UB United Bankers

UB RENEWABLE ENERGY FUND AIF

Responsible Investment Report 2025

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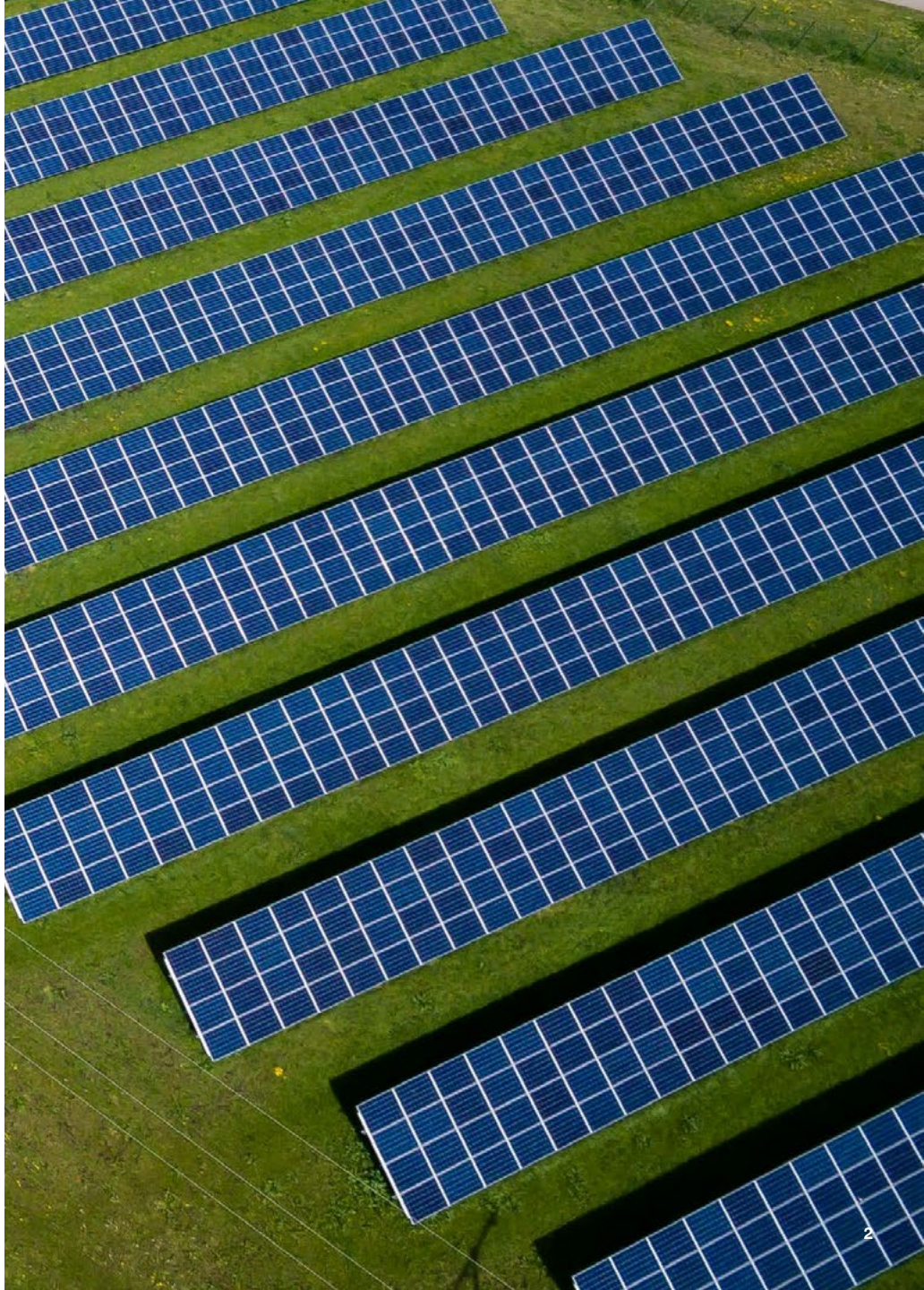


UB Renewable Energy develops the future of energy infrastructure

The UB Renewable Energy Fund (AIF), managed by UB Fund Management Company Ltd, invests in the development and management of renewable energy projects. The fund focuses on wind and solar power plants, energy storage solutions, hydrogen production facilities, and infrastructure that supports the growth of renewable energy and the energy sector in Europe.

