

Sustainability Report 2023

Powering a changing
society – and making
green energy
accessible to all

N^oRDION ENERGI

COMPRISES: SWEDEGAS • WEUM • FALBYGDENS ENERGI • NORDION ENERGI H2

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Page references for Nordion Energi’s statutory sustainability report in accordance with the Swedish Annual Accounts Act (1995:1554)

Area	Policy including the execution of the same	Outcome of the policy	Risks and risk management	Performance indicators
Environmental issues	10–13, 24–25, 41	11, 20, 24–25	10, 12–13, 16–17, 24–25, 39–42	11
Personnel	10–13, 34–36, 41	11, 34–36	10, 12–13, 34–36, 41–42	11
Social conditions	10–13, 27–31, 41	11, 27–31	10, 12–13, 18–19, 27–31, 39–42	11
Human rights	37–38	37–38	10, 12–13, 37–42	11
Anti-corruption	37	37	10, 12–13, 39–42	11

See pages 3–5 and 28 for a description of Nordion Energi’s business model.

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This is Nordion Energi's fifth sustainability report. As of 2023, it constitutes the statutory sustainability report for Nordion Energi Topholding, 559164-7580, with its registered office in Malmö, Sweden. The previous four annual sustainability reports were compiled for Nordion Energi AB, 556976-3765, also based in Malmö. The reason for this change is partly to harmonise with the highest consolidated level for financial reporting, and partly to include Nordion Energi H2 AB – a new business within the Nordion group. Operations Nordion Energi AB, 556976-3765, Swedegas AB, 556181-1034, Weum Gas Aktiebolag, 556015-9492, Falbygdens Energi Nät AB, 556407-5165, Nordion Energi Holding AB, 559150-9541 and Nordion Energi H2 AB, 559383-3238, are included in this report. Nordion Energi Transformation AB, which was acquired in December 2022, had no operations in 2023 and is not included in the report. Nordion Energi Holding AB also does not have any business operations.

The report summarises the sustainability work conducted during the period 1 January – 31 December 2023. It addresses the sustainability topics identified as being material in our materiality analysis. Read more about the materiality analysis on pages 41–42.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021 with the specific sector protocol for Oil and Gas (GRI-11-Oil-and-Gas-Sector-2021).

Find out more about our sustainability work at:

www.nordionenergi.se

One of the wind turbines in Lundby, Trädet, a 10 MW wind farm within Falbygdens Energi.



This is Nordion Energi

This is Nordion Energi

Nordion Energi specialises in energy infrastructure and is driven by a clear purpose: to help drive the transition to 100% green energy.

Nordion Energi AB was formed in 2020 by merging the businesses Swedegas AB and Weum Gas Aktiebolag. Swedegas is a Transmission System Operator (TSO) for the Swedish gas transmission grid, selling transmission, storage and system balance services. The transmission grid for gas, also called the gas backbone, transports gas to distributors and directly connected customers. Swedegas has also been the system balance officer for the network since 2013. This means that Swedegas is responsible for maintaining the short-term balance between input and output in the Swedish gas system. In a crisis, Swedegas has to implement measures ordered by the Swedish Energy Agency to ensure that gas can be supplied to protected customers.

Weum operates Sweden's largest gas distribution grid, which is connected to the gas transmission grid and transports gas to further customers.

Three more acquisitions have been made since the initial creation of Nordion Energi. Falbygdens Energi Nät AB, with electricity network operations in Falköping and the surrounding area, was acquired in January 2021. Nordion Energi Transformation AB and Nordion Energi Innovation AB were created within the Nordion Energi group in December 2022.

Since 1 September 2023, a hydrogen development business has been operated within the company Nordion Energi Innovation AB. On 1 February 2024, Nordion Energi Innovation changed its name to Nordion Energi H2 AB, with a focus on hydrogen operations.

Gas operations have around 18,500 customers and electricity network operations around 18,200 customers in industry, municipalities, CHP (Combined Heat and Power) plants, households, commercial properties, restaurants, etc. Nordion Energi had 114 (106*) employees at the end of December 2023 and a turnover of SEK 887.5 (824.5) million during the year.

* Figures in brackets represent 2022 numbers

As an independent operator, we neither produce nor trade in gas or electricity ourselves. Our responsibility is to ensure unrestricted access to our systems and security of supply.

Our responsibilities

As an owner of critical energy infrastructure, Nordion Energi's business is subject to an extensive regulatory system in Sweden and the EU. Energy infrastructure is highly capital-intensive and has therefore been granted monopoly status. Sweden, like other EU countries, has legal provisions in place governing the separation of transmission and production/trading, in order to reduce the risk of anti-competitive practices. As an independent operator, we neither produce nor trade in gas or electricity ourselves. Our responsibility is to ensure unrestricted access to our gas and electricity networks and security of supply. Nordion Energi has a duty to provide a connection to the gas and electricity networks and must not discriminate against anyone.

Access to the transmission grid for gas requires a licence, and Swedegas holds licences for all the operating areas that require them. Falbygdens Energi Nät has an area concession for the 0.4–20 kV electricity network in the municipality of Falköping and parts of four adjacent municipalities.

Security focus in asset management

Nordion Energi has a large asset pool in the form of our infrastructure, making active asset management a key factor in our business. Since we manage critical national infrastructure, sound security work is of utmost importance to us. The importance of both physical security around our facilities and information security has become even more relevant in recent years due to the changing global situation.

These "gas hats" mark the location of the gas transmission grid.



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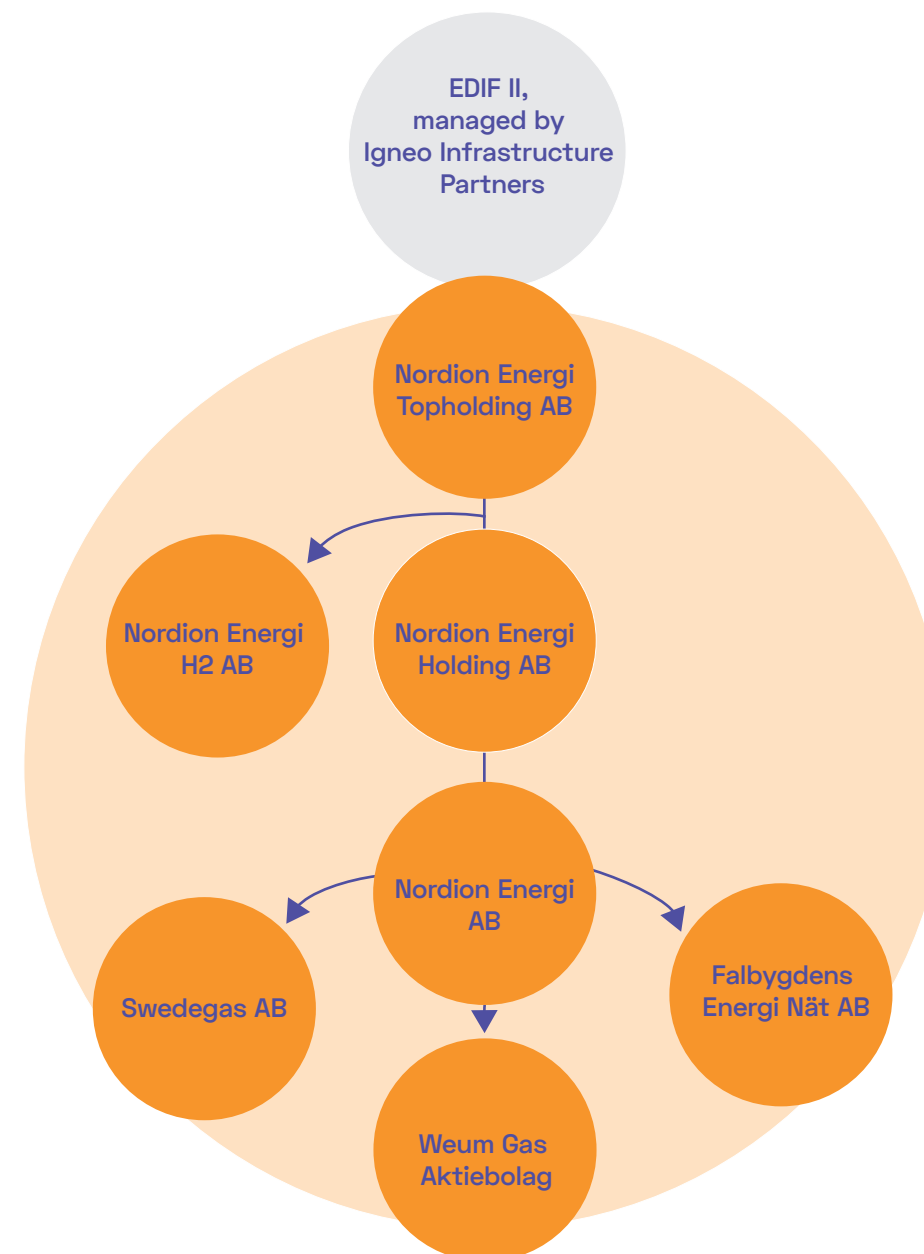
This is
Nordion
Energi

Our owner and corporate structure

Owners

Nordion Energi is owned by the European Diversified Infrastructure Fund II, which is managed by Igneo Infrastructure Partners. Igneo Infrastructure Partners is the infrastructure investments business of First Sentier Investors.

With 30 years' experience, it is one of the world's largest infrastructure investors. Igneo's aim is to generate sustainable, long-term returns for its investors through building a diversified portfolio of mature, unlisted infrastructure companies. EDIF II, the investors in which are primarily European pension funds, focuses on long-term investments in European infrastructure companies.



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This is
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Our vision

Powering a changing society – and making green energy accessible to all!

Society is facing dramatic changes, and climate change is at the heart of it. Nordion Energi has been formed to help drive the transition to 100% green energy. This is a huge task, and if we are to succeed we need to think innovatively and act swiftly.

We specialise in energy infrastructure, a key factor when it comes to creating a sustainable society. We currently have infrastructure for gas and electricity, with renewable energy at the top of our agenda. But our ambitions go further than that. We are channelling our efforts into creating a sustainable, flexible energy system that is fit for the future, making best use of electricity, gas and heat. We enable our customers to achieve their environmental and climate goals.

There is no shortage of renewable energy. The challenge comes in making it accessible – where it is needed, when it is needed, and at a competitive price. And this is where infrastructure plays such a crucial role.

We are embarking on an exciting journey together with our customers and other partners who share our objective: 100% green energy.

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The year in brief

Net sales and profit

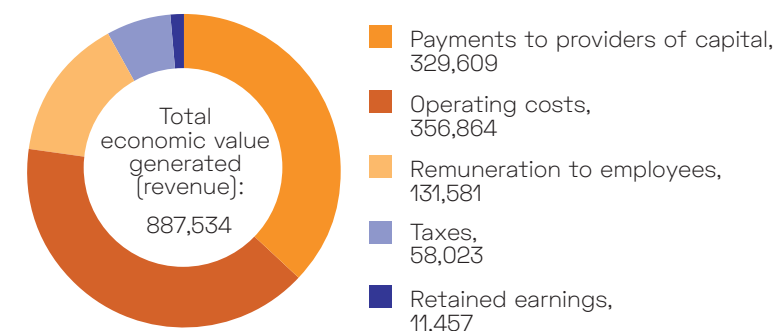
The majority of Nordion Energi's net sales revenue is derived from the provision of gas and electricity transportation services. Our revenues for transfer and storage services sold to customers are regulated and monitored by the Swedish Energy Markets Inspectorate (Ei). Good profitability is vital for continued investment in new and existing energy infrastructure.

RESULTS NORDION ENERGI TOPHOLDING 2023 (TSEK)

	2023	2022
Net sales	887,534	824,512
Operating result before interest, tax, depreciation and amortisation*	524,657	522,252
Investments in fixed assets	120,251	133,592
Net debt	5,253,871	5,467,355
Total assets	11,617,475	11,654,316
Equity	1,017,577	-114,753

* Adjustment includes costs for integration activities, acquisitions and divestments.

NORDION ENERGI TOPHOLDING ECONOMIC CONTRIBUTION TO SOCIETY 2023 (TSEK)**



** The contribution of the organisation to sustainability from a broader economic perspective: direct economic value generated and delivered, including revenue, operating costs, remuneration to employees, retained earnings, and payments to funding bodies and the public sector. Nordion Energi as an energy company also makes a significant indirect contribution to society.

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Key events at Nordion Energi

- In 2023, there were no accidents leading to sick leave (Lost-Time Injuries*), and we increased the number of reported risk observations - showing a strong health and safety culture.
- We changed the method and tool we use for our employee surveys, which were previously conducted twice a year. With our new tool, we instead conduct one small survey per week – which we call pulse measurements. This allows us to track employee engagement in real time and more quickly identify areas we need to work on.
- We exceeded our target of reducing methane emissions by 35 percent from 2019 to 2023, achieving a major reduction of 56 percent.
- We updated our Group strategy for 2024–2028 and identified strategically important priorities to take our vision for 100% green energy from words to action.
- Our strategic partnership with Danish firm Nature Energy, Europe's leading biogas producer, has had a significant ripple effect. As a result, we have received several requests for connection of large-scale biogas production facilities to our gas network.
- We welcomed Rosenskog wind farm as a new addition to our electricity network in July 2023, as part of our drive to encourage more renewable production in our electricity network. The project enables more production and consumption in the electricity network through our new receiving station, making it possible for more stakeholders to connect, and we are already seeing keen interest.
- 1 September marked a commercial restructuring in which our former hydrogen division became a separate company, Nordion Energi H2 AB. We are now pooling our resources to take the next step in our strategic focus on the expansion of future hydrogen infrastructure.
- On 28 November, the European Commission presented its list of Projects of Common Interest. Two of our key hydrogen projects, the Nordic Hydrogen Route and the Baltic Sea Hydrogen Collector, are on the list, which will mean simplified permitting processes and the possibility to apply for funding from the EU's Connecting Europe Facility program.
- In February 2024, Nordion Energi entered into a partnership with Fertiberia and Lantmännen. Together we will develop Power2Earth, Sweden's first production unit for mineral fertiliser linked to large-scale hydrogen production. For Nordion Energi, this means building a 150 km hydrogen pipeline between Letsi and Luleå in Norrbotten. This will form the first leg of the Nordic Hydrogen Route.
- We entered into further important strategic partnerships in the first quarter of 2024. In February, we signed agreements with CMP, E.ON, Sysav and Uniper to further develop the Carbon Capture, Utilisation and Storage (CCUS) project CNetSS and establish a carbon hub in the Port of Malmö. In March, we and several industry players in Sweden launched the Industrial Biogas Commission to increase understanding of the industry's need for biogas as a feedstock. In March, we also entered into a partnership with St1 for the production and distribution of liquid biogas (LBG) in the Port of Gothenburg.

Key events affecting Nordion Energi

- The consequence of the Landwärme judgement in the European General Court, which invalidated the European Commission's decision to approve Sweden's tax exemption for biogas and biofuel, was evident in 2023 through a decrease in the proportion of biogas shown in the Gas Barometer. Since the beginning of 2023, Nordion Energi has been working together with the industry to restore full tax exemption.
- Legal proceedings concerning the Swedish Energy Markets Inspectorate's (Ei) decision to change the method of valuing the capital base were ongoing for much of 2023. As a consequence of the court ruling, Ei has issued a new decision in accordance with the previously applicable method.
- Due to the security situation in Europe, Nordion Energi continues to hold a frequent dialogue with the responsible authorities regarding security of supply. In addition, dialogue is ongoing on the importance of Sweden having its own large-scale production of biogas as a vital element of the nation's total defence capability – creating a green, secure, and home-grown energy supply.
- In December 2023, the Council of the EU and the European Parliament reached a preliminary political agreement on a regulation on common rules for the internal market for renewable gas, natural gas and hydrogen. This is part of the Green Deal and the Fit for 55 gas package, which aims to shift from fossil to renewable gases.

* LTI – An accident resulting in absence for one day or more.

CEO's statement

Together we are taking our vision from words to action

2023 was characterised by inflation, high interest rates and concerns over the national security situation in the wake of Russia's invasion of Ukraine in 2022. In light of this, the importance of protecting critical national energy infrastructure and security of supply has been given even higher priority. We are also seeing the energy market begin to recover after years of volatile prices.

The year ended with the 28th UN Climate Change Conference –COP28, and the statements from the conference fully confirm that Nordion Energi's vision is the correct one: **Powering a changing society – and making green energy accessible to all.** At the EU level, the European Commission is accelerating its work on climate change through Fit for 55 and #RePowerEU, and we are putting our energy into acting and thinking differently. Our responsibility lies in investing in energy infrastructure to meet the growing demand for green energy, strengthening the energy sector's readiness for the future and relieving a strained power situation. In this context, regulatory stability is an important cornerstone of the energy sector's scope and ability to make the large investments required to build a flexible and sustainable energy system.

