all the analyses have been completed, they will be compiled in a group-wide

climate adaptation plan that describes Skellefteå Kraft's main risks and opportunities linked to climate change, now and in the future. The aim is to embed and reinforce the importance of climate change adaptation and to provide a basis for an action plan for addressing the main risks.

The risk assessment in the climate risk and vulnerability analyses is based on a selected climate scenario, with data taken from the Swedish Meteorological and Hydrological Institute's (SMHI) climate scenario service. The analyses are based on RCP8.5 (Representative Concentration Pathway), a scenario that assumes continued high emissions of carbon dioxide based on various assumptions about future development. The analysis is also proportionate to the scale and life expectancy of the activity and compared with climate data for the reference period 1971–2000.

Skellefteå Kraft has completed the analysis for a number of the economic activities, and will continue this work in 2025. Skellefteå Kraft is generally



Skellefteå Kraft will present a full taxonomy report for the financial year 2025

considered to have good potential to demonstrate

alignment with the technical criteria of the EU taxonomy for several economic activities in the coming years.

Minimum safeguards and next steps

In 2024, Skellefteå Kraft reviewed its policies and guidelines for human rights, labour conditions, business ethics and anti-corruption against the EU taxonomy's requirements for alignment. Skellefteå Kraft is currently not aligned with the minimum safeguards. However, the baseline analysis showed that the company generally has solid processes and work where only minor adjustments are required for alignment. The organisation will continue to work on the identified gaps in 2025.

4.3. GRI index

| GRI standard                                 | Number | Description   | Page       | Comments   |
|--|--------|---|------------|--|
| General Disclosures                          |        |   |            |  |
| The organisation and its reporting practices |        |   |            |  |
| GRI 2: General disclosures 2021              | 2-1    | Organizational details  | 3          |  |
|  | 2-2    | Entities included in the organization's sustainability reporting            | 6          |  |
|  | 2-3    | Reporting period, frequency and contact point                               | 3          |  |
|  | 2-4    | Restatements of information   | 3          |  |
|  | 2-5    | External assurance  | 3          | PwC was selected by Skellefteå Kraft's senior management and appointed to perform the independent review on behalf of the Board of Skellefteå Kraft. |
|  | 2-6    | Activities, value chain and other business relationships                    | 6-8, 14-15 |  |
|  | 2-7    | Employees   | 47         |  |
|  | 2-8    | Workers who are not employees   |            | Skellefteå Kraft does not collect this type of data.   |
|  | 2-9    | Governance structure and composition  | 7, 48      |  |
|  | 2-10   | Nomination and selection of the highest governance body                     | 7          |  |
|  | 2-11   | Chair of the highest governance body  | 7          |  |
|  | 2-12   | Role of the highest governance body in overseeing the management of impacts | 8          |  |
|  | 2-13   | Delegation of responsibility for managing impacts                           | 14         |  |
|  | 2-14   | Role of the highest governance body in sustainability reporting             | 8          |  |
|  | 2-15   | Conflicts of interest   | 8          |  |
|  | 2-16   | Communication of critical concerns  | 8          |  |
|  | 2-17   | Collective knowledge of the highest governance body                         | 8          |  |

| GRI standard                      | Number | Description  | Page                        | Comments   |
|-----------------------------------|--------|--|-----------------------------|--|
| <b>General Disclosures</b>        |        |  |                             |  |
|                                   | 2-18   | Evaluation of the performance of the highest governance body | 8                           |  |
|                                   | 2-19   | Remuneration policies  | 36                          |  |
|                                   | 2-20   | Process to determine remuneration                            | 36                          |  |
|                                   | 2-21   | Annual total compensation ratio                              | 50                          |  |
|                                   | 2-22   | Statement on sustainable development strategy                | 11-13                       |  |
|                                   | 2-23   | Policy commitments   | 13                          |  |
|                                   | 2-24   | Embedding policy commitments                                 | 12                          |  |
|                                   | 2-25   | Processes to remediate negative impacts                      | 13                          |  |
|                                   | 2-26   | Mechanisms for seeking advice and raising concerns           | 13                          |  |
|                                   | 2-27   | Compliance with laws and regulations                         | 57                          | Based on the information available, to our knowledge, no incidents of significant non-compliance with laws and regulations, including environmental laws and/or regulations, occurred in 2024. It also includes that no significant fines have been imposed and no non-monetary sanctions have been imposed on Skellefteå Kraft during the stated time period. |
|                                   | 2-28   | Membership associations                                      | 20                          |  |
|                                   | 2-29   | Approach to stakeholder engagement                           | 18-19                       |  |
|                                   | 2-30   | Collective bargaining agreements                             | 34                          |  |
| GRI 3: Material topics 2021       | 3-1    | Process to determine material topics                         | 15                          |  |
|                                   | 3-2    | List of material topics                                      | 15                          |  |
|                                   | 3-3    | Management of material topics                                | 21-22, 28, 31-33, 35, 38-39 |  |
| <b>Environment</b>                |        |  |                             |  |
| GRI 302: Energy 2016              |        |  |                             |  |
|                                   | 302-1  | Energy consumption within the organization                   | 45                          |  |
|                                   | 302-3  | Energy intensity   | 45                          |  |
|                                   | 302-4  | Reduction of energy consumption                              | 45                          |  |
| GRI 303: Water and effluents 2018 |        |  |                             |  |
|                                   | 303-1  | Interactions with water as a shared resource                 | 32                          |  |
|                                   | 303-2  | Management of water discharge-related impacts                | 32                          |  |
|                                   | 303-3  | Water withdrawal   | 46                          |  |
|                                   | 303-4  | Water discharge  | 46                          |  |
|                                   | 303-5  | Water consumption  | 46                          |  |