The fund's objective is to achieve long-term capital appreciation while also contributing to climate change mitigation and the transition to a low-carbon economy. The fund is suitable for long-term investors who want to direct their investments toward renewable energy production in Europe, with a focus on the Nordic countries and the Baltics. The fund's investments support the reduction of carbon emissions by developing carbon-neutral energy production and energy storage. The fund is classified as making sustainable investments (SFDR Article 9), and its investments promote the EU Taxonomy objective of climate change mitigation.

In addition to climate benefits, renewable energy projects also involve other significant sustainability considerations, such as impacts on nature and people in the project areas and their surrounding environment. Some impacts occur during the construction phase, while others are more permanent. Furthermore, impacts also arise in the supply chains of project components, which may geographically extend far beyond the project itself.

The UB Renewable Energy Fund aims to be a pioneer in responsible development and production of renewable energy. The project impacts are managed through careful assessment, planning, and monitoring throughout the ownership period, starting from the project initiation or acquisition phase. In this way, the fund also effectively manages sustainability-related risks, including risks and opportunities related to climate change that can directly impact the planning and operations of physical infrastructure.

UB RENEWABLE ENERGY – KEY SUSTAINABILITY FIGURES 2025

Renewable Energy operation and development

The Fund's Operational Projects	
Existing production capacity (MW)	21
Generated amount of energy (GWh) during the reporting period	36
Generated amount of energy (GWh) during the Fund's operation	36
Avoided emissions (tCO_2e) during the reporting period	14
The calculations assume that renewable energy replaces average grid electricity at the project location on a 1:1 basis. The calculation includes energy production that is operational during the reporting year. Location-based emission factors are used. The calculation accounts for the based on the fund's share of generated energy.	
The Fund's Development Projects	
Planned production capacity (MW)	730
Average production capacity of wind turbines	7.2 MW/ Wind turbine
Planned energy storage capacity (MW)	260
Hydrogen projects	0
The scope and capacity of the projects may change during the course of the development.	

Megawatt (MW), Megawatt hour (MWh), Gigawatt hour (GWh)

Porfolio Manager’s comments

In 2025, the UB Renewable Energy Fund’s development projects progressed as planned and on schedule. The fund benefited from flexible and scalable project development services that were tailored to its needs, and the collaboration with Ramboll around development and project permits also proceeded as expected. In particular, critical environmental and biodiversity assessments progressed very well in 2025, considering that species identification work can only be carried out during very limited periods throughout the year. In addition, the fund succeeded in launching its investment activities in construction-ready and operational projects during 2025.

Construction work on the Kemijärvi energy storage project, initiated by the fund in 2024, began in autumn 2025 and progressed according to plan during the year. Commissioning is scheduled for the third quarter of 2026. Electricity storage supports flexibility in electricity supply and demand, as well as Fingrid’s reserve market, which helps maintain the 50-hertz frequency level in the grid. It is clear that without electricity storage and flexibility solutions, additional weather-dependent renewable energy production cannot be built in Finland.

During 2025, the fund also acquired a significant minority stake in a solar power park in southern Estonia, in the town of Raadi, located near the university city of Tartu. The project consists of a 10.5MW operational park completed in 2024, as well as a second-phase expansion in which the solar park will grow by 63.3 MW. The expansion will be built entirely on tracker-mounted structures that follow the movement of the sun throughout the day. This technology significantly increases the park’s overall energy production, with the benefits being particularly pronounced during the early morning and late evening hours, when electricity demand is high and prices are better than at midday. Trackers also improve production during the winter months, when the sun remains low in the sky throughout the day.

In addition to the solar park, the fund acquired a 40% stake in the Korpilevonmäki wind farm from Ilmatar. The project was completed and began commercial operations in early 2025. The Korpilevonmäki wind farm has an exceptionally strong 10-year PPA agreement (fixed-price power purchase agreement) with an international food company. The agreement covers the majority of the plant’s production. Hedging secures the revenue generated from production and supports the project’s commercial success. The project has operated exceptionally well without significant disruptions and has exceeded return forecasts in many months.