Biogas and hydrogen will be crucial

Our goal is to have 100 percent green gas in our system, with biogas replacing natural gas. The partnership agreement that Nordion Energi signed in March 2023 with Europe's leading biogas producer, Denmark's Nature Energy, is not just a way of taking our vision from words to action. It has also propelled the importance of biogas for critical Swedish industry up the agenda. In 2023, we saw increased interest in connecting biogas production to our networks.

For many companies, reliable access to biogas is crucial for their energy transition. The EU has set a target of 350 TWh of biogas per year by 2030, and Sweden is uniquely positioned to produce biogas through the gasification of forest waste, thanks to the abundant supply of forest. Nordion Energi owns and manages infrastructure that can be gradually converted from natural gas to biogas without the need to rebuild it.

Nordion Energi's CEO Hans Kreisel on the past year and the way forward



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Hydrogen is a crucial element of the EU's commitment to reach carbon neutrality by 2050, and Nordion Energi has taken a leading position in the expansion of hydrogen infrastructure. We participate in the European Network of Network Operators for Hydrogen (ENNOH) aimed at building systems that create security of supply throughout Europe.

Infrastructure in the form of pipelines is a prerequisite for being able to transport large volumes of hydrogen, for example for fossil-free production in the steel and mining industry or industries that supply agricultural fertiliser. During the year, Nordion Energi stepped up its ambition to invest in hydrogen infrastructure, an infrastructure that is socio-economically efficient and has minimal impact on the environment.

Projects of national and international importance

At the end of the year, we reached a milestone when the European Commission presented its list of Projects of Common Interest (PCI). Two of our major projects, the Nordic Hydrogen Route (NHR) and the Baltic Sea Hydrogen Collector (BHC), are identified as being important not only for Sweden's transition, but for the whole of Europe.

A first step in the development of NHR is Power2Earth, a partnership with Lantmännen and Fertiberia that aims to realise Sweden's first fossil-free mineral fertiliser factory. Through Power2Earth, we show how hydrogen infrastructure is cost-effective, delivers energy security and reduces carbon dioxide emissions.

We also run carbon capture, utilisation and storage (CCUS) projects in several cities along the West Coast and we are committed to creating new value chains for liquid biogas (LBG) to reach users in heavy transport, shipping and off-grid industries that require large amounts of biogas to manage their energy transition.

The Västra Götaland region is the area in Sweden where electricity needs are increasing the most, together with Norrland. Transmission capacity between local, regional and national networks is often a bottleneck, and Nordion Energi is therefore participating in several projects through Falbygden's Energi to increase flexibility in the electricity networks. More and more customers want to connect renewable electricity generation – solar and wind – to our elec-

tricity networks, while interest in battery solutions that can balance loads in the electricity network is also increasing.

We are transitioning our own operations

As society transitions, we at Nordion Energi are following suit. We purchase sustainability certified biogas for our boilers in the transmission grid, and we are working systematically to reduce emissions from our operations. Between 2019 and 2023, we reduced our methane emissions by a huge 56 percent thanks to our focused maintenance work.

The energy industry is facing a major challenge in terms of skills supply, and this challenge is only going to increase. Working in the energy industry has a very attractive reputation and Nordion Energi is taking a long-term approach to both retaining and recruiting new employees. In order to remain an attractive employer and take action more quickly where necessary, we changed the tool for our employee survey during the year, switching to a model with weekly pulse measurements. It is gratifying to see that we have high levels of employee engagement and a response rate above the industry average.

We are part of the sustainable energy transition

The EU's Green Deal has accelerated the energy transition. In December 2023, the Council and Parliament reached a preliminary political agreement on a regulation setting out common rules for the internal market in renewable gas, natural gas and hydrogen. Reforming the structure of the EU's electricity market will also boost the integration of renewables into our energy system. At a national level, several processes and investigations are underway to increase the robustness of Sweden's energy supply. We are now looking forward to a 2024 where we can continue to be part of the sustainable energy transition by working according to our core values – innovation, commitment, together and always with a focus on safety.

Powering a changing society – and making green energy accessible to all.

Malmö, April 2024

Hans Kreisel
CEO, Nordion Energi

“We are investing in energy infrastructure to meet the growing demand for green energy, strengthening the energy sector's readiness for the future and relieving a strained power situation.”



UN SDGs

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GOAL 5 GENDER EQUALITY
Nordion Energi endeavours to strike a balance between the number of women and men at all levels and within all occupations.



GOAL 7.2 AFFORDABLE AND CLEAN ENERGY
Nordion Energi plays its part by pushing for a significant increase in the share of renewable energy available.



GOAL 8.8 DECENT WORK AND ECONOMIC GROWTH
The work environment must be safe for everyone who works for Nordion Energi.

GOAL 8.7
Our Supplier Code of Conduct aims to reduce the risks of forced labour, child labour, modern slavery and human trafficking throughout the value chain.



GOAL 9.1 INDUSTRY, INNOVATION AND INFRASTRUCTURE
We contribute by building reliable, sustainable and resilient infrastructure in order to ensure security of supply.



GOAL 10 REDUCED INEQUALITIES
Nordion Energi believes that workplaces characterised by gender equality and diversity form a basis for creativity and innovation. No form of discrimination is accepted. Our Code of Conduct sets out principles expected of all employees.



GOAL 13 CLIMATE ACTION
All investments made by Nordion Energi are aimed at supporting a renewable agenda in order to reach agreed climate targets. All our projects aim to reduce greenhouse gas emissions and improve the local environment.



GOAL 17.16 PARTNERSHIPS FOR THE GOALS
Nordion Energi actively seeks collaborations and partnerships with various actors and stakeholders in order to drive the sustainable agenda.

Targets and outcomes

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Area	Nordion Energi – Targets	Outcome 2023 (2022 data in brackets for comparison)
Actively driving the transition to net zero emissions	100% green gas in all gas infrastructure by 2030	30.6% (37.5%) throughout the west Swedish gas network
Actively driving the transition to net zero emissions – own emissions	Net zero emissions in own operations by 2030, Scope 1 and 2	808 tonnes CO2e (916 ¹⁾ , 12% reduction from 2022 through to 2023
	By 2023, to reduce own methane emissions by 35% compared with total emissions for 2019	Reduction of 56% (50%) compared to 2019
	100% of electricity bearing the Good Environmental Choice label covers energy losses in the electricity network	100% electricity labelled Good Environmental Choice
Reliable and flexible infrastructure as a platform for security of supply of energy and raw materials	Swedegas: zero unplanned outages to customers	Swedegas: 0 (2) unplanned outages to customers
	Weum: available gas supply to customers	Weum: 99.999% (99.999%) available gas supply to customers with 6 (5) unplanned outages
	FENAB SAIDI: <38 minutes ²⁾ • CEMI4: <1,200 customers ³⁾	FENAB SAIDI: 37.0 (43.9) minutes • CEMI4: 433 (3) customers
A safe work environment for everyone who works for Nordion Energi	Zero lost-time injuries (LTIs) ⁴⁾	LTIs: 0 (2)
Committed employees	Employee engagement “Temperature” in line with benchmark ⁵⁾	Temperature: 7.7 (Employee index 77 translated to temperature 7.7) (benchmark 7.6)
Equal and inclusive energy company	Better gender balance than the energy sector ⁶⁾ on average, all employees	26% (25%) women and 74% (75%) men (industry benchmark 31%/69%)
	Equal leadership opportunities for men and women ⁶⁾	32% (24%) women and 68% (76%) men in leadership roles (industry benchmark 31%/69%)
	Diversity and inclusion index in line with benchmark ⁶⁾	7.8 (benchmark 8.0)
Business ethics throughout the value chain	All major or business-critical suppliers must have signed the Supplier Code of Conduct	100% (100%) of contracted active suppliers have signed the Supplier Code of Conduct, i.e. outcome better than target

1) The 2022 figure has been adjusted from 906.2 to 916 due to selection of emission factors for district heating and cooling.

2) SAIDI (System Average Interruption Duration Index) is a customer-weighted availability index where the unit used is outage per customer per year.

3) CEMI4 (Customers Experiencing Multiple Interruptions) shows how many customers have had four or more interruptions.

4) An LTI is an accident resulting in absence for one day or more.

5) Temperature is a measure of employee engagement and well-being, based on the results of questions in nine different areas in the Winningtemp pulse survey. Benchmark according to Winningtemp for the energy industry in 2023. New tool and method compared to previous year.

6) Based on the 2022 Nyckeltalsinstitutet industry report for Electricity and Energy.

Priority areas

Our five priority sustainability areas

The energy industry has a key role to play in facilitating a more sustainable society. Nordion Energi was formed to secure a stable energy supply for its present and future customers and to drive the transition towards a fossil-free society.

Our priority sustainability topics are:

- Actively driving the transition to net zero emissions, read more on pages 14–25
- Reliable and flexible infrastructure as a platform for security of supply of energy and raw materials, read more on pages 26–32
- A safe work environment for everyone who works for Nordion Energi, read more on pages 33–36
- Equal and inclusive energy company, read more on pages 33–36
- Business ethics throughout the value chain, read more on pages 37–40

These priority areas were identified in our materiality analysis. Find out more on pages 41–42.



The path to net zero emissions

Secure supply & infrastructure

A safe work environment for everyone

Equality & inclusion

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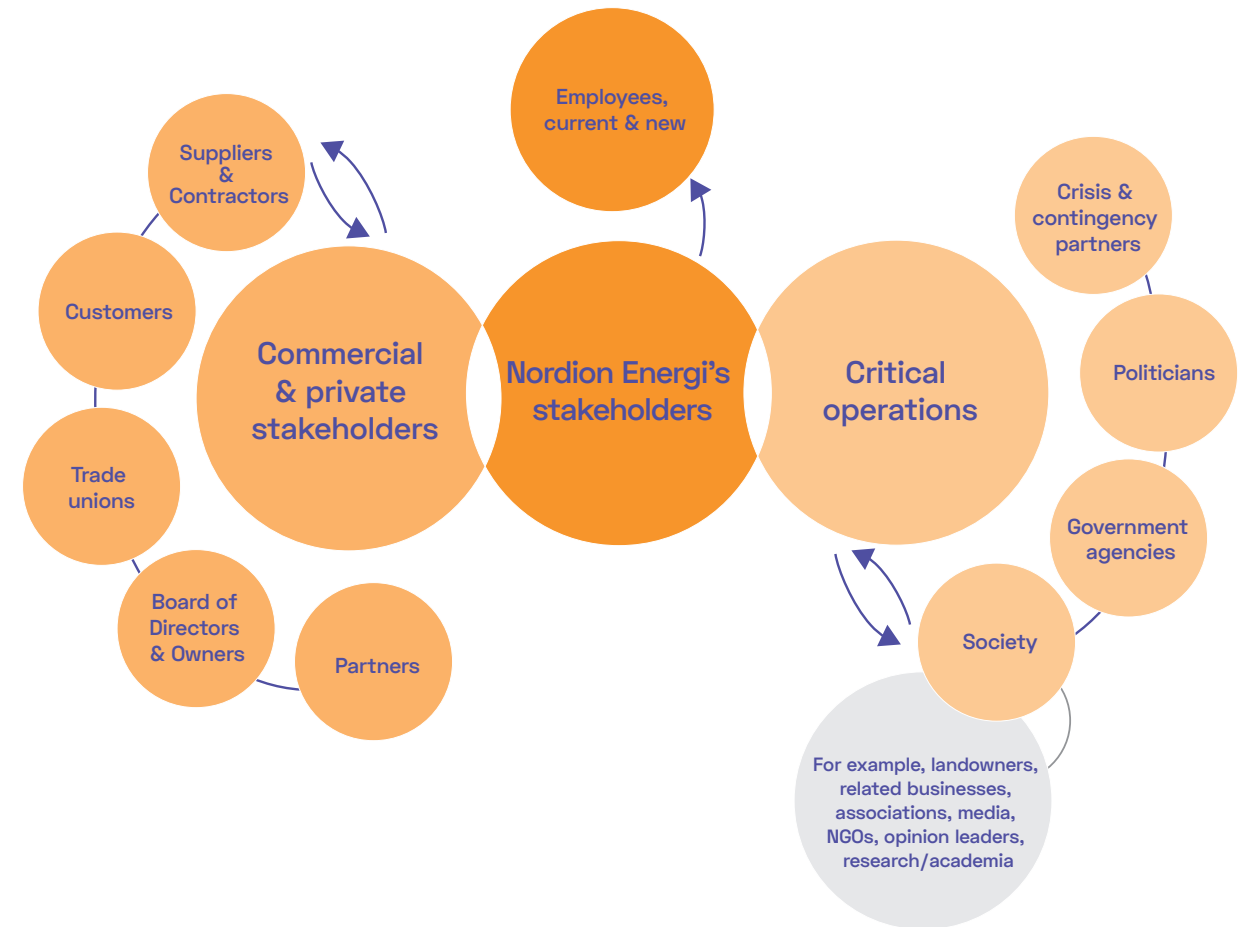
Priority areas

Nordion Energi and our stakeholders

Our stakeholders have high expectations and make stringent demands of our business, which we must meet. Our business ethics lay a firm foundation, with zero tolerance of any form of corruption and anti-competitive behaviour.

At regular intervals, we conduct a more in-depth stakeholder dialogue, where we interview selected stakeholders to verify and understand more about their expectations of us. The conclusions from the stakeholder dialogue are weighed into our materiality analysis, together with other external factors.

Within all of our stakeholder groups, there can also be so-called “quiet stakeholders” – groups that may have difficulty making their voices. We are aware of these silent stakeholders and intend to develop methods to make sure we can hear those alongside all others.



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Igor Vlasiouk is Director of Strategy & Corporate Development at Nordion Energi. In a number of major innovation projects, his team is working on some of the vital energy solutions of the future.



Björn Santana Arvidsson is Deputy Managing Director of the newly formed Nordion Energi H2 AB. The company runs several large, cross-border hydrogen infrastructure projects.

Nordion Energi has a clear vision – to help drive the transition to 100 percent green energy. This applies both to the current gas infrastructure and to the many innovation projects led by Igor Vlasiouk and Björn Santana Arvidsson's team, together with Nordion Energi's strategic partners.

The energy flowing in Nordion Energi's current gas network will be 100 percent renewable by 2030, in the form of renewable biogas. In addition, Nordion Energi is running several important innovation projects around the energy solutions of the future, including liquefied biogas, gasification-methanation, capture, utilisation and storage of carbon dioxide (CCUS) and hydrogen gas – see fact box on the next page.

Biogas

In the transport sector, liquefied biogas (LBG) will have a significant impact on the possibility of achieving the climate goals, not least in shipping. In this area, Nordion Energi is running a project to establish a liquefaction plant in the Port of Gothenburg to convert biogas into liquefied biogas. The plant is scheduled to be operational by 2026 and will liquefy 250 GWh of biogas each year.

Nordion Energi aims to distribute at least 10 TWh of 100 percent renewable gas in the existing gas networks by

2030. Reaching our goal requires new connections of large-scale biogas production, through both anaerobic digestion and gasification-methanation.

“We have analysed all the data and put the actions in place to ensure that we achieve our goal,” says Igor Vlasiouk. “We are now participating in the recently launched Industrial Biogas Commission, an important collaborative initiative to secure the volume of biogas needed for Swedish industry to make the green transition.”

Malmö hub

In February 2024, a cooperation agreement was signed between Nordion Energi, CMP, E.ON, Sysav and Uniper for the development of a CO2 hub in Malmö. The project will examine the viability of building an interim storage facility for carbon dioxide in the Northern Harbour.

“The project will be crucial for driving the industrial transition in south Sweden,” says Igor Vlasiouk.

Hydrogen

On the hydrogen front, Nordion Energi is running two major collaborative projects, with the aim of building large-scale hydrogen infrastructure in the Baltic Sea region. In November 2023 these projects, the Nordic Hydrogen Route (NHR) and the Baltic Sea Hydrogen Collector (BHC), were declared Projects of Common Interest (PCI) by the European Commission. In April 2024, the European Parliament and the European Council approved the list of PCI projects.

“Nordion Energi is the obvious player in terms of gas, and if you look at the infrastructure needed for hydrogen, it is basically identical to what we already have in place. We clearly have the requisite expertise in gas transport and gas infrastructure,” says Björn Santana Arvidsson.

Since 1 September 2023, the hydrogen operations have been run within a separate company, Nordion Energi H2 AB.

“2023 was about planning these projects, and building trust and commitment locally and regionally, and also in contact with decision-making bodies both in Sweden and Europe,” continues Björn Santana Arvidsson.

What are you looking forward to in 2024?

“Next year, I hope we will make further progress in the project development. We are still at an early stage in terms of LBG, CCUS and gasification-methanation. In the coming years, I hope we will be able to show that the technical and financial conditions are in place, so that we can move forward with the projects together,” says Igor Vlasiouk.

“In 2024, I look forward to consolidating our major projects through the permit application processes,” says Björn Santana Arvidsson. “Our market research from 2023 showed that the need for hydrogen will arise as early as 2028, and we can be up and running in time if everyone agrees about building something together.”