| GRI standard                                    | Number | Description  | Page      | Comments |
|---|--------|--|-----------|----------|
| <b>General Disclosures</b>                      |        |  |           |          |
| GRI 304: Biodiversity 2016                      |        |  |           |          |
|   | 304-1  | Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas | 29        |          |
|   | 304-2  | Significant impacts of activities, products and services on biodiversity   | 28, 30    |          |
| GRI 305: Emissions 2016                         |        |  |           |          |
|   | 305-1  | Direct (Scope 1) GHG emissions   | 24-25, 45 |          |
|   | 305-2  | Energy indirect (Scope 2) GHG emissions  | 24-25, 45 |          |
|   | 305-3  | Other indirect (Scope 3) GHG emissions   | 24-25, 45 |          |
|   | 305-7  | Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ) and other significant air emissions                                | 26, 45    |          |
| GRI 306: Waste 2020                             |        |  |           |          |
|   | 306-1  | Waste generation and significant waste-related impacts   | 31        |          |
|   | 306-2  | Management of significant waste-related impacts  | 31        |          |
|   | 306-3  | Waste generated  | 46        |          |
|   | 306-4  | Waste diverted from disposal   | 46        |          |
|   | 306-5  | Waste diverted to disposal   | 46        |          |
| GRI 308: Supplier environmental assessment 2016 |        |  |           |          |
|   | 308-1  | New suppliers that were screened using environmental criteria  | 42, 52    |          |
|   | 308-2  | Negative environmental impacts in the supply chain and actions taken   | 42        |          |
| <b>Social</b>                                   |        |  |           |          |
| GRI 401: Employment 2016                        |        |  |           |          |
|   | 401-1  | New employee hires and employee turnover   | 47-48     |          |
|   | 401-2  | Benefits provided to full-time employees that are not provided to temporary or part-time employees                                       | 49        |          |
|   | 401-3  | Parental leave   | 50        |          |
| GRI 403: Occupational health and safety 2018    |        |  |           |          |
|   | 403-1  | Occupational health and safety management system   | 34        |          |
|   | 403-2  | Hazard identification, risk assessment and incident investigation  | 34        |          |
|   | 403-3  | Occupational health services   | 34        |          |



| GRI standard   | Number | Description  | Page      | Comments   |
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| <b>General Disclosures</b>                                     |        |  |           |  |
|  | 403-4  | Worker participation, consultation and communication on occupational health and safety                         | 34-35     |  |
|  | 403-5  | Worker training on occupational health and safety  | 34-35     |  |
|  | 403-6  | Promotion of worker health   | 34        |  |
|  | 403-7  | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships  | 34        |  |
|  | 403-8  | Workers covered by an occupational health and safety management system   | 34, 49    |  |
|  | 403-9  | Work-related injuries  | 34, 48    |  |
| GRI 404: Training and education 2016                           |        |  |           |  |
|  | 404-3  | Percentage of employees receiving regular performance and career development reviews                           | 35-36, 49 | No data regarding this employment category is collected. |
| GRI 405: Diversity and equal opportunity 2016                  |        |  |           |  |
|  | 405-1  | Diversity of governance bodies and employees   | 7, 37, 48 |  |
|  | 405-2  | Ratio of basic salary and remuneration of women to men   | 50        |  |
| GRI 406: Non-discrimination 2016                               |        |  |           |  |
|  | 406-1  | Incidents of discrimination and corrective actions taken   | 37, 49    |  |
| GRI 407: Freedom of association and collective bargaining 2016 |        |  |           |  |
|  | 407-1  | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 42        |  |
| GRI 411: Rights of indigenous peoples 2016                     |        |  |           |  |
|  | 411-1  | Incidents of violations involving rights of indigenous peoples   | 49        |  |
| GRI 413: Local communities 2016                                |        |  |           |  |
|  | 413-2  | Operations with significant actual and potential negative impacts on local communities                         | 38-39, 42 |  |
| GRI 414: Supplier social assessment 2016                       |        |  |           |  |
|  | 414-1  | New suppliers that were screened using social criteria   | 42, 52    |  |
| <b>Governance</b>  |        |  |           |  |
| GRI 201: Economic performance 2016                             |        |  |           |  |
|  | 201-1  | Direct economic value generated and distributed  | 51        |  |

| GRI standard                            | Number | Description  | Page   | Comments   |
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| General Disclosures                     |        |  |        |  |
|   | 201-2  | Financial implications and other risks and opportunities due to climate change   |        | A double materiality analysis was carried out in 2024. In conjunction with this, work began on assessing financial implications and other risks and opportunities resulting from climate change. |
| GRI 202: Market presence 2016           |        |  |        |  |
|   | 202-1  | Ratios of standard entry level wage by gender compared to local minimum wage     | 36     |  |
|   | 202-2  | Proportion of senior management hired from the local community                   | 7      |  |
| GRI 203: Indirect economic impacts 2016 |        |  |        |  |
|   | 203-1  | Infrastructure investments and services supported                                | 38-40  |  |
| GRI 204: Procurement practices 2016     |        |  |        |  |
|   | 204-1  | Proportion of spending on local suppliers  | 43     |  |
| GRI 205: Anti-corruption 2016           |        |  |        |  |
|   | 205-2  | Communication and training about anti-corruption policies and procedures         | 51     | No policy adopted, but procedures and guidelines are in place.   |
|   | 205-3  | Confirmed incidents of corruption and actions taken                              | 52     |  |
| GRI 206: Anti-competitive behaviour     |        |  |        |  |
|   | 206-1  | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | 43, 52 |  |