The objective is to continue project investments in line with the fund’s strategy, which includes both technological and geographical diversification. Through geographical diversification, the fund aims to manage country-specific electricity pricing risks and to monitor long-term forecasts for electricity production structures and demand growth in the selected target countries. The goal is to build geographically diversified production capacity and production technologies in target countries in a way that is as economically profitable as possible while supporting the transition to a low carbon economy.

Staffan Söderholm & Tapio Nuotio
Portfolio Managers

The fund's energy projects support a future-proof energy system

European countries are steadily progressing toward low-carbon and emission-free energy production. Climate targets, the rapid electrification society, and the need to strengthen energy self-sufficiency are accelerating the construction of renewable energy projects across Europe. The projects of the UB Renewable Energy Fund represent concrete steps toward a more sustainable and lower-carbon energy system. The transition away from emissions intensive energy sources and growing energy demand are creating strong demand for renewable energy production. The fund develops new production capacity that meets this rising electricity demand and supports the needs of an electrifying economy in line with climate objectives.

As a fund focused on renewable energy, the UB Renewable Energy Fund operates both as a project developer and an investor, promoting the acceleration of the green transition. The fund's objective is to develop and own energy infrastructure that contributes to mitigating climate change. Renewable energy production reduces dependence on fossil fuels, the use of which generates significant greenhouse gas emissions. When fossil-based energy production is replaced with renewable energy, so-called avoided greenhouse gas emissions are created. Avoided emissions were generated for the first time through the fund's operations during 2025, amounting to 14 tCO_2e.

Wind power driving the clean transition

Wind power is a cost-competitive form of renewable energy. The wind power projects of the UB Renewable Energy Fund focus on onshore wind projects in Finland. Since the beginning of its operations, the fund has initiated the development of 14 wind power projects in Finland. The fund's investments in wind power will contribute to its environmental objectives once energy production commences. Upon completion, the fund's investments will meet the criteria of the EU Taxonomy framework. During the development phase, however, climate change mitigation impacts are not yet realised.

The Korpilevonmäki wind farm, located in Säkylä, became partly owned by the fund in 2025. The project developer and operational partner for the Korpilevonmäki project is Ilmatar.

Solar power – scalable, efficient, and fast

Solar power is one of the fastest renewable energy production technologies to implement, and the permit process is often relatively straightforward. In addition, solar power production costs are competitive, particularly in Southern and Central Europe, where sunlight is available consistently throughout the year. Due to Finland's northern location, solar power production is concentrated mainly to spring and summer seasons, when daylight hours are abundant. Despite this, solar power plays a key role in the development of a low-carbon energy system, as its production profile naturally complements wind power generation in northern latitudes. The fund's objective is to develop and operate solar power projects as part of a broader energy production portfolio in Finland and elsewhere in Europe.

Solar power has its strengths in flexibility and scalability for different projects and local needs. This makes solar energy an efficient and adaptable solution for the growing energy demands of an electrifying economy.

The solar power park located in Raadi, Estonia, owned by the UB Renewable Energy Fund, generated a total of 965 MWh of electricity relative to the fund's ownership share. The first phase of the solar park was completed during 2025, and the second phase is scheduled for completion during 2026, increasing the park's production capacity by 63.3 MW.

Energy storage brings stability to the system

Renewable energy production is variable. The strength of wind and sunlight changes according to weather conditions, which is why energy storage is an essential part of a functioning electricity system. Properly dimensioned energy storage smooths out production peaks and promotes the stability of electricity generation.

The UB Renewable Energy Fund seeks to develop and operate energy storage projects on an industrial scale. This means that the projects can operate as part of frequency reserve markets or as clean energy storage solutions. Energy storage systems can easily be integrated with different production models and project sizes, and they are tailored to suit local conditions and needs.

The battery-based energy storage project in Kemijärvi, launched by the fund in 2024, progressed according to schedule in 2025, and operations are expected to begin during 2026. With a power capacity of 35 MW, the battery system can store 70 MWh of energy. Energy storage projects are an important part of the transition toward a cleaner and more sustainable energy system, as they enable more efficient utilisation of renewable energy and help balance electricity production and consumption in order to stabilise the power grid.