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Nordion Energi's innovation projects

Hydrogen

The Nordic Hydrogen Route (NHR) is a collaboration between Nordion Energi and Gasgrid Finland on the 1,000 km expansion of hydrogen infrastructure in the Gulf of Bothnia. <https://nordionenergi.se/projekt/nordic-hydrogen-route>

The Baltic Sea Hydrogen Collector (BHC) is a collaboration between Gasgrid Finland, OX2 and Copenhagen Infrastructure Partners. This project aims to examine the viability of developing new large-scale offshore infrastructure for the collection and distribution of hydrogen around the Baltic Sea region. <https://nordionenergi.se/projekt/baltic-sea-hydrogen-collector>

Liquefied biogas

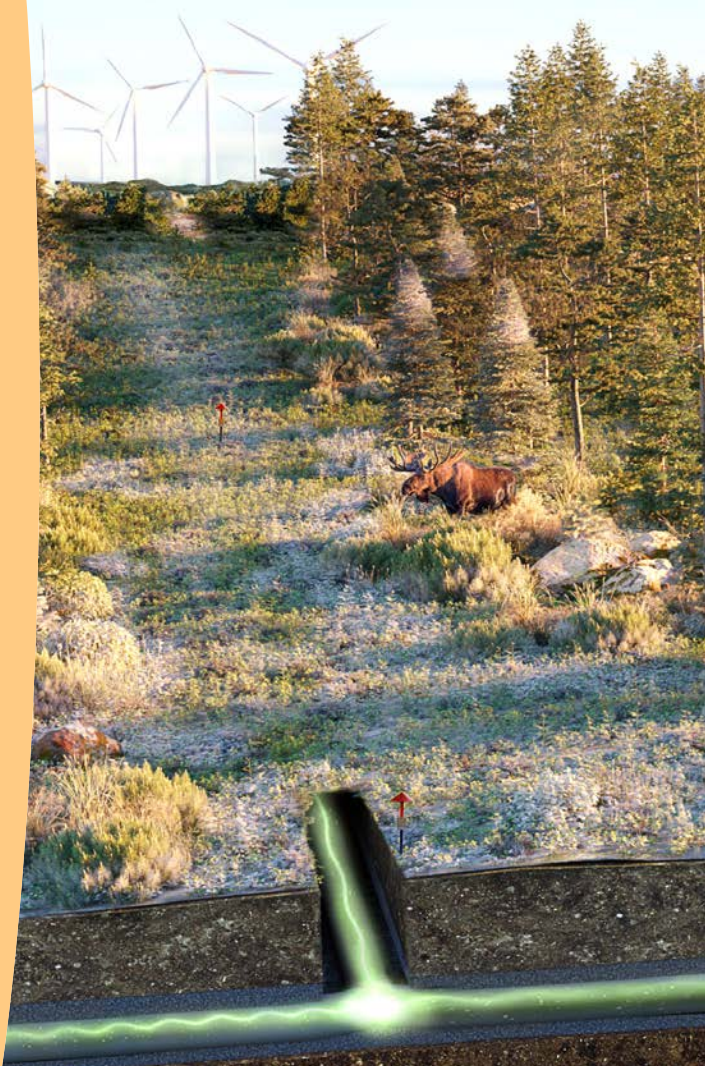
Nordion Energi is running a project to establish a liquefaction plant at the Port of Gothenburg for the conversion of biogas into liquefied biogas. <https://nordionenergi.se/projekt/flytande-biogas>

CCUS

CinfraCap is a collaborative project between Göteborg Energi, Nordion Energi, the Port of Gothenburg, Preem, St1 and Renova aimed at making the Port of Gothenburg one of the first places in the world to have large-scale liquefied carbon dioxide infrastructure. <https://nordionenergi.se/projekt/cinfracap>

CNetSS and **Malmö hub** are collaborative projects aimed at capturing, transporting and storing carbon dioxide in the southern part of Sweden. CNetSS's long-term goal is to increase the potential for both reduced emissions and negative emissions. Other actors involved in the project: Nordion Energi, Copenhagen Malmö Port, E.ON, Höganäs AB, Kemira, Kraftringen, Stora Enso, Sysav, Öresundskraft and Uniper. <https://nordionenergi.se/projekt/cnetss>

Nordion Energi wants to accelerate the industry's green transition and strengthen self-sufficiency in green energy through the expansion of hydrogen infrastructure.



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Green energy possible for everyone

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Nordion Energi is actively driving the transition to a climate-neutral society and industry in Sweden and Europe. We want to make green energy accessible to all.

We make it possible for our existing and new customers to cut their greenhouse gas emissions, reduce local air pollution and secure their future competitiveness. At the same time, we are exploring opportunities to expand extensive new infrastructure for hydrogen gas and liquefied biogas, and to be able to transport, capture, utilisation and store carbon dioxide (CCUS). We have also set ourselves the target of achieving net zero emissions in our own operations by 2030. We are particularly active in reducing our methane emissions.

Interest in green gases growing Biogas

Biogas will be a crucial factor in the phasing out of fossil natural gas, while more and more customers are asking for green gas. Biogas will therefore continue to play an important role as a cost-effective solution for the climate transition. Domestic production of biogas by anaerobic digestion also contributes to Sweden's transition to a circular economy. The process converts waste and residual products into resources, while at the same time cutting carbon emissions and recycling plant nutrients.

Biogas can also be produced by a process called gasification-methanation. Sweden has among the best conditions in Europe for large-scale production of biogas using waste from forestry and sawmills. Nordion Energi is participating in initiatives to facilitate the development of larger biogas production plants in Sweden, preferably with easy access to the gas network.

A lot of work is underway in several sectors around the development of the Swedish biogas market, as part of which Nordion Energi is collaborating with researchers and academia, industry organisations, politicians and public authorities. Demand for biogas is expected to increase in Sweden,

amounting to 14–29 TWh per year by 2045. The existing gas network in south-west Sweden is designed to cope with an increased volume of biogas in the long term as demand rises. The investments that will be needed relate primarily to connecting up large-scale biogas production.

Within the EU, there is a target to produce 350 TWh of biogas by 2030, with several countries contributing through their own national targets. Biogas production in the EU is based primarily in Germany, France, Italy, Denmark, the Netherlands and Sweden. The volume of trade between the countries is limited.

Hydrogen

An even greater role will be played by hydrogen. Hydrogen is crucial for the green transition of industry and the transport sector, but Sweden currently lacks the appropriate infrastructure. The expansion of a Swedish hydrogen network could be one of the largest energy infrastructure investments ever made.

A report by Swedenergy at the beginning of 2023 shows that demand for electricity is expected to increase significantly, from the current level of approximately 130 TWh up to 330 TWh per year by 2045. Some of this is needed to produce the country's estimated hydrogen requirement, and the expansion of the hydrogen and electricity networks therefore needs to be planned jointly.

Hydrogen infrastructure will create greater opportunities for energy transmission, storage and capacity utilisation due to synergies between the hydrogen infrastructure and the electricity grids.

Hydrogen production, for example, can take advantage of cheap, green electricity generation in Sweden and relieve bottlenecks in the electricity network.



In 2023, Nordion Energi participated in the preparation of the report "Market state and trends in renewable and low-carbon gases in Europe" within the framework of the organisation Gas for Climate. The report provides an overview of the latest market developments in biogas, hydrogen and carbon dioxide in Europe. Read the full report here: <https://gasforclimate2050.eu>

The [Pathway study](#) launched by Energiforsk in 2021 also showed that Sweden could become self-sufficient in hydrogen, increasing the country's energy independence. The hydrogen infrastructure should be linked to the Nordic and European energy networks currently being built for the development of a green, competitive hydrogen economy and increased resilience. Hydrogen gas may also play a role as a complementary back-up power source, as it can be planned.

Carbon capture, utilisation and storage (CCUS)

All investments we make must support an infrastructure for a renewable and climate-neutral agenda. Nordion Energi is investing in the development of several projects for carbon capture, utilisation and storage (CCUS), as outlined on page 23. If all these projects are realised and scaled up, they have the potential to greatly reduce carbon emissions.

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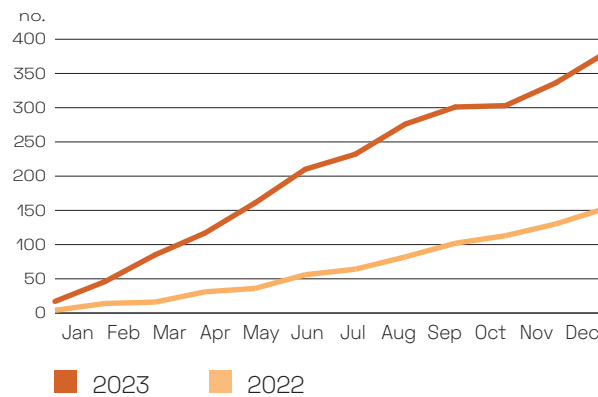
Share of renewable electricity is rising

There is already a great deal of renewable electricity production connected to Falbygden Energi's electricity network, and our investments in the network mean we are prepared for even more wind and solar power. As an independent and non-discriminatory electricity distributor, we cannot influence which producers choose to connect to our network, but the number of solar arrays in the network has continued to increase in 2023. 2023 also saw Rosenskog wind farm connected to Falbygden Energi's electricity network. At 20 MW, this is the largest wind farm in our electricity network. The new receiving station enables more production and consumption in the electricity network. Of the total transmission volume in 2023, 40.6 (40.9) percent was renewable electric-

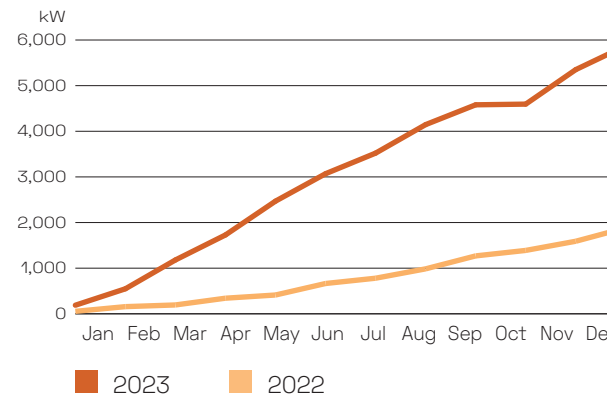
ity generation consisting of renewable CHP, wind, hydro and solar.

In particular, new infrastructure will be needed to connect more wind farms, both onshore and offshore, to electricity consumers. The increasing proportion of renewable electricity from large-scale and small-scale solar and wind power also places new and higher demands on the electricity network. The Swedish system is built to handle predictable electricity generation from a limited number of large plants based on hydro power, nuclear power and CHP. The system therefore needs to become more flexible and able to cope with an uneven flow and rapid, sharp variations in electricity generation. Major investment in the existing electricity networks will also be required.

NUMBER OF SOLAR INSTALLATIONS CONNECTED DURING THE YEAR



THE NEWLY INSTALLED POWER FROM SOLAR INSTALLATIONS CONNECTED DURING THE YEAR



In 2022 and 2023, our customers installed large quantities of solar panels on their roofs, and now the construction of larger solar farms is also gaining momentum. We have many projects under investigation and two farms totalling 9.9 MW are in the pipeline, with connection in 2024. We expect these two parks to produce 8–10 GWh per year, which corresponds to a year's electricity for around 550 houses.



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Great societal benefits from biogas

Biogas is more than a fuel – it is a circular economy system and a cost-effective solution for the transition to a sustainable society. Domestic production of biogas increases security of supply. Nordion Energi is taking a very active role in developing the biogas market in Sweden.

Biogas is of renewable origin and is therefore classified as a renewable fuel and a renewable raw material. But biogas is more than a fuel – it is a circular economy system and a cost-effective solution for the transition to a sustainable society. Waste from sewage, food waste and manure, as well as residual products from forestry and industry, are all usefully processed into valuable products – renewable energy and fertilisers. The digestates from biogas production can be returned to agriculture as organic bio-fertiliser, closing the ecocycle.

Besides being carbon-neutral, the use of biogas as a fuel reduces nitrogen oxides (NOX) and other harmful particles, with biogas-powered vehicles thus contributing to significantly improved air quality in cities. Moreover, emissions of sulphur oxides (SOX), which lead to soil and water acidification, are almost zero from biogas (and likewise from natural gas).

Customers can choose biogas today

It is already possible for customers to easily switch to renewable gas, as both natural gas and biogas are supplied in the same gas network. In 2023, the proportion of biogas in the west Swedish gas network was 30.6 (37.5) percent.

Almost all our household customers currently use biogas for their heating and cooking. Industries are choosing biogas in many cases, and the food industry has largely replaced natural gas with biogas in its production.

More large industrial customers also want to switch to biogas, as they are dependent on biogas to manage their

green transition. This requires large-scale biogas production that can guarantee the availability of gas and strengthen security of supply. In 2023, about 34 (33) new connections were built for customers, most of whom requested biogas. There is also growing interest in biogas from the back-up power plants that are needed to meet electricity and heat requirements at peak times. Furthermore, the rules for EU emissions trading changed from 1 January 2022, so that biogas traded over the network is no longer subject to emissions trading. This increases the incentive to switch to biogas.

We are working intensively on projects to increase large-scale biogas production in Sweden, to ensure availability and at the same time strengthen Swedish security of supply.

Vital to increase Swedish biogas production

For our customers, the availability of biogas is the most important factor in choosing biogas. Then comes the desire for a less complex regulatory framework and new business models where the price of biogas is no longer linked to the price of natural gas.

Nordion Energi has technical application specialists who can help customers to examine the feasibility of switching to biogas. As piped gas is a safer and more sustainable alternative to LPG, pipelines have been extended in urban areas that have many restaurants.

Production needs to be stimulated in order to ease the transition to biogas, and this has to be done in parallel and in dialogue between the parties. Development of new biogas

production plants has so far been slow in Sweden, so most of our biogas currently comes from Denmark. There is an enormous need for new plants in Sweden, particularly large-scale production plants located close to the gas network, so that the biogas can readily be made available to customers.

The gas network in west Sweden is ready to switch right now. What is required is the expansion of large-scale biogas production, by anaerobic digestion or gasification.

Collaboration drives development

Nordion Energi is playing an active role in the dialogue to facilitate faster expansion of biogas, and we are cooperating on this with various stakeholders.

Access to the gas pipeline network provides a reliable outlet for the biogas; in other words, overproduction of gas can be released into the gas network instead of being flared away. Other benefits include access to a larger market and environmentally friendly and energy-efficient transport of the gas. Unlike electricity networks, where electricity generally has to be consumed as soon as it is produced, gas can also be stored in the pipelines to be drawn on at a later date, allowing for more flexible use and production.

The long-term support for biogas production up to 2040, as proposed in the Swedish government's official report on the biogas market, needs to be actually put in place. The introduction of long-term support systems in Sweden, along the lines of the support systems in Europe, will be of great importance for the development of the Swedish biogas market.

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New partnership with Nature Energy

In April 2023, Nordion Energi signed a partnership with Nature Energy, Europe's leading player in biogas production. The partnership combines Nature Energy's expertise in large-scale biogas production with Nordion Energi's strength in the operation and development of energy infrastructure. The aim of the partnership is to connect new biogas production plants to the gas network in south-west Sweden by 2030, subject to final investment decisions by both parties. Once the government agencies have granted the relevant permits, it usually takes 18 months for Nature Energy to build a biogas plant.

Nature Energy already operates 13 biogas plants in Denmark, producing around a third of the biogas in the Danish gas network. Nature Energy also has a number of new projects underway in Sweden, as well as in other European countries. There is considerable potential for large-scale biogas production in Sweden, as we have a well-developed gas network, coupled with an abundant supply of the necessary substrates.

Liquefied biogas for shipping and transport

Liquefied biogas will play a crucial role in achieving climate goals in the transport sector. Shipping and heavy road transport are currently dependent on fossil fuels, but these sectors are demonstrating a growing interest in green gas, not least through increased orders for gas-powered vessels.

Liquefied biogas (LBG) – biogas in condensed form – is the cleanest marine fuel available today. But large volumes and a well-developed infrastructure are required to manage the transition. Among other things, Nordion Energi is running a project in the Port of Gothenburg to convert biogas into liquid form in a liquefaction plant. The plant is scheduled to become operational in 2026 and will be the first of its kind to be directly connected to the west Swedish gas network. 250 GWh of biogas will be liquefied here every year.

In addition to reducing climate emissions, using liquefied biogas as a fuel also reduces levels of nitrogen oxides (NOX) and other harmful particles. Liquefied biogas can also be

efficiently transported to industries that do not have access to a gas network.

Industrial Biogas Commission to secure access

February 2024 saw the launch of the Industrial Biogas Commission, in which Nordion Energi is involved, along with a number of other Swedish industries that require more biogas. The Commission is an initiative to develop knowledge and proposals for reforms to secure industry's access to biogas, since biogas is vital for Swedish industry to become fossil-free. Biogas can be used both as fuel and raw material in almost all products in society, but above all in the manufacture of steel and chemical products.

The following companies and organisations are part of the Industrial Biogas Commission: Perstorp, Högånäs, SSAB, IKEA, IKEM, Nordion Energi, Gasum, Uniper, Avfall Sverige and Energigas Sverige.



We revisit Vessige Biogas

With Sweden committed to having net zero greenhouse gas emissions by 2045, we need more initiatives such as Vessige Biogas. With a large connected farm facility, a well-located upgrade plant and a filling station, they offer an affordable fossil-free fuel for gas-powered vehicles.

The visionaries who run Vessige Biogas have their roots in the soil of Halland. Since 2009, they have been working to ensure that agricultural by-products are put to optimum use. A major step was taken in 2017, with an application to Klimatklivet, Sweden's climate investment fund, to build an upgrading plant adjacent to Nordion Energi's transmission grid for gas. The approval came in 2018 and construction started in 2019. The plant was

tested in October 2021 and everything has been running smoothly since then.

Vessige Biogas wants to build up the biogas market locally and make buying gas vehicles more of a viable option. The price of gas at their public filling station has been significantly lower, compared with suppliers tied to higher natural gas prices. The raw gas is produced from 50,000 tonnes of substrate at the biogas plant on Hässlås Kvarngården farm in Långås, with 550 cows responsible for most of it.

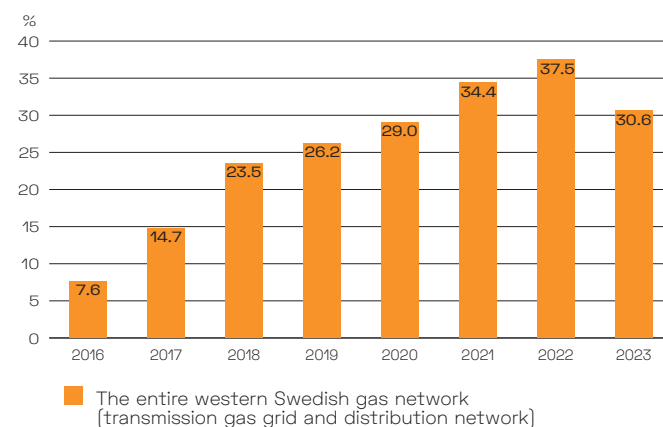
In addition to advice and information on the application for an operating licence, Nordion Energi's specialists provided assistance with planning and permits prior to connection to the gas network. Today, contact continues via checks on measurement values and in the form of monthly reports.

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Gas Barometer – proportion of biogas dropped in 2023

The Gas Barometer was launched in 2016 as a Swedegas initiative, together with the companies that trade gas in the west Swedish gas network. Statistics are produced four times a year on how much biogas is transported and used in the network. The Gas Barometer tracks the percentage of biogas in the total volume of gas traded.

GAS BAROMETER: PROPORTION OF BIOGAS TRADED IN THE GAS NETWORK 2016–2023



30.6%

Percentage of biogas in the west Swedish gas network, 2023

In recent years, the share of biogas in the network has increased steadily due to increased imports of biogas, mainly from Denmark. However, both the proportion and volumes of biogas were lower in 2023 than in 2022, for various reasons. The global situation of higher interest rates and energy prices, combined with inflation and reduced demand, has caused an economic downturn that has affected many

companies, resulting in lower overall gas volumes in the network in 2023, compared with 2022. At the same time, demand for biogas has increased in Europe, which has driven up prices. The Swedish tax exemption for biogas was also withdrawn in March 2023, as a result of the Landwärme judgement in the European General Court, prompting some customers to switch back to natural gas for cost reasons.

Landwärme judgement affects this year's Gas Barometer

Under the Landwärme judgement, the Swedish tax exemption for biogas was declared invalid in December 2022. In the summer of 2020, the German biogas company Landwärme chose to appeal the EU Commission's decision to approve tax exemptions for Swedish companies that sell, manufacture or use biogas for transport and heating. The reason stated by Landwärme was that no in-depth review had been carried out to ensure that the Swedish tax exemption could not cause serious difficulties for other biogas companies. The European General Court ruled in favour of Landwärme, and in March 2023 the Swedish Tax Agency decided that tax exemption can no longer be granted for biogas. This drove up the cost of biogas for our customers, and affected the outcome of this year's Gas Barometer. Nordion Energi has been working to restore the tax exemption on biogas, and at the end of January 2024 the European Commission announced that it had decided to open an in-depth review to assess whether the tax exemption for biogas and biofuel used for heating or as vehicle fuel is compatible with the EU's state aid rules. We therefore hope the tax exemption will be reintroduced.

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Hydrogen – key to transition

The hydrogen infrastructure is not only socio-economically efficient, but has minimal impact on the environment.

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Hydrogen is a crucial element of the EU's commitment to reach carbon neutrality by 2050, and time is of the essence. Climate-impacting emissions in the EU need to be down 55 percent by 2030 in order to reach net zero by 2050, while Sweden has decided that it will have zero net greenhouse gas emissions by 2045. The transition to the hydrogen economy has begun. Hydrogen offers a solution for phasing out fossil fuels in industrial sectors and processes in which cutting carbon emissions is urgent, and challenging by other means.

Hydrogen will enable more sectors in society, such as manufacturing and aviation, to achieve their climate goals. Hydrogen can be used as a feedstock, a fuel and an energy carrier, giving it many potential applications within the industrial, transport and energy sectors.

The European Commission's Hydrogen Strategy for Europe also recognises the crucial role of hydrogen in the necessary transition, and the Nordic region is well placed to take a leading position. With our long coasts, Sweden has enormous assets and opportunities for the expansion of offshore wind power, compared to other countries in Europe, which can be used to generate green hydrogen.

Nordion Energi is involved in the creation of the hydrogen economy in Sweden, with close links to Europe. We have several large-scale innovation projects on the go, coupled with the capability to make major investments in these initiatives. In 2023, Nordion Energi invited hydrogen actors to an open meeting to gauge the market's interest in hydrogen projects. The results indicated high demand over the next few decades, starting as early as 2028.

NHR and BHC declared PCI projects

November 2023 saw the Nordic Hydrogen Route (NHR) and the Baltic Sea Hydrogen Collector (BHC) declared Projects of Common Interest (PCI) by the European Commission. This puts the projects on the list of energy infrastructure projects with the potential to build a more integrated and resilient European energy market that will help the EU

achieve its energy and climate goals. The list of PCI projects was presented by the European Commission on November 28 and was handed over to the European Parliament and the European Council, which approved the list in April 2024. The objective of our large-scale hydrogen infrastructure projects is to help create a market for hydrogen and link supply and demand within and between regions.

Six potential hydrogen routes to support Europe's hydrogen target

The European Hydrogen Backbone (EHB) aims to accelerate Europe's transition to climate neutrality by investigating and demonstrating the crucial role of hydrogen infrastructure in the development of a competitive common European market for green hydrogen. The Nordic Hydrogen Route, Nordion Energi and Gasgrid Finland's joint initiative, joins the Baltic Sea Hydrogen Collector as one of the six hydrogen routes that the EHB plans to use to achieve the 2030 targets and meet the supply and demand requirements for hydrogen, as identified in the REPowerEU plan.

These routes will initially link domestic local supply and demand for hydrogen. In the first instance, they ensure domestic demand, but in the longer term there is also potential for hydrogen exports. The idea going forward is to extend the hydrogen route and connect up with European regions and neighbouring countries. This will contribute to both energy independence and security of supply in Europe.



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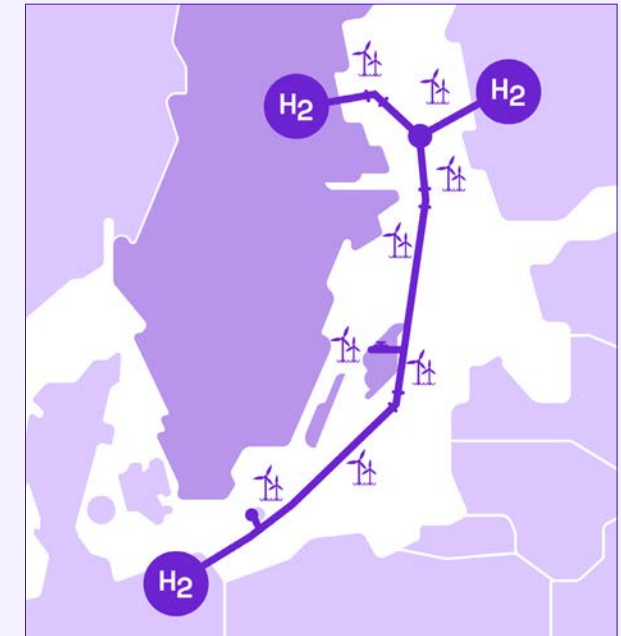
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Nordic Hydrogen Route (NHR)

The Nordic Hydrogen Route (NHR) initiative was launched by Nordion Energi and Gasgrid Finland in 2022 and is one of the six identified hydrogen routes in the European Hydrogen Backbone. The project aims to accelerate the development of a hydrogen economy by building 1,000 km of cross-border hydrogen infrastructure in the Gulf of Bothnia and creating an open hydrogen market that is largely operational by 2030.

The purpose of the Nordic Hydrogen Route is to promote decarbonisation, regional green industrialisation, economic development and energy self-sufficiency in Europe. We are striving to develop a network of pipelines that will efficiently transport green energy from producers to consumers. Integrated energy infrastructure can connect customers across the region, from hydrogen and e-fuel producers to steel manufacturers, who are keen to create new value chains and products and reduce carbon emissions in their operations. This is crucial for the climate, and for Sweden's energy independence and continued competitiveness. The Nordic region could also become self-sufficient in hydrogen with this solution. Work on a licence application for hydrogen transmission on the first section of the Nordic Hydrogen Route began in 2023, along with an application for an electricity network connection for hydrogen production.

Regional demand for hydrogen is projected to exceed 16 TWh in 2030 and reach around 55 TWh in 2040. Much of this hydrogen is expected to be produced using on-shore and offshore wind turbines in the Gulf of Bothnia region. The Nordic Hydrogen Route connects production to users' facilities via a network of pipelines along the coast of the Gulf of Bothnia, with vital branches to expected centres of demand such as Gällivare or Kiruna.



Baltic Sea Hydrogen Collector (BHC)

Another collaborative project, the Baltic Sea Hydrogen Collector (BHC), was launched in 2022. Alongside Nordion Energi, the project also involves Gasgrid Finland, OX2 and Copenhagen Infrastructure Partners. The aim of the project is to investigate the viability of developing new large-scale offshore infrastructure for the collection and distribution of green hydrogen around the Baltic Sea region, between Finland, Sweden, Åland, Denmark and Central Europe.

The outstanding conditions for both onshore and offshore wind power create major potential for hydrogen production around the Baltic Sea region. For this reason, BHC's infrastructure offers the prospect of transporting a significant proportion of the EU's domestically produced hydrogen, in line with the targets defined in the RePower EU plan.

The path to net zero emissions

Infrastructure for carbon capture (CCUS)

Nordion Energi participates in various initiatives and projects where our infrastructure and expertise can be used as a basis for creating climate benefits. One such area is Carbon Capture Utilisation and Storage (CCUS), one of many tools that Sweden is investing in with a view to achieving its climate goals. When the captured carbon dioxide is of biogenic origin, commonly referred to as bio-CCUS, this creates negative emissions.

CinfraCap – intermediate storage of liquefied carbon dioxide

Nordion Energi has been part of the CinfraCap (Carbon Infrastructure Capture) project since 2020, in a unique collaboration with Göteborg Energi, Renova, the Port of Gothenburg, Preem and St1. The goal is to make the Port of Gothenburg one of the first locations in the world with large-scale infrastructure for the transport and interim storage of liquefied carbon dioxide.

We have examined the possibility of temporarily storing approximately 4 million tonnes of captured carbon dioxide per year for onward transport. The infrastructure, from plant to quayside, would be open to industries and other actors and be able to receive captured carbon dioxide via pipelines, road and rail.

In October 2022, the second phase of the project concluded with an in-depth study in which we focused on the technical design and drew up a draft business model. In 2023, discussions were ongoing on how to continue, with the aim of being able to make investment decisions in the next development phase.

CNetSS and Malmö hub – south Swedish projects for CCS and CCU

Nordion is involved in a collaborative project regarding infrastructure solutions for the transport and permanent storage of captured carbon dioxide, going by the name CNetSS [Carbon Network South Sweden].

In 2022 and 2023, CNetSS conducted a feasibility study with the support of the Swedish Energy Agency. The study examined a number of logistics options and found the Port of Malmö to be the most suitable location.

At the beginning of 2024, Nordion Energi signed a cooperation agreement with Copenhagen Malmö Port, E.ON, Sysav and Uniper, which means that we together will focus on the development of a CO2 hub in Malmö within the framework of CNetSS.

Nordion Energi has also been appointed the leading party for CNetSS from a broader perspective, in order to bridge the challenges of establishing functioning value chains for CCS and CCU. In all, there is potential to capture and store more than 1.5 million tonnes of carbon dioxide annually. Nordion Energi believes that this project represents a significant step towards realising value chains for CCS and CCU.



CinfraCap is a collaborative project aimed at making the Port of Gothenburg one of the first locations in the world with large-scale infrastructure for liquefied carbon dioxide.

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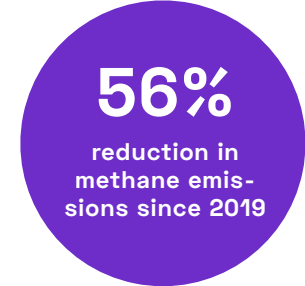
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The path to net zero emissions

Towards net zero emissions in own operations



All stakeholders in society have a responsibility to help reduce emissions and achieve the climate goals. Nordion Energi's ambition is to minimise the environmental and climate impact of our own operations – and achieve net zero emissions by 2030.

In early 2022, we set a goal of reaching net zero emissions in our own operations, Scope 1 and 2, by 2030. We continued to work on this goal in 2023.

Our own emissions occur in a number of ways. In particular, we are focusing on minimising methane emissions, as these are currently the largest source of our direct emissions (Scope 1). The electricity and gas business uses utility vehicles, and these constitute our second largest source of emissions. Most of the utility vehicles are leased through a contracted leasing company.

Purchased electricity and heating are other sources of emissions (Scope 2). The gas transported in the transmission network, unlike the gas in the distribution network, needs to be heated using boiler gas. Since 2019, the boiler system has run on certified sustainable biogas. Nordion Energi continued to use biogas in 2023, despite the fact that the cost of biogas has increased as a result of the removal of the tax subsidy, coupled with higher prices due to demand. Running the gas backbone in particular also consumes electricity in order to power pumps and compressors at the stations.

Energy losses in the electricity grid, known as network losses or transmission losses, need to be compensated for. Network losses occur when a small amount of electricity is lost as it travels through the network, a natural element of transmission that happens when lines heat up. All supporting electricity purchased bears the Good Environmental Choice label, which is one reason why we have low Scope 2 emissions.

SF6 gas, a much more potent greenhouse gas than carbon dioxide, is used as an insulating gas in a number of switchgear units and circuit breakers in the electricity network. SF6 gas will gradually be phased out, by avoiding it wherever possible when procuring new switchgear and switching equipment.

Nordion Energi also monitors emissions from certain Scope 3 categories, particularly those emissions arising from fuel-related activities (to the extent not already covered in

Scope 1 and 2) and from business travel by air and rail. Our instruction is to provide transport options that offer a high level of safety with a low environmental load.

EU requirements to reduce methane emissions

Methane emissions cause global warming and pollute the air, and emissions occur during the production and distribution of both natural gas and biogas. Reducing these emissions is crucial to combating climate change.

In December 2022, the countries of the Council of the European Union reached an agreement on a proposed regulation to track and reduce methane emissions in the energy sector. The proposal is part of the Fit for 55 package, which aims to reduce the EU's greenhouse gas emissions by at least 55 percent by 2030. This proposal introduces new requirements for the gas sector and others to measure, report and verify methane emissions. Operators will need to detect methane releases and take mitigation measures to prevent and minimise the releases in operations (Leak Detect and Repair, LDAR). In addition, restrictions on ventilation and flaring will be introduced. In November 2023, the Council and the European Parliament reached a preliminary agreement on the regulation, but the text still needs to be approved and formally adopted by both institutions. The proposal builds on the strategic vision set out in the EU Methane Strategy 2020. Nordion Energi are planning activities 2024, to be well-prepared for compliance.

Systematic reduction of methane emissions

Our management system includes control activities, procedures and training aimed at systematically preventing the occurrence of emissions. This is accompanied by a preventive maintenance plan. During our regular maintenance and inspection rounds, small direct emissions are possible. Such emissions are minimised by using temporary bypass pipelines to make whole sections gas-free. In cases where

emissions are unavoidable, the remaining gas is always flared if technically possible. All gas emissions are logged. Gas losses can also arise as a consequence of system leaks, known as diffuse emissions. Measurements at the metering and regulation stations have been carried out since 2017 to identify and quantify any leaks. Leaks discovered during inspection rounds are actioned in conjunction with the inspection. Measurements were also carried out on our distribution network in 2019. In 2023, we measured diffuse methane emissions at all remaining stations in the distribution grid, which means that we now have a complete picture. This provides us with good data that we can use in planning measures in both the transmission and distribution grid for 2024 and beyond.