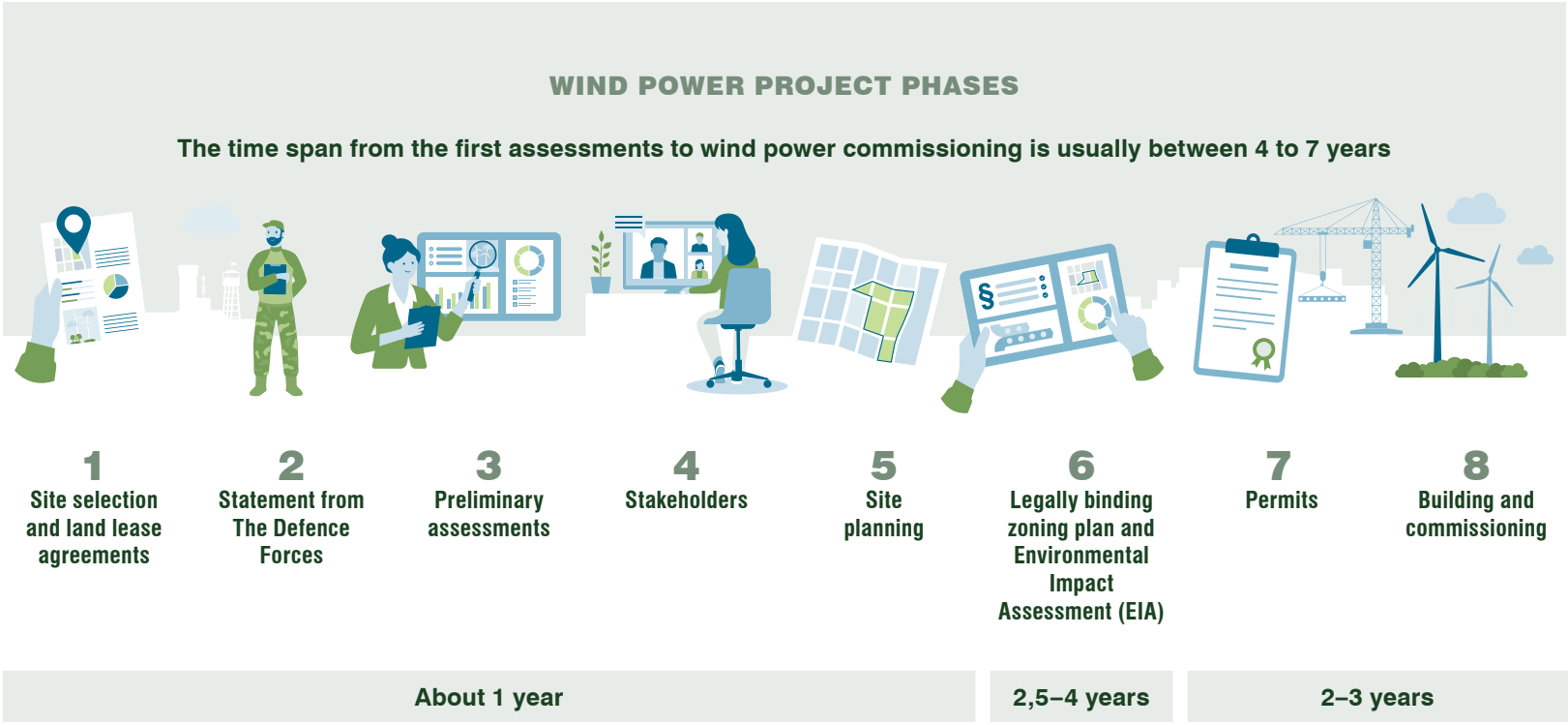
The Kemijärvi electricity storage facility is one of the northernmost industrial-scale energy storage facilities completed to date. Strengthening transmission grid storage capacity in northern Finland has also been welcomed by Fingrid.