Nordion Energi's goal was to reduce its own methane emissions by 35 percent by 2023, compared with emissions for the base year 2019. In fact, methane emissions were cut by 56 (50) percent between 2019 and 2023. Find out more on page 30 about how our presence in third-party excavations in the field has decreased the number of excavations and thus reduced methane emissions. Transmission losses, i.e. methane leaks, amounted to approximately 0.01 percent of the total transmitted volume, matching the figure for the previous year.

Learning more

Our emphasis on reducing our impact on the climate also includes broader efforts to minimise our overall environmental impact. Nordion Energi is constantly striving for continuous improvement of our operations, and we comply with legislation, environmental requirements and energy system requirements. We use the most eco-friendly and energy-efficient technologies possible and ensure efficient maintenance work. We are also increasing our understanding of the life cycle impact of our products and using this information in our improvement work.

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The path to net zero emissions

Greenhouse gas emissions – our total emissions are falling

Nordion Energi aims to achieve net zero emissions in its own operations, Scope 1 and Scope 2, by 2030.

Nordion Energi reduced Scope 1 emissions by 12% and Scope 2 emissions by 18% in 2023, compared with 2022. Scope 3 emissions increased by 1% in 2023 compared to 2022.

The key reason for the reduction in Scope 1 is reduced system losses in the gas network, and also lower fuel consumption in our own processes and for our own transport.

The reduction in emissions in Scope 2 can primarily be attributed to reductions in district heating use.

Scope 3 emissions from energy and fuel-related emissions are decreasing (-16%), but they are increasing from business travel

(+235%) and commuting (+50%) in particular. The reduction in energy and fuel-related emissions is due to reduced fuel and energy consumption in Scopes 1 and 2. The increased emissions from business travel are mainly due to an increase in the amount of air travel, while the increased emissions from commuting are due to both increased commuting by car and more employees.

Nordion Energi has begun to map all emissions within Scope 3 and plans for third-party verification of our climate calculations for the 2024 financial year. We are monitoring developments by the Science Based Targets initiative (SBTi), which is currently working on a way for the oil and gas industry to be able to sign up and set science-based targets in line with the Paris Agreement.

Emissions by category

Nordion Energi calculates and reports its climate impact according to the Greenhouse Gas Protocol Corporate Standard. The calculations have been made using the

operational control approach and Scope 2 emissions have been calculated according to the market-based method. Scope 2 emissions are 10 tonnes of CO2e in accordance with the market-based method and would have been 97 tonnes of CO2e if the location-based method had been applied. Nordion Energi's climate accounting includes Scope 1, Scope 2 and parts of Scope 3.

Scope 1 covers direct emissions that can be controlled within the company. This includes transport in own vehicles, back-up power, gas for own use and system losses in the form of flaring, venting, diffuse leakage and excavations.

Scope 2 covers indirect emissions from purchased electricity, heating and cooling.

Scope 3 covers activities within the Scope 3 categories of purchased goods and services, energy and fuel-related emissions, upstream transport, waste, business travel and commuting.

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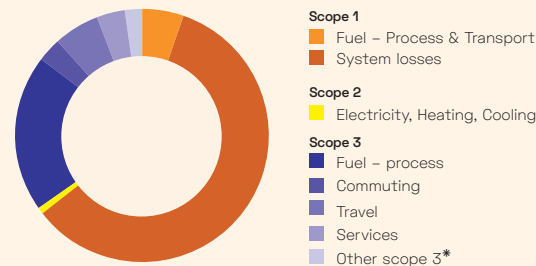
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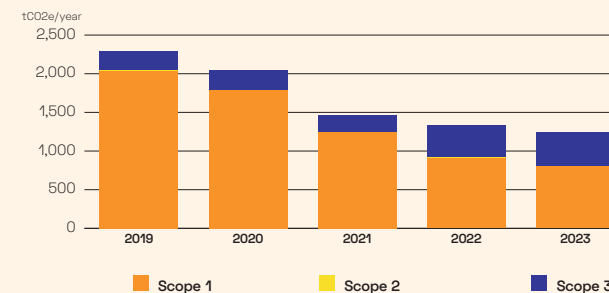
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DISTRIBUTION OF EMISSION CATEGORIES



* Other Scope 3 comprises waste, emissions linked to fuel transport, emissions linked to electricity, heating and cooling, upstream transport and water

TOTAL EMISSIONS, BREAKDOWN BY GROUP



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With a focus on security of supply

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Carolina Wistén is Director of Customer and Markets at Nordion Energi. One of her core focus areas is the secure supply of electricity and gas, and greater domestic production of biogas is one of the key factors in this.

Nordion Energi has a clear goal – to be a reliable supplier of electricity and gas and to drive the transition towards 100 percent renewable energy.

More solar and wind power producers

On the electricity front, we are focused on facilitating the connection of even more solar and wind power producers to the network. Customers will only choose renewable alternatives if they know that access to these energy sources is secured – and that the energy can be delivered in a safe and reliable way at a cost-effective price.

“We are constantly working to connect up more solar and wind power. To do this, we need a stable and flexible electricity network, so we can provide the power customers need, when they need it,” says Carolina Wistén.

Increased production of Swedish biogas

Nordion Energi aims to have 100 percent renewable biogas in its infrastructure by 2030. In order to manage the transition of the gas network while also increasing security of supply, so that more customers can feel confident in choosing biogas, Sweden needs to expand its production of biogas.

“The country currently imports most of its biogas from Denmark. In order to secure the supply in the long term, as demand increases, Nordion Energi is working to establish more large-scale biogas producers in Sweden,” says Carolina Wistén.

Among other things, Nordion Energi is working with public agencies and politicians to encourage biogas production through relevant regulations and steering instruments. In

2023, Nordion Energi signed a cooperation agreement with one of Europe's largest biogas producers, Nature Energy. The aim is for Nature Energy to establish several large-scale biogas plants in Sweden and connect these to Nordion Energi's gas network.

The partnership combines Nordion Energi's strengths in energy infrastructure with Nature Energy's expertise in the development and operation of biogas plants.

Large-scale Swedish biogas production increases security of supply and makes us less sensitive to external factors, which is also important from a security policy perspective.

“Many of our gas customers produce goods and services that are critical for society. Strengthening security of supply is also a way of strengthening our total defence capability,” says Carolina Wistén.

Partnerships and collaborations of this kind are a key factor in Nordion Energi's pursuit of its goal – to make green energy accessible to all.

Collaboration with others is essential

“We were created to drive the green transition. But we can't do it alone. A great deal is done in cooperation with our customers, public agencies, politicians and other companies that want the same thing as us. This is essential for us to succeed with our vision,” says Carolina Wistén.

What are you looking forward to in 2024?

“Continuing to make progress on our strategically important drive to ensure that we have more large-scale biogas production fed into the network, through cooperation with both producers and industry,” concludes Carolina Wistén.

Secure supply & infrastructure

Secure supply of energy and raw materials

Modern society depends on an effective energy supply. Disruptions and outages in the supply of both gas and electricity can have serious consequences for individuals, businesses and key functions in society. In 2023, security of supply continued to be a focus for Nordion Energi. Since the Russian invasion of Ukraine, we have had an even stronger focus on secure deliveries.

Highly effective infrastructure for a stable energy supply forms the basis of Nordion Energi's contribution to society. Our promise to our customers is that they can rely on the electricity and gas always being delivered, giving us a far-reaching responsibility to prevent and mitigate any disruptions and outages.

Security of energy supply is ensured primarily by effective energy markets, which are increasingly international in nature. Robust supply chains increase the ability to prevent and mitigate disruptions and shortages. Investments in infrastructure and a good ability to handle incidents, both day to day and when on high alert or in the midst of a crisis, are also needed.

Focus on secure gas supply

General uncertainty in Sweden and the rest of Europe increased with the sabotage of Nord Stream 1 and 2 in 2022. In 2023, suspected sabotage of undersea infrastructure was discovered when damage to the Balticconnector gas pipeline, which crosses the Gulf of Finland between Finland and Estonia, was investigated. Nordion Energi was put on high alert as a result of this incident, although the supply of gas to Sweden was ultimately unaffected.

Over the year, Nordion Energi has carefully monitored developments, in close consultation with the Swedish Energy Agency and other players in the Swedish and European markets. Due to the national security situation, we have increased our contingency planning, especially for the gas backbone. Three crisis levels have been defined: early warning, contingency and crisis. In the event of a crisis, Swedegas can act on behalf of the Swedish Energy Agency and compel distributors or directly connected customers to reduce their consumption, in order to secure supplies to

protected customers. Gas supply to customers in Sweden remained unaffected throughout 2023.

We also have an ongoing dialogue with our large industrial customers to support them in their energy-saving work, which benefits both the customer and the network. Periods of high demand are more easily managed through collaboration. The Swedish and Danish systems have been part of a common market, known as the Joint Balancing Zone (JBZ), since 2020. A new balancing model from 2021 has increased security still further. Thanks to the single market, end customers will have access to more suppliers, not least suppliers of biogas.

The rest of Europe has a common interconnected gas infrastructure with multiple supply points. The Baltic Pipe, which will carry Norwegian gas to Europe via Denmark, became operational at the end of 2022, further strengthening and securing the energy supply, as Denmark can now be supplied from both Poland and Norway. Read more about the gas coming into Sweden on page 32.

During the year, traded biogas – which is produced mainly in Denmark and Sweden – made up 30.6 percent of the total gas in the west Swedish network. Nordion Energi is actively working to increase the proportion of biogas in the gas network and to increase Swedish biogas production, see pages 18–20. Upping large-scale biogas production in Sweden is important to secure our energy supply in an uncertain world, but it is also important from a national security perspective. Many gas customers produce essential goods, services or foods. Strengthening security of supply and expanding domestic production of biogas will thus also be a way of strengthening the nation's total defence capability.

Patric and Emil inspect a station in our gas network as part of the preventive maintenance programme.



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Gas storage increases security

Swedegas owns the Skallen gas storage facility near Halmstad, which is connected to the gas network and can supply customers with gas when consumption variations occur or when there are disruptions in supply. The reduction target, i.e. to reduce gas consumption by 15 percent within the EU and in Sweden, continued to apply throughout 2023, in addition to requirements for storage and stocking. All gas stores were filled as required in 2023.

Network charges for gas and electricity network operators

Revenues for the transfer and storage services sold are regulated and monitored by the Swedish Energy Markets Inspectorate (Ei). Regulation of network charges has been applied since 2012, whereby a revenue framework is decided in advance for each electricity network and gas network operator. This framework caps the total fees that companies can charge their customers over the regulated period. The network operators are then free to set their own charges within the framework. The purpose of the revenue framework is to ensure that the business is run efficiently, with a good level of quality, and that the customer is charged a reasonable price for the various services. At the same time, it ensures that the network operator receives appropriate coverage for its costs, is able to make investments and receives a reasonable return on the capital required to run the business.

Ei decided on the revenue frameworks for natural gas companies at the end of 2022. The authority decided to change the methodology for valuing the capital base, a change that has major implications not just for Nordion Energi, but for the industry as a whole. Ei also prepared the way for the same kind of changes to be made in electricity network regulation. Like other gas network companies and most electricity network companies in Sweden, Nordion Energi appealed the decision. The legal proceedings that continued for much of 2023 resulted in a court ruling stating that Ei had acted in violation of applicable law. Following the court decision, Ei stopped the planned change in methodology, instead taking new decisions in accordance with the previously applicable method and in accordance with the regulations. Neither Nordion Energi nor other network companies are expected to appeal these judgements.

Gas consumption in Sweden

In Sweden, natural gas and biogas are mainly used as process fuel and raw material in industry, for power and district heating production, as fuel for vehicles, and by households that use gas for heating and cooking. Natural gas meets approximately 2 percent of Sweden's total energy needs and is therefore a relatively small energy source. However, in the municipalities where the natural gas network is more expansive, natural gas accounts for just over 20 percent of final energy consumption, which is in line with the average in the rest of Europe.

In 2023, security of supply continued to be a focus for Nordion Energi. We have prioritised efforts to secure the daily supply of gas to Sweden ever since the Russian invasion of Ukraine.

Landslide in Stenungsund

On 23 October 2023, a major landslide occurred in Stenungsund, north of Gothenburg, 200–300 metres from Nordion Energi's gas pipeline near Stenungsund's industrial zone. Nordion Energi visited the site early that morning to inspect the gas pipeline, and found no signs of changes in the ground or damage to the pipeline. Nordion Energi's crisis management team was activated in accordance with current procedures. We were also invited to a coordination group to manage the crisis, together with public actors, companies in the area, the County Administrative Board, the Swedish Transport Administration and the Fire and Rescue Service. As always, we conduct "lessons learned" to improve and strengthen our preparedness.

The energy system of the future is all about collaboration

In our Group strategy, we note that gas will continue to be used for electricity and power generation. Sweden has limitations on available power in the electricity market, as well as limitations on transfer between different price areas. Gas is already used both to balance power and for equalisation between price areas, and we expect that need to increase in the coming years. As the share of renewable electricity generation increases, so does the need for controllable power as a supplement, and gas has an important role to play in this. The result will be stronger connections within the energy system, where different energy sources complement each other.

Ronny operates one of the countless valves in our gas network.



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Reliable and flexible infrastructure

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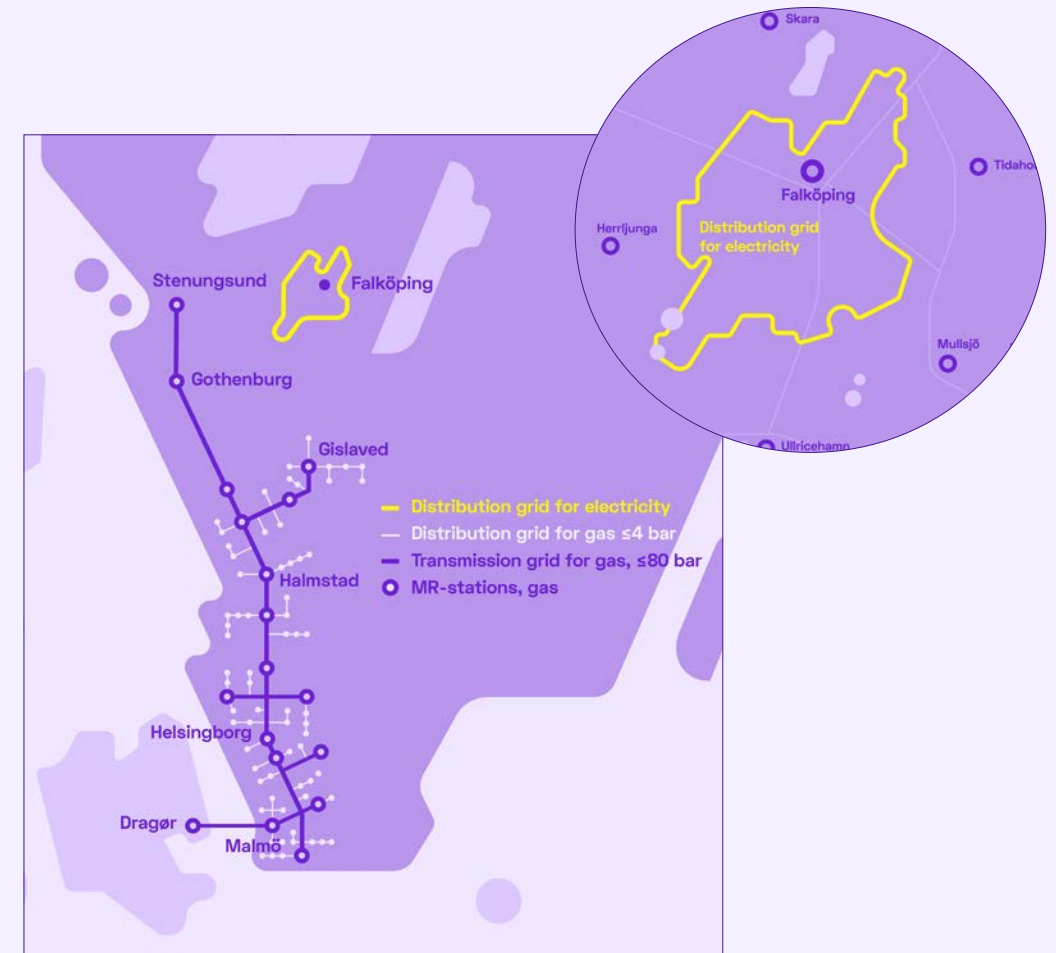
Maintenance and plant safety

Maintaining and developing the infrastructure in our gas and electricity networks is crucial for ensuring good security of supply. Nordion Energi carries out regular maintenance and inspection of the gas infrastructure, with weekly checks to ensure the inspection rounds have taken place according to plan. An aerial inspection of the transmission pipeline is carried out six times a year. For electricity operations, maintenance and periodic inspection of the facilities are carried out at set intervals according to the maintenance schedule. Our critical receiving stations in the urban area of Falköping are inspected weekly, while those in the countryside are inspected monthly. Some overhead lines are checked annually and all overhead lines are inspected thoroughly at eight-year intervals. The substations and cable cabinets are inspected every eight years, which is also the clearing interval in power line corridors. All findings and measures are documented by means of system support. Electricity network operations were also included in Nordion Energi's ISO certificate in 2023. Our contingency organisation is ready to respond at any hour, all year round.

We are also constantly strengthening and developing our protective security work in the fields of information and IT security. Protective security and contingency planning were a particularly high priority in 2023.

An attack on energy systems can have dire consequences, so we are also working to strengthen physical security in line with the Protective Security Act.

Read more about Nordion Energi's business management system and policies in the section "Material topics and sustainability management".



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Security of energy supply is the goal

Nordion Energi has common, continuous alarm management with contingency for both the gas and electricity networks. Nordion Energi operates in accordance with the standard for effective asset management even though the company is not certified to the ISO 55001 asset management standard. All checks are documented, and non-conformances are reported for rectification. Our maintenance strategy sets clear priorities with relevant key performance indicators regarding interruptions in deliveries to customers.

Within the electricity network, we employ SAIDI (the System Average Interruption Duration Index), a customer-weighted availability index that uses the unit “outage per customer per year”. The goal for 2023 was to keep the average interruption duration, SAIDI, below 38 minutes. The actual interruption duration was 37 (43.9) minutes, which is low by industry standards. We also monitor the CEMI4 metric, which shows how many customers have had four or more outages. In 2023, there were 433 (3) customers with four or more outages, compared to the target of 1,200. The drop in CEMI4 is a result of the investments we are making to weatherproof the network and increase its operational reliability. We have also not had any lines with multiple sources of error that could not be identified in the first attempt at troubleshooting.

We continuously monitor the number of hours of unscheduled unavailability to customers in the gas transmission grid. There were 0 (2) unplanned transmission grid outages affecting customers in 2023. The number of unplanned outages and the availability of gas to customers are monitored in the distribution network. The distribution network suffered 4 (5) unplanned outages in 2023. However, delivery reliability in 2023 was as high as the previous year, with an available gas delivery rate to customers of 99.999 (99.999) percent.

Continued presence reduces excavations

Gas availability is primarily affected by accidental pipeline ruptures during excavations by a third party. Efforts to reduce the risk from excavation work therefore continued in 2023. As shown in the graph below, 2023 was roughly on a par with 2022, which is a clear improvement compared to previous years in terms of the number of customers affected by excavations.

Having previously sent out instructions and maps to contractors and others who were to carry out excavation work, in 2022 we supplemented this by increasing Nordion Energi's presence in the field. Before any excavation work begins, a site visit takes place where – in dialogue with the company that will be carrying out the excavation work – we clearly mark the location of the gas pipelines, while providing more information on regulations and other support that is available. This work promotes greater security of supply for

our customers, reduces the risk of serious accidents among contractors during excavation work, and increases the safety of neighbours and others in the vicinity of the work. In addition, it reduces emissions of methane, a greenhouse gas. Investigations have been conducted into all incidents that occurred during the year.

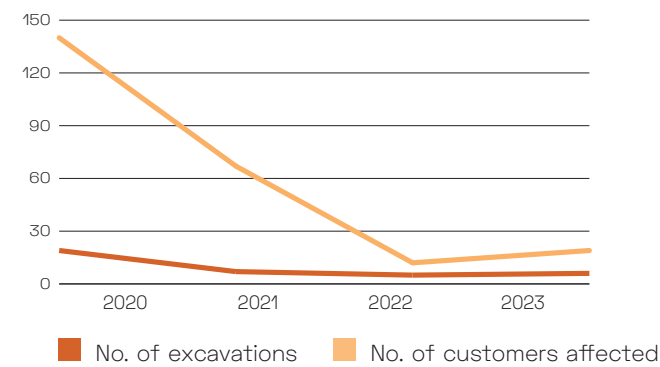
Invisible underground gas pipelines

The whole of the gas network is concealed underground and has been adapted to the landscape, largely allowing the land above it to be used as normal. Nature and environmental interests are taken into account when planning pipeline locations, and the necessary permits are always in place.

The method used to build gas pipelines depends on the prevailing ground conditions. The majority of new gas pipelines are being built within the distribution network and in paved areas. When traversing agricultural land, the land must always be reinstated so that it can be used in the same way as before the pipeline was laid. Gas infrastructure is a highly eco-friendly, cost-effective means of transmitting large volumes of energy without any visual impact and with minimal consequences for activities taking place in the vicinity. This also means that gas networks have no significant adverse impact on biodiversity.

Industrial companies that connect to a gas network get efficient and weather-independent distribution of gas, with a lower climate impact than if delivery takes place via tanker, for example. Having a pipeline directly into the plant also minimises the demand on land use and the need for safety measures.

NUMBER OF EXCAVATIONS AND OF CUSTOMERS AFFECTED



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Modernisation of the electricity network

One of our most important jobs is to build, maintain and renew the electricity network so that all our customers get the electricity they need, with minimum disruption. Major investments are being made in weatherproofing, renewal and preventive maintenance. We are also investing in modernising our electricity network in order to meet the future demands arising from electric cars, new technologies and digitalisation. The new generation of electricity meters provides increased support for the integration of renewable electricity production, provides customers with the opportunity to connect to the meter and view near real-time metering data, and provides support in locating faults in the electricity network.

Overhead electricity networks are vulnerable to high winds, storms and snow, weather events that are expected to increase as a result of climate change. We are therefore implementing underground cabling, i.e. burying most of the electricity network underground, to reduce the risk of outages. In addition, we are clearing the power line corridors around the overhead lines to reduce the risk of damage. Approximately 14 percent of the electricity network currently consists of overhead lines and 86 percent is underground cables.

The power shortage and how it affects the electricity network

The Swedish electricity system comprises the backbone transmission grid, regional networks and local networks. The transmission capacity between these is currently a limiting factor in certain areas, meaning requests to connect new production or consumption sites to the network can be delayed or restricted. This in turn affects society by delaying the green transition.

The transmission capacity from our local network to the broader regional grid, which is owned by Vattenfall, is set to be expanded through a phased project that will be implemented from 2030 onwards. While awaiting this increased capacity, Falbygdens Energi will have to take its place in a reservation queue, but we are working intensively to meet requests for connection within the existing electricity network.

Digital solutions make connecting to the electricity network easier and faster. Our collaborative project with Plexigrid, which was described in last year's sustainability report, helps users to visualise, simulate and forecast energy flows in the electricity network in a more detailed way through its software. Falbygdens Energi also finds out more about the situation in the electricity network by utilising the existing electricity network more intelligently and using data from the new generation of electricity meters, which all customers have. In 2023, this allowed solar production from residential customers to be connected, which would not have been possible without reconfiguring the existing electricity network.

Also in 2023, we worked with Vattenfall to design a pilot project for aggregated subscriptions, with their scope to benefit from fluctuations in the electricity network. The subscription has been approved by Vattenfall and the project will continue in 2024 and 2025. This arrangement is the only one of its kind for Vattenfall's customers.

We are also working on flexible solutions through, for example, conditional agreements, in order to create opportunities based on the specific conditions we have in the electricity network. We have several major renewable electricity generation plants to be connected in 2024, not to mention numerous incoming enquiries.



Peter points out the new reception station in Mönarp, which was commissioned in 2023 and enables more production and consumption in the electricity network.

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The gas that comes into Sweden

The gas coming into Sweden comprises a mixture of natural gas and biogas, with the latter produced mainly in Denmark and in Sweden. This biogas is certified and traceable between countries.

Sweden has no natural gas production of its own and is reliant on imports. Historically, natural gas has come from the Danish part of the North Sea, primarily from the Danish Tyra platform. In a normal year, the Swedish-Danish gas system has a surplus that it exports to other European countries. Since 2019, Tyra has been undergoing renovation and the natural gas has instead come from other sources via the European gas network.

The supply of natural gas to Europe now comes mainly from the gas fields in the North Sea and the UK, as well as LNG, which is imported primarily from the USA. The REPowerEU plan stipulates the need to diversify the supply of gas to Europe, with a view to becoming independent of Russian gas within a decade. In 2021, the share of natural

gas from Russia amounted to 45 percent of the European system. Today, it has fallen to around 7 percent. Ensuring that European gas stores are well stocked ahead of the winter season has also become more important, in order for Europe to meet demand over the winter. 2022 saw the commissioning of the Baltic Pipe, a gas pipeline from gas fields in the North Sea through Denmark and on to Poland. Tyra is expected to be back up and running by the end of Q1 2024. The gas used in Sweden comes primarily from the North Sea via the Baltic Pipe and Tyra, in combination with biogas produced in Denmark and Sweden. The gas supply to Denmark and Sweden has thus been strengthened in recent years, as we are able to obtain gas from significantly more sources than before.

The natural gas traded on the European market is not origin-labelled and Nordion Energi has no insight into what gas is traded. We are obliged by law to keep the system open to anyone who wants to trade in gas.



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Our employees are passionate about making a difference



Maria Lövgren is Head of Human Resources at Nordion Energi. Building a culture that fosters safety, engagement and inclusion is a priority sustainability area for Nordion Energi.

The challenge of securing the right skills is an important issue – not just for us, but for the entire industry. It needs to be managed through a range of initiatives and collaborations between multiple actors.

Nordion Energi has launched several initiatives and is currently focusing on supporting more apprenticeships that lead to jobs in the energy industry. We are working hard to make the industry attractive and accessible to more people by giving talks about the energy transition and through our activities at vocational colleges and universities, as well as by welcoming interns.

Our vision attracts employees

Nordion Energi's vision – to drive the sustainable energy transition – is a strength when it comes to attracting employees.

“Many of the people who apply to work for us want an employer with strong ideals and a clear vision. Our employees are passionate about developing Sweden's energy system and making the climate goals a reality. We have the opportunity to play a role in the future of society,” says Maria Lövgren.

A culture that fosters engagement

However, the most important thing is to establish a culture where our employees feel happy, healthy and engaged, so that they want to stay and continue to develop with us.

In order to check employee engagement and well-being, we replaced our previous annual employee surveys with a pulse survey in 2023. A small selection of questions are sent out each week, and the results can be followed in real-time by all employees.

“We live in a time when events in the wider world can quickly affect our business – which in turn affects our employees. With our new survey, we can follow up on changes in real-time and respond proactively instead of reactively,” explains Maria.

Employees' appreciation of the tool is reflected in the high response rate, which in 2023 averaged 96 percent.

“Strong employee engagement means caring not only about your own situation, but also about your colleagues. This gives us the best possible conditions to take action in areas where improvement is needed and maintain what works well,” continues Maria.

What are you looking forward to in 2024?

“Continuing to energise our work environment so that everyone who is part of Nordion Energi is happy and able to develop in their role at work. Our new pulse survey provides excellent support in this work. In 2024, we will also be getting our first result in the Attractive Employer index, which sums up our performance as an employer and will help us understand our strengths and areas for improvement with regard to employment terms, sustainable work and so on.”

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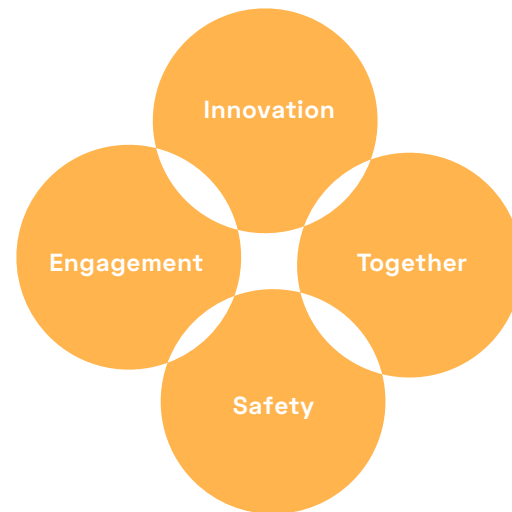
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A good work environment is safe, welcoming, inclusive and free from any form of discrimination. We are convinced that diversity in the workforce makes us better. Differences give us access to more perspectives, which creates a better work environment and provides us with the energy we need to achieve our vision – powering a changing society.



Nordion Energi works continuously, with a long-term focus, to ensure a safe and secure work environment in which all our employees have equal opportunities to enjoy their work, develop and feel healthy and happy. We also strive to maintain a culture where we put safety first. Helping us in this work are our core values: **innovation, engagement, together and safety.**

As of the end of 2023, Nordion Energi had 114 (106) employees, with around half working on the operation and maintenance of the existing infrastructure. The others mainly worked in customer service, marketing, finance, communications, innovation and business development.

Safety first

Nordion Energi's operations must always maintain high standards of safety and risk management. Our systematic work environment management operates through our business management system, and is fundamental in preventing and managing risks of accidents and ill-health. The system covers all employees, contractors and others who carry out work on our behalf.

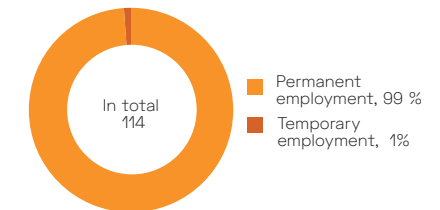
Handling of both electricity and flammable gas is critical and must be carried out in a safe way that minimises the risk of serious accidents. All employees must be observant in the work environment and immediately report any risks in our non-conformance management system. Reporting risk observations at an early stage is vital.

The HSSEQ Committee is part of our systematic work environment management and key to the cooperation between employees and employer. It serves as the organisation's safety and work environment committee. The committee primarily deals with issues relating to protection against ill-health and accidents, and how Nordion Energi can promote a safe and secure work environment and good working conditions in general. To further emphasize the importance of the issues, the board has appointed an HSE Committee.

In 2023, 108 (40) risk observations were reported, which is a positive increase compared with the previous year. During the year, 0 (2) accidents involving sick leave occurred in our operations.

Nordion Energi places a strong emphasis on employee health, offering various forms of activities and initiatives to promote health. A private health insurance policy is taken

FORMS OF EMPLOYMENT



Nordion Energi is a member of the Swedish Energy Employers' Association and has two applicable collective agreements, Branschavtal Energi and Kraftverksavtalet. All employees are covered by one of these collective agreements.

out for all staff when they join us, and all employees are offered a wellness allowance, as well as having access to a benefits portal offering wellness activities. Employees are also offered health checks every two years. We continue to work in our hybrid working model, which creates opportunities for a better work-life balance, while at the same time encouraging presence in the workplace, as this is an important factor for cohesion and collaboration.

Read more about Nordion Energi's business management system and policies in the section "Material topics and sustainability management".

Diversity and inclusion

Nordion Energi works actively to create a culture defined by diversity and equal opportunities for all. Diversity of perspectives allows us to reinforce one another's skills, experiences and ways of working, creating a greater sense of commitment and a stronger company. Our culture involves treating one another with respect and dignity. We have zero tolerance of any form of discrimination, harassment or other

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victimisation related to gender, transgender identity or expression, ethnicity, religion, disability, sexual orientation and age. We act quickly to investigate and address any allegations or violations of these principles.

We monitor a diversity and inclusion index, alongside the results of questions in the pulse survey relating to non-discrimination in the workplace. The questions are included within the pulse survey that is sent out weekly to all employees. As we changed survey tools in 2023, the results for the year are not entirely comparable to previous years, but we can confirm that we are close to the benchmark for the diversity and inclusion index, which is positive. We can also report that we have high non-discrimination scores, a positive result that we are actively working to maintain. Outcomes are presented in the table on page 11.

We do our best to achieve balance between women and men

Nordion Energi strives to achieve balance between women and men at all levels and in all professional areas, in order to create a good work environment that is highly efficient. We have clear action plans in place to ensure that both genders are represented equally, as was the case in several departments in 2023, but not all. The total percentage of female employees at the end of December 2023 stood at 26 (25) percent, around the same level as last year. The proportion of women needs to increase in order to achieve the same proportion as in the wider energy sector, 31 (27) percent. Equally important are opportunities for influence through leadership for both men and women. The proportion of female managers at Nordion Energi currently stands at 32 (24) percent. The Board of Directors of Nordion Energi AB has five ordinary members, two of whom are women. It also has three employee representatives, none of whom are women, and two employee deputies, one of whom is a woman. The employee organisations themselves elect their representatives.

An annual pay review is carried out to ensure that there are no unfair differences in pay. This also includes monitoring a gender pay gap index, which shows how both the mean

and the median salary compares between men and women. Any unjustified differences in pay are addressed.

We are pleased to note that the gender distribution is more even among the new employees we welcomed in 2023 than in the organisation as a whole, 41 percent, which means that we are moving towards a more even gender distribution generally.