Responsible development of renewable energy projects

The UB Renewable Energy Fund aims to be at the forefront of responsible renewable energy production and development. In its energy projects, the fund accounts for environmental and societal impacts both locally and more broadly. The project impacts rise during different phases of development as well as throughout the operational lifetime. Anticipating and managing these impacts throughout the entire project lifecycle sits at the core of the fund's approach to sustainability.

Nature

In UB Renewable Energy Fund's wind power projects the impacts on nature are assessed as part of the projects' zoning processes and Environmental Impact Assessment (EIA) procedures. These assessments are based on extensive studies, including environmental surveys conducted by expert biologists, species-specific assessments, and field visits. In addition, the fund collaborates with United Bankers' forest funds in assessing and managing environmental and biodiversity impacts. This cooperation supports the optimisation of project siting and planning while taking natural values into account, and enables a more flexible approach to project development.



ENVIRONMENTAL AND BIODIVERSITY VALUES ARE TAKEN INTO ACCOUNT THROUGHOUT THE ENTIRE LIFECYCLE OF RENEWABLE ENERGY DEVELOPMENT PROJECTS:

Initial assessment

Planning

Project financing and procurement

Construction

Operation and use

End of life

Considering nature impacts at the early stage of project development	Comprehensive preliminary studies as part of project development	Responsible investment activities	Continuous management of environmental impacts during construction	Environmental manage-ment and maintenance dur-ing the operational phase	Restoration of the area to its orignal usen
Project sites are preferably selected from already human-altered environments, and in forest areas, interventions are aimed at commercial forests. In site selection, environmentally sensitive areas such as protected areas and completely natural, untouched environments are avoided.	The environmental impacts of projects and land use are carefully assessed during project development stage, taking into account the local natural values of the selected site. In development work, areas of high ecological value and sensitive sites are taken into account, and environmental impacts are minimised.	Environmental impacts and the investment's contribution to sustainability objectives are taken into account when making investment decisions. The aim is to increase the long-term positive impacts of investments on the environment and society. The manufacturing processes of power plants and components are audited and assessed in accordance with sustainability criteria.	During the construction phase, efforts are made to protect valuable natural sites. Biodiversity is supported by taking local ecological characteristics into account.	During the operational phase, environmental impacts are closely monitored, and necessary environmental management measures are implemented. The operational lifespan of the facilities is maximised through careful maintenance and regular servicing.	At the end of the lifecycle of the power plants, they are dismantled and their components are recycled. The area is restored to its original use.

avoiding impacts

mitigating impacts

People

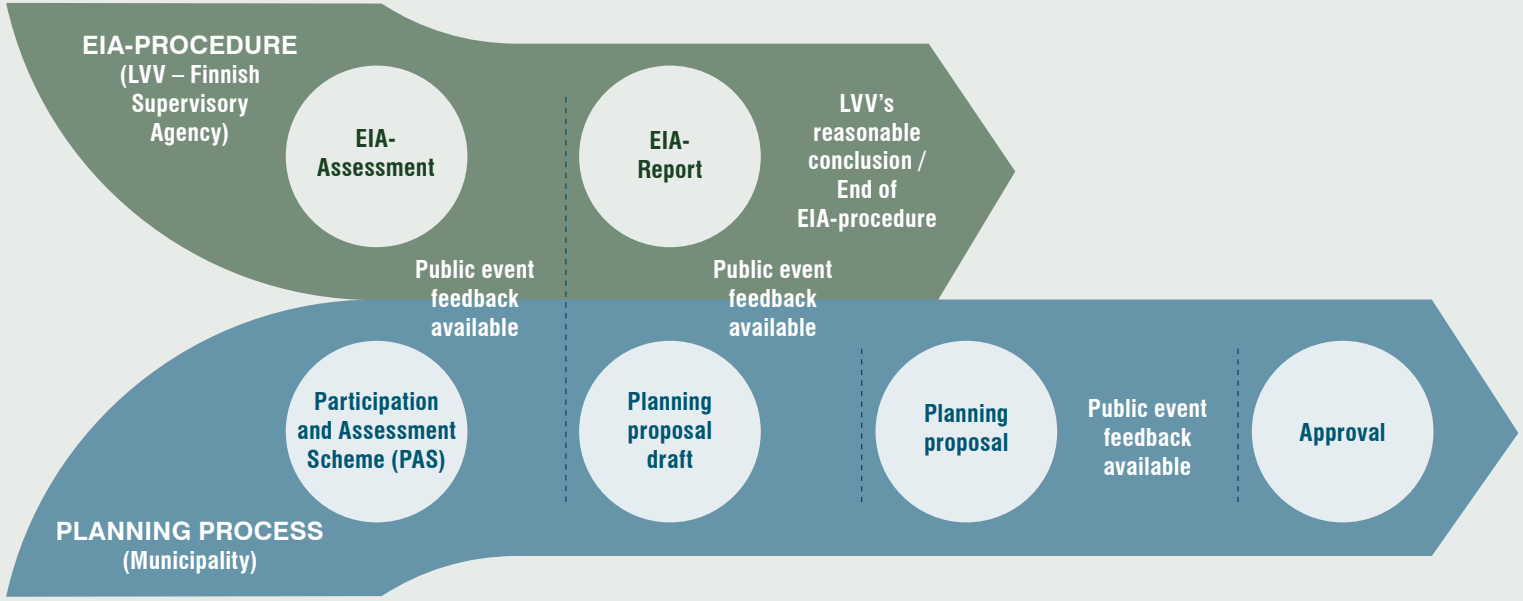
Impacts on local residents and communities are an important part of responsible renewable energy project development and operations for the UB Renewable Energy Fund. These impacts are assessed both in planning requirements and in Environmental Impact Assessments (EIA). In these assessments, efforts are made to identify local views on the planned project, engage in dialogue, and take local knowledge into account in project design. Dialogue with local communities and local authorities provides valuable information to support project planning.

Communication and transparency at the core of project development

The UB Renewable Energy Fund aims to operate and communicate its activities transparently. Information about the fund's development projects is published on its website https://ub-uusiutuva.fi/en/. The website provides information on project locations, stages of development, and current planning and Environmental Impact Assessment (EIA) processes, as well as possible public consultation events. In addition, stakeholders can provide feedback and submit questions directly to the fund through the website.

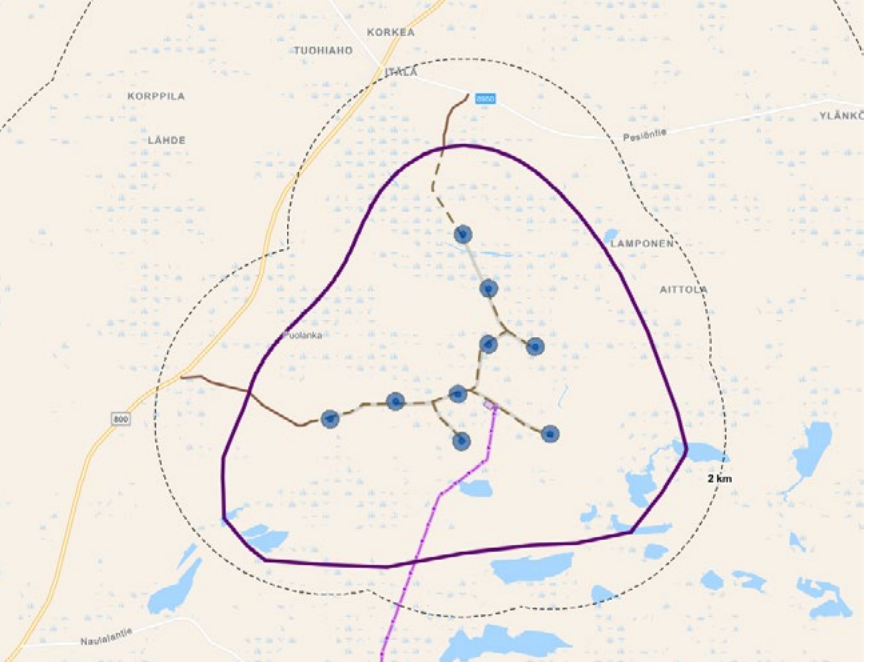
Through the website, it is also possible to subscribe to a project-specific newsletter that is published approximately four times a year. The newsletter presents updates on what has happened in the project area and what is planned for the near future. The newsletters are also published on the website. In addition, visitors can explore current topics and key themes in project development through blog posts and articles available at https://ub-uusiutuva.fi/en/news-and-updates/.