Skills supply is a vital issue

For Nordion Energi, the ability to attract and retain cutting-edge talent is crucial to its continued success. We want to be at the forefront in developing the energy system of the future, and future solutions will include new technologies, new business models and new markets. This requires a whole host of high-level skills.

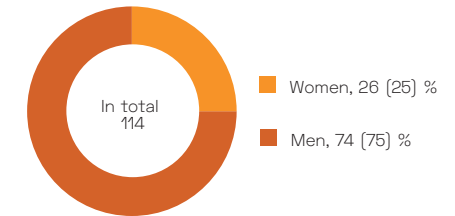
There is a huge skills shortage across the entire energy industry, and we are feeling it too. There is high demand for top talent in the field of renewable energy, for example. In order to attract and retain skilled workers, Nordion Energi places great emphasis on being an attractive employer. Among other things, we offer secure employment conditions, relevant benefits, flexible working, an inclusive culture, a safe work environment and development opportunities.

In 2023, we welcomed 22 new employees to the team at Nordion Energi, six of whom are part of our new hydrogen operation, which grew from two employees at the beginning of the year to eight employees by the end.

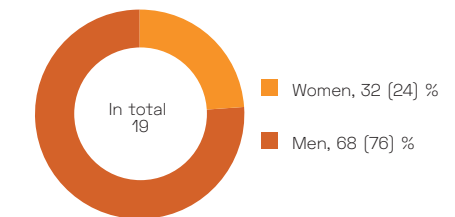
We are also working actively to attract more young people to the energy industry. We have given talks at vocational colleges and universities, participated in the Arkad career fair and offered internships to students from universities and vocational programmes. In 2023, we welcomed three interns. We also launched an application process to welcome interns from the Jobbsprånget employment initiative in 2024.

In addition to recruitment, we work continuously to maintain our employees' competence levels through individual development plans. In 2023, we gave four colleagues the opportunity for internal career development by working in a different role.

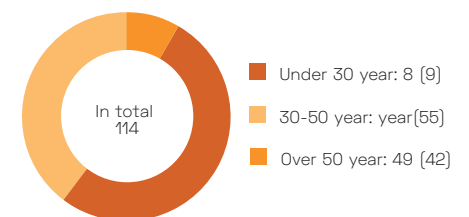
GENDER DISTRIBUTION AMONG ALL STAFF



PROPORTION OF FEMALE AND MALE MANAGERS



AGE DISTRIBUTION



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Continued high levels of employee engagement

In April 2023, Nordion Energi switched to a new tool for conducting employee surveys. This is an AI-based platform that allows us to conduct more frequent employee surveys and see the results in real-time – also known as pulse measurements. This allows us to act more quickly and precisely, as and when such action is required.

Up until 2023, Nordion Energi conducted two traditional employee surveys per year. With the new tool, employees will instead receive a small number of selected questions each week. The anonymised results are displayed on a dashboard, where they are available to both managers and

employees in real time. The tool also provides an opportunity for direct dialogue between employee and manager.

The response rate for the pulse measurements was 96 percent in 2023. The survey results show that Nordion Energi is just above the benchmark temperature for companies in the energy industry, which is the overall result of questions in nine different areas relating to engagement and well-being.

During the first nine months of using the new tool, over 600 comments were received via the system. Around 40 percent of these comments were answered directly, and the majority of the others did not require direct responses.

Culture Club

Our employees in Culture Club work on Nordion Energi's corporate culture, with a focus on improving well-being and engagement. In each month of 2023, the Culture Club celebrated a colleague or department that embodies our core values: **innovation, engagement, together and safety.**

2023 Strategy Days

The whole company met for two sunny days in Varberg to go through our updated Group strategy and enjoy some social time.



Business ethics throughout the value chain

High ethical standards in critical operations

At Nordion Energi, we act responsibly and in accordance with a sound ethical framework in all our operations and processes.

Running an essential service demands a great deal in terms of quality and compliance. An unethical business culture would jeopardise trust in us as a company and also put our employees, business partners and wider society at risk.

Nordion Energi complies with all laws and regulations that apply to our operations. Our purchases and procurement procedures must be compliant with applicable procurement rules, and we always assess the risk of corruption when cooperating with critical business partners. Nordion Energi does not discriminate against its customers: we apply prices for all equivalent customers in the same way and in accordance with the Natural Gas Act and the Electricity Act. All our tariffs are public, objective and comply with the Swedish Energy Markets Inspectorate's method approval and the European network codes for the formulation of tariffs. We want our pricing to be characterised by openness, transparency and a long-term approach. Operational quality and compliance are evaluated continuously by means of internal audits, and by external parties such as certification bodies.

Our Code of Conduct sets out expectations

Our Code of Conduct explains what we expect from ourselves and what others can expect from us. It is ultimately a matter of building trust – and continuing to earn it. The Code of Conduct applies to all employees in all Group companies. It also applies to everyone who carries out any form of work for us or who represents Nordion Energi, such as Board members and consultants. Moreover, the Code of Conduct describes what is expected of people who work with us. A

special version of the Code of Conduct has been developed for Nordion Energi's suppliers.

Our Code of Conduct is guided by the ten principles of the UN Global Compact, such as good working conditions, human rights, the environment, and strict ethical and moral business principles. We do not compromise on these principles, either among colleagues or in our business relationships.

Nordion Energi employees must act to prevent corruption and bribery and ensure that personal relationships do not compromise business activities. Our approach is based on Swedish law, but our processes and procedures are also compliant with the requirements of the UK Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act 1979.

Compliance is business-critical

We are committed to our corporate culture, and so we take non-compliance very seriously. We endeavour to conduct our business in an open manner, guided by sound business ethics. We therefore encourage employees, consultants, Board members or suppliers to bring any deviations from the Code of Conduct to our attention. Nordion Energi does not tolerate reprisals against anyone who reports misconduct in good faith.

Our employees can report misconduct in the way and through the channels with which they feel most comfortable, whether that involves their line manager, the Head of HR or the company lawyer. Anyone wishing to report a matter anonymously can do so through the whistleblower system on our intranet.

We investigate non-compliance issues objectively and fairly. Failure to comply with our Code of Conduct may result in disciplinary action, such as dismissal or cancellation of the contractual relationship.

Our purchasing-related policies – the Purchasing Policy, Code of Conduct, Supplier Code of Conduct and Privacy Policy – are available to view at www.nordionenergi.se.

We protect our assets and sensitive data

Nordion Energi is obliged to keep its own and its business partners' business secrets confidential. IT security is a priority issue for Nordion Energi, and we work actively to prevent intrusions into our IT systems and maintain our IT equipment. Nordion Energi's instructions for the secure handling of IT equipment govern this area. In 2023, Nordion Energi reviewed and procured new management of our laptops and mobile phones. We have strict security requirements and have also considered the question of reusing equipment to extend its service life. In addition, we are continuing the job of moving to server halls instead of our own physical servers, which is beneficial from both an environmental and a security perspective, linked to both energy and redundancy.

Nordion Energi's security organisation holds regular exercises to test our resilience and endurance. We respect and protect the personal data of our employees and other stakeholders in accordance with applicable regulations and good data protection practices. Our work is governed by our Privacy Policy.

We had no IT-related incidents in 2023.

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Human rights

Respect for human rights is part of our Code of Conduct and permeates our entire organisation, with suppliers and partners subject to the same requirements and expectations.

We respect human rights, employee rights and international labour law, and we expect our suppliers and business partners to do the same. Within the framework of our active supplier contracts, all (100 percent) have signed to adhere to our Supplier Code of Conduct.

Those affected by our operations

The concept of human rights covers civil and political rights, labour rights, social and cultural rights and the rights of particularly vulnerable groups. Risk analysis and due diligence in our value chain have identified the following groups who could potentially be affected by our operations: customers, suppliers, contractors and other partners, employees including consultants, landowners, local residents and others affected at our sites or by our innovation projects and acquisitions, and owners.

Nordion Energi fully meets the requirements set out in the regulatory framework, primarily through our Code of Conduct. We also comply with Swedish legislation in this regard.

The biggest risks in our value chain

Currently, the greatest risk occur in our supply chain, where hazardous work is carried out at our sites in both our gas and electricity network operations. Nordion Energi therefore

has a strong emphasis on workplace safety, not just with our own employees but also with contractors and suppliers. We aim to achieve zero serious accidents and we also work with our contractors on prevention in order to achieve this goal.

Following up on our collaborations, suppliers and partners is important in ensuring that human rights are not violated. In this regard, we need to learn more about the risks associated with purchasing throughout our value chain.

Safe and secure energy supply at reasonable prices

Safety and security of energy supply is also directly linked to human rights, as the welfare society relies on access to affordable energy. It is a prerequisite for continued competitiveness, and thereby forms a basis for continued economic stability.

Dialogue and consultation are important

Local acceptance of new infrastructure to enable the green transition will be a key issue when it comes to expanding the energy system. As our innovation projects enter new phases, it is important to conduct a dialogue and consultation with the local community, local residents and other stakeholders.

No whistleblowing cases reported in 2023

Human rights violations can be reported via our whistleblower system and in other ways. No cases were reported in 2023.



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Purchasing and suppliers

The major world events of recent years have affected the global economy, with the current macroeconomic situation leading to high inflation and driving up our underlying costs. At the same time, a return to a stable European energy market has resulted in significantly lower gas prices in 2023 than in 2022. This is due in no small part to high stock levels in European natural gas stores and continued good availability of liquid natural gas (LNG).

Purchases made by Nordion Energi from suppliers mainly comprise materials for the electricity and gas networks, as well as contracting and consulting assignments relating to groundwork or construction and civil engineering projects. The majority of the purchases are made from Swedish suppliers.

The part of Nordion Energi that manages Swedegas operations and Falbygdens Energi is subject to the Swedish Act on Procurement in the Utilities Sectors (LUF), which imposes specific demands on our purchasing procedures. The purchasing function provides support in on procurement, purchasing and contract-related issues.

Read more about Nordion Energi's business management system and policies in the section "Material topics and sustainability management".

Updated supplier requirements

Over the year, Nordion Energi took into account the requirements for a security-adapted procurement model, as set out in the Swedish National Agency for Public Procurement's guidelines. The requirements for sustainable purchasing were tightened in 2022 in an update to our Supplier Code of Conduct, which we then applied in 2023. The Code of Conduct aims to mitigate risks associated with the environment, health and safety, terms of employment, business ethics, taxation, money laundering and corruption at our suppliers and their subsuppliers.

The Code of Conduct is based on the UN Global Compact. Suppliers sign the Code of Conduct in conjunction with new procurements and in doing so undertake to fully observe its standards. We also have the option of performing follow-ups and audits. Nordion Energi reserves the right to terminate an agreement in the event of non-compliance with the Code of Conduct. The goal is for all major business-critical suppliers to sign the code. The Group has a total of 235 active supplier agreements. Everyone has signed our Supplier Code of Conduct – meaning we have outperformed our target.

Fourteen desktop audits and one factory audit were carried out in 2023. In addition, a factory visit was carried out in connection with the procurement of a large transformer.

18 procurements were conducted during the year. Protective security in procurement and business contracts has also been implemented in accordance with the law.

Customers and end users

Nordion Energi also has an impact at customer level, with the end user and in society. The majority of the gas that is distributed in the Swedegas system is supplied to energy companies (distributors). These companies, including Weum, distribute the gas to industrial enterprises, households, vehicle gas filling stations, and CHP (Combined Heat and Power) plants in the south and west of Sweden. In addition, a number of large industrial customers are connected directly to the northern part of the Swedegas network. Falbygdens Energi distributes electricity through its operations to customers in Falköping and the surrounding area.

The risks at customer level relate primarily to interruptions in supply, which entail a high risk of both financial and other damage to customers. Nordion Energi is constantly working to ensure an uninterrupted supply of electricity and gas to industry, municipalities and households.

The important stakeholder dialogue

Nordion Energi is aware of the risks in the value chain and is working actively to mitigate those risks. Central to this is a dialogue with key stakeholders such as customers, employees, producers, partners, decision-makers, academia and researchers. The dialogue is always ongoing, taking place both directly with the stakeholders and through participation in industry associations in Sweden and the EU.

In 2023, our hydrogen operation initiated a collaborative dialogue with the reindeer husbandry industry, which will continue throughout the Nordic Hydrogen Route permitting process. Being on the ground and understanding the local community's expectations is an essential element of the upcoming expansion of the hydrogen infrastructure.

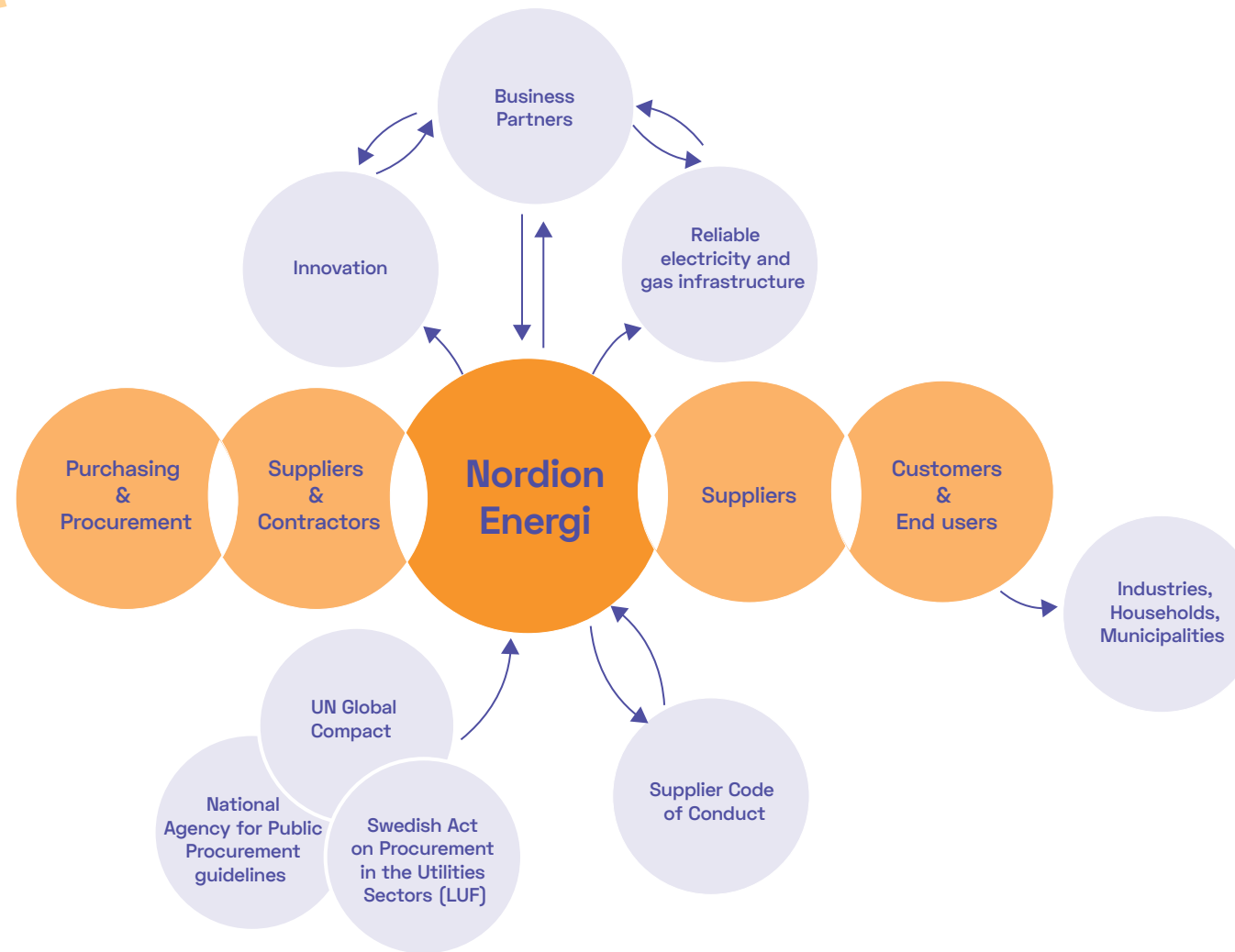
The annual customer survey, conducted in October and November of 2023, gives us important insights into how we can improve our operations and communication to meet our customers' needs and expectations.

We also contribute our expertise in the preparatory work for political and legislative decision-making. Nordion Energi never makes contributions to political parties.

See our value chain illustrated on the next page

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Gas infrastructure

Both natural gas and biogas are distributed in the Swedegas and Weum network. We do not have any direct influence on the type of gas that is traded in our infrastructure, because as a grid operator we are not permitted to produce or trade in gas. The impact from the extraction and production of gas can vary significantly depending on where in the world the gas is extracted, and the method employed. Sweden has no natural gas extraction of its own. Most of the gas distributed in Nordion Energi's network originates in the North Sea – Denmark and Norway – along with biogas produced in Denmark or Sweden. See pages 37–39 for our work on business ethics in the value chain.

The biogas that Nordion Energi uses in its own operations is 100 percent sustainable, certified gas.

In order to ensure ethical production of biogas, the EU has introduced special sustainability rules for biofuels, which have been enacted in Sweden through the Swedish Sustainability Act. Some 90 percent of the raw material used in biogas production in Sweden is sourced within its own borders. The remaining 10 percent comes from other countries in northern Europe.

Electricity infrastructure

The electricity distributed in the Falbygden Energi network follows the general electricity mix fed into the area. Falbygden Energi is actively working to make it easy to connect renewable electricity, such as wind power and solar power, to the network. Energy losses (network or transmission losses) in the electricity network are compensated for by purchasing electricity labelled with Good Environmental Choice.

Nordion Energi owns and invests in infrastructure for electricity and gas. Our direct value chain extends from the purchases we make to maintain, redevelop and expand the infrastructure, through to customers and end users. We also seek to take an active role in the development of society and therefore participate in the public debate.

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Nordion Energi's sustainability work is based on regular analyses and reviews of material topics in order to respond to changes in the world and in our own operations, as well as changing expectations and requirements among key stakeholders.

Our world is constantly changing, and we need to always take this into account in order to be best placed to accommodate changing conditions.

By maintaining a proactive approach, we can identify and manage our actual and potential environmental and social impacts, including those on human rights. We incorporate our entire value chain, including our partners, into the analysis, which also entails identifying sustainability issues that have or may have an impact on the company's financial position. The process involves several internal functions and units within Nordion Energi and may also include various external stakeholders, as well as industry associations, experts and other partners who can assist us with quality assurance of the analysis. Nordion Energi also determines the content of the reporting on this basis.

The starting point for the materiality analysis is Nordion Energi's vision, and all our work is informed by our core values.

We see sustainability as an integral part of our core business. Our integrated policy for health, safety, quality and the environment guides our work and meets the policy requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. The policy governs how, safely and in a predetermined manner, we can ensure the safety and security of individuals, facilities, the environment and the gas and electricity supply. The work is controlled through our business management system, which ensures that sustainability is included in planning, implementation and follow-up. We comply with laws, regula-

tions and industry guidelines. No violations occurred during the year.

Nordion Energi's purchasing policy demands that all parties that make purchases on behalf of Nordion Energi must do so using the five basic EU public procurement principles as a starting point. These principles are non-discrimination, equal treatment, transparency, proportionality, and mutual recognition. The competition principle must also be complied with. This applies to purchases of goods and services, as well as construction and civil engineering projects.

Our policies relating to procurement are the Purchasing Policy, Code of Conduct, Supplier Code of Conduct and Privacy Policy. These are available at www.nordionenergi.se.

Materiality analysis in 2023

In 2022, a review was conducted on the basis of external events and known changes in the organisation's own operations. The organisation's impact was then analysed, as well as the impact on the organisation. One starting point was to adapt the materiality analysis to the updated requirements in GRI Universal Standards 2021. This included analysing all areas in GRI's sector-specific protocol for Oil and Gas. There is also the fulfilment of other new regulatory requirements in order to manage material impacts.

These insights were used to update our material topics, strategy and risk assessment with a view to addressing the areas identified as most significant to our business. The identified material topics were agreed upon by the manage-

ment team and confirmed by the Board. The topics remain in place following the 2023 review.

Our priority sustainability topics are:

- Actively driving the transition to net zero emissions
- Reliable and flexible infrastructure as a platform for security of supply of energy and raw materials
- A safe work environment for everyone who works for Nordion Energi
- Equal and inclusive energy company
- Business ethics throughout the value chain

The following topics were identified as material, based on analysing the impact of the company's operations on the environment, society and people, including human rights.

- (E) Reduce climate impact / GHG emissions
- (E) Climate change adaptation and resilience
- (S) Energy security / safety and security of energy supply
- (S) Health and safety at work
- (S) Inclusion (non-discrimination), equality and diversity
- (G) High business ethics throughout the value chain, including corresponding requirements for suppliers and other key partners.

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The following issues were identified as material based on an analysis of the actual or potential impact on the company's financial position:

- Resilient gas and electricity infrastructure: Physical threats, such as extreme weather events, are increasing due to climate change. They are also increasing due to the heightened risk of cyberattacks.
- Health and safety at work: A strong safety culture to ensure adequate working conditions for everyone working for Nordion Energi is essential, as there is a risk of serious injury in some parts of the operations. This is also linked to ensuring security of supply, maintaining licences for operations and managing potential risks of regulatory penalties.
- Greenhouse gas emissions: Difficulties in reducing greenhouse gas emissions could result in significant adverse impacts on future returns in the form of asset impairments, carbon costs or other costs.
- Energy security and the price of energy: Access to affordable energy is a critical business issue when it comes to maintaining (and increasing) the number of customers, building intangible asset value and creating opportunities for investments and returns.
- Recruiting and retaining talent: A high degree of competition for highly qualified people to lead and run innovation projects. Representation of women in the sector is also low.
- Anti-competitive practices: In a sector where market neutrality is key, this can cause financial harm and impact upon the necessary licences to operate.

Governance for ambitious targets

The Board of Directors holds ultimate responsibility for Nordion Energi's sustainability work. Igneo Infrastructure Partners, which manages the EDIF II fund that owns Nordion Energi, sets exacting sustainability requirements for all its holdings. All companies must work towards clear targets that include zero serious workplace accidents, lowering emissions of climate-impacting greenhouse gases towards net zero, and targets for greater diversity, equality and inclusion. The requirements also include risk management, where risks of forced labour in the value chain – for example – have to be analysed, as well as risks of vulnerability in IT and cybersecurity. There are additional requirements to conduct both customer and employee surveys on a regular basis, with the results followed up on and reported back to the Board. This follow-up also covers all the topics identified as material for Nordion Energi. The work and objectives are reviewed to ensure that they are relevant and help the company to achieve all its goals. The Board decides on policies, including Nordion Energi's Code of Conduct and Privacy Policy, which are based on Swedish legislation and also include best-practice requirements at international level. The prepared annual sustainability report is approved by the Board of Directors.

The requirements also cover the Board and its work. These include requirements for independent Board members, fulfilment of certain standards and certain qualifications. One of the owner's representatives on the Board has specific expertise in sustainability. In accordance with the corporate governance model in the Nordion Energi Group, all the Boards of Directors in the Group companies (except Nordion Energi H2 AB, which acts independently) have committed to follow the decisions made by the Board of Directors of Nordion Energi AB. Control in the Group is thus exercised from Nordion Energi AB.

The composition of the Board can be found at www.nordionenergi.se

The Board delegates the management of sustainability efforts to the CEO. Responsibility is further distributed to all members of the management team and in particular to the Head of Human Resources, the Director of Asset Optimisation, the Director of Customer and Markets, and the Director of Communications. Follow-up and further development of sustainability work is decided by the management team and coordinated by the Head of Sustainability. The objectives are further embedded within the organisation by each manager and followed up with all employees at various meetings during the year. Active involvement and initiative are encouraged in everyone. Key sustainability objectives are included in the Long-Term Incentive Plan for both senior management and all employees.

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European Hydrogen Backbone

Nordion Energi is part of the European Hydrogen Backbone (EHB), which aims to accelerate Europe's emission targets by defining the role of hydrogen infrastructure – based on existing and new pipelines – to enable the development of a competitive European market for renewable and green hydrogen. This initiative aims to promote market competition, security of supply and cross-border cooperation between European countries and their neighbours. The EHB initiative will continue to discuss its vision with stakeholders, including decision-makers, companies and initiatives along the hydrogen value chain.

Gas for Climate

Nordion Energi is involved in Gas for Climate, a European initiative involving ten leading gas infrastructure companies (Enagás, Energinet, Fluxys, Gasunie, GRTgaz, ONTRAS, Open Grid Europe, Snam, Swedegas/Nordion Energi and Teréga) and two renewable gas industry organisations (Consorzio Italiano Biogas and the European Biogas Association).

Gas for Climate is committed to achieving net zero greenhouse gas emissions in the EU by 2050 and advocates a solution involving a combination of renewable electricity and renewable gas. Gas for Climate is convinced that renewable gas is a key component in achieving the target in an economically viable way. Gas for Climate is also working to enable the implementation of hydrogen in Europe in a cost-effective manner. In this context, the initiative has produced a report analysing and presenting a hydrogen infrastructure solution – [“European Hydrogen Backbone”](#)

On page 16 you can also read more about the report [“Market state and trends in renewable and low-carbon gases in Europe”](#)

Nordion Energi's international involvement

ENNOH (European Network of Network Operators for Hydrogen) – a network of transmission system operators (TSOs) in Europe that intends to coordinate the planning, development and operation of Europe's hydrogen infrastructure, together with the European Commission. The association is under formation and it aims to set the parameters for the hydrogen networks in Europe, and Nordion Energi is the only party from Sweden participating.

CEN (European Committee for Standardization/Comité Européen de Normalisation) – one of three European standardisation organisations. CEN publishes European standards (EN). Products that fulfil the requirements of any such standard may bear the CE mark. The European standards applicable in Sweden are designated SS-EN. Sweden's member organisation in CEN is the Swedish Standards Institute (SIS). Swedegas is a member of SIS. Swedegas monitors and contributes to the development of standards for Gas Systems and Infrastructure Transmission within CEN/SIS.

ENTSOG (European Network for Transmission System Operators of Gas) – an organisation of transmission system operators (TSOs) formed to facilitate the harmonisation of the EU's internal energy market. ENTSOG, in consultation with the corresponding European regulatory authority, is working on formulating network codes that will eventually become text prescribed by law. Swedegas is the Swedish representative.

GIE (Gas Infrastructure Europe) – an organisation that coordinates infrastructure issues for natural gas companies in Europe in respect of transmission, storage and terminals. Swedegas is a member.

GEODE – a trade association for independent electricity and gas distribution companies in Europe. Hans Kreisel, CEO of Nordion Energi, is the chairman of the organisation.

IGU (International Gas Union) – Swedegas is represented through Energigas Sverige in the IGU, which is a global organisation bringing together the worldwide gas industry in fields such as extraction and production, transmission, LNG, distribution and end-user issues.

National trade associations

Swedenergy – an industry body that acts as the energy industry's voice in the social debate. Almost 400 companies that produce, distribute, sell and store energy are members of the association.

Swedish Gas Association – an industry body for actors in biogas, vehicle gas, LPG, natural gas and hydrogen. The association speaks on behalf of the industry, acting as the interface between members and decision-makers, the media, the business community and the general public.

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GRI-index Nordion Energi, sustainability report 2023

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Statement of use	Nordion Energi reports in accordance with GRI Standards for the period January 1 – December 31, 2023.
GRI 1-standard	GRI 1: Fundament 2021
GRI Sector Standard	GRI 11: Oil and Gas Sector 2021

Grey mark indicates that deviations are not allowed

GRI STANDARD	DISCLO-SURE	DISCLOSURE TOPIC	Page reference Sustainability report 2023	Deviations			GRI 11 OIL AND GAS SECTOR 2021
				Requirements deviated from	Reason for deviation	Explanation	
General disclosures							
GRI 2: General Disclosures 2021	2-1	Organizational details	2-5				
	2-2	Entities included in the organization's sustainability reporting	2				
	2-3	Reporting period, frequency and contact point	2, 47				
	2-4	Restatements of information	2, 11				
	2-5	External assurance	No external assurance according to GRI				
	2-6	Activities, value chain and other business relationships	2-5, 38-40				
	2-7	Employees	33-36				
	2-8	Workers who are not employees		Nordion Energi does not report in accordance with GRI 2-8	Information not available/incomplete	Data not available	
	2-9	Governance structure and composition	41-42				
	2-10	Nomination and selection of the highest governance body		Nordion Energi does not report in accordance with GRI 2-10	Information not available/incomplete		
	2-11	Chair of the highest governance body	42				
	2-12	Role of the highest governance body in overseeing the management of impacts	42				
	2-13	Delegation of responsibility for managing impacts	42				
	2-14	Role of the highest governance body in sustainability reporting	42				
	2-15	Conflicts of interest		Nordion Energi does not report in accordance with GRI 2-15	Information not available/incomplete		
	2-16	Communication of critical concerns	39, 42				
	2-17	Collective knowledge of the highest governance body	42				
	2-18	Evaluation of the performance of the highest governance body		Nordion Energi does not report in accordance with GRI 2-18	Information not available/incomplete		
	2-19	Remuneration policies		Nordion Energi does not report in accordance with GRI 2-19	Information not available/incomplete		

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				Requirements deviated from	Reason for deviation	Explanation	
	2-20	Process to determine remuneration		Nordion Energi does not report in accordance with GRI 2-20	Information not available/incomplete		
	2-21	Annual total compensation ratio		Nordion Energi does not report in accordance with GRI 2-21	Information not available/incomplete	Nordion Energi lacks formalized routines and processes	
	2-22	Statement on sustainable development strategy	8-9				
	2-23	Policy commitments	10, 12, 13, 37-41	Nordion Energi does not report on Due Diligence-process	Information not available/incomplete	Nordion Energi lacks formalized Due Diligence-process	
	2-24	Embedding policy commitments	10, 12, 13, 37-41				
	2-25	Processes to remediate negative impacts		Nordion Energi does not report in accordance with GRI 2-25	Information not available/incomplete	Nordion Energi lacks formalized process	
	2-26	Mechanisms for seeking advice and raising concerns	37-38				
	2-27	Compliance with laws and regulations	10, 12, 13, 41				
	2-28	Membership associations	43				
	2-29	Approach to stakeholder engagement	39				
GRI 3: Material Topics 2021	2-30	Collective bargaining agreements	34				
	3-1	Process to determine material topics	41-42				
Economic impact							
GRI 3: Material Topics 2021	3-3	Management of material topics	3-6				11.2.1 & 11.14.1
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	6				11.14.2
	201-2	Financial implications and other risks and opportunities due to climate change	3-6, 8-9				11.2.2
Actively driving the transition to net zero emissions							
GRI 3: Material Topics 2021	3-3	Management of material topics Additional sector recommendations • Describe actions taken to manage flaring and venting and the effectiveness of actions taken.	8-11, 14-23				11.1.1
GRI 302: Energy 2016	302-1	Energy consumption within the organization	24-25				11.1.2
	302-2	Energy consumption outside of the organization	24-25				11.1.3
	302-3	Energy intensity		Nordion Energi does not report in accordance with GRI 302-3	Information not available/incomplete	Data not available	11.1.4
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions Additional sector recommendations • Report the percentage of gross direct (Scope 1) GHG emissions from CH4 • Report the breakdown of gross direct (Scope 1) GHG emissions by type of source (stationary, combustion, process, fugitive)	24-25				11.1.5 + Additional sector disclosure

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GRI STANDARD	DISCLOSURE	DISCLOSURE TOPIC	Page reference Sustainability report 2023	Deviations			GRI 11 OIL AND GAS SECTOR 2021
				Requirements deviated from	Reason for deviation	Explanation	
	305-2	Energy indirect (Scope 2) GHG emissions	24-25				11.1.6
	305-3	Other indirect (Scope 3) GHG emissions	24-25				11.1.7
	305-4	GHG emissions intensity		Nordion Energi does not report in accordance with GRI 305-4	Information not available/incomplete	Data not available	11.1.8
	305-5	Reduction of GHG emissions	24-25				11.2.3
<i>Company specific disclosure</i>		Biogas share (Gasbarometern)	20				
<i>Company specific disclosure</i>		Methane emissions(CO2e)	11, 24-25				
Additional sector disclosure		Describe the organization's approach to public policy development and lobbying on climate change	39, 43				11.2.4 + Additional sector disclosure
Reliable infrastructure with high security of supply							
GRI 3: Material Topics 2021	3-3	Management of material topics	10-12, 26-32				
<i>Company specific disclosure</i>		Unplanned outages to customers	11, 27, 30				
Safe work environment for all those who perform work for Nordion Energi							
GRI 3: Material Topics 2021	3-3	Management of material topics	10-12, 33-36				11.9.1
GRI 403: Occupational Health and Safety 2018	403 - 1-7	All topic management disclosures	11, 33-36				11.9.2-8
	403-9	Work-related injuries	7, 11, 33-36				11.9.10
Equal and inclusive energy company							
GRI 3: Material Topics 2021	3-3	Management of material topics	10-12, 33-36				11.11.1
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	33-36				11.11.5
Sustainable value chain							
GRI 3: Material Topics 2021	3-3	Management of material topics	10-12, 37				11.10.1
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	37				
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	37-38				11.10.8

Nordion Energi reports GRI topics that have been identified as material, including topics according to sector standard GRI 11: Oil and Gas Sector 2021.

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Society is facing dramatic changes, and climate change is at the heart of it all. This is a huge task, and if we are to succeed we need to think innovatively and act swiftly.

Nordion Energi specialises in energy infrastructure, a key factor when it comes to creating a sustainable society. We are channelling our efforts into creating a sustainable, flexible energy system that is fit for the future, making best use of electricity, gas and heat.

We are embarking on an exciting journey together with our customers and other partners who share our objective: 100% green energy.

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