The fund also operates an external whistleblowing mechanism in line with the UNGP (UN Guiding Principles on Business and Human Rights). Through this channel, individuals can anonymously report suspected misconduct, human rights violations, or concerns related to the fund's operations or its investments. Reports submitted through the mechanism are investigated and handled confidentially by the parent company of the United Bankers group.



- Planning is directed by municipality
- Environmental Impact Assessment (EIA) is directed by the Finnish Supervisory Agency (LVV)

The outcome of EIA process is taken into consideration in planning.



PROJECT PHASES

- Preliminary studies and statement from Defence Forces (2023)
- Lease agreement for power plants (2023-2024)
- Planning initiated (2024)
- PAS and EIA (2024-2025)
- Planning proposal draft (2025)
- EIA reasonable conclusion (2025)
- Planning proposal (2026)
- Legal planning and building permits (2026)

Environmental Impact Assessments (EIA) in a user-friendly digital format

Environmental Impact Assessments (EIAs) are highly extensive documents. The purpose of a digital EIA report is to present the key content of the EIA documentation in a condensed and easy-to-read format, making it easier for a wider audience to understand the assessment material. The digital EIA includes all the most important themes from the original report in summarised text form. In addition, it incorporates interactive digital maps that can be zoomed in on, allowing users to examine spatial features and attribute data in much greater detail than is possible with printed map materials. Digital EIAs often also include links to additional sources of information.

Digital EIAs are not legally required and are not yet widely used in wind power projects. However, the UB Renewable Energy Fund has chosen to utilise digital EIAs as part of its environmental assessment materials since transparent communication to as wide a range of stakeholders as possible is important throughout the different stages of project planning. Digital EIAs also improve opportunities for participation in various phases of the project development process. The fund's first digital EIAs for environmental assessment programs were completed in November 2024. For example, the digital-EIA for the Tervakangas wind farm can be accessed here: https://storymaps.arcgis.com/stories/cdaf07285e6746d4afdfc31fd295fd39. As projects progress, digital EIA reports will be produced alongside traditional documentation.

Supply chain – responsible procurement

The fund seeks to ensure that human rights are adhered to in all its operations. The fund requires its partners, such as contractors and other subcontractors, to comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Human rights considerations are embedded in the selection of partners, and each third party is assessed to minimise risks. The aim is to ensure compliance with these international standards by requiring selected partners to adhere at minimum to the United Bankers Supplier Code of Conduct. In addition, compliance with these standards is assessed during investment due diligence processes and monitored throughout the life of the fund's investments.

Assessing climate risks in renewable energy projects

Climate risk analysis is part of the investment process and active portfolio management of the UB Renewable Energy Fund. Transition risks are assessed, for example, through analysis of energy market developments and future regulatory trends in the sector, while physical climate risks and their potential impacts are assessed in the investment process, and managed in the development and operational stages.

Comprehensive climate risk assessments are conducted in conjunction with external climate specialists. Depending on the type of project type, the assessments follow the EU Taxonomy "Do No Significant Harm" (DNSH) criteria for renewable energy production or energy storage. The climate risk assessments examine each investment's exposure to both chronic and acute physical climate risks over the long term under different climate scenarios (e.g. SSP1–2.6 and SSP5–8.5). Based on the findings, identified climate risk management measures are integrated into project design, development, and operation, as well as at a strategic level in fund management as part of overall risk management. These in-depth assessments are typically conducted either at the time of acquisition or, for development projects, at a stage when the level of project planning detail is sufficient to enable a reliable climate risk evaluation

CLIMATE IMPACTS

In the renewable energy sector, climate change can directly affect the production capacity of different energy solutions, the condition and operations of infrastructure, energy markets, and consequently the cash flows generated by fund investments.

Climate risks can be divided into two main categories based on their nature. **Physical risks** describe natural disasters, extreme weather events, and changing climatic conditions resulting from climate change. They are typically classified into acute risks (e.g. wildfires and floods) and chronic risks (e.g. sea level rise due to melting glaciers and significant temperature changes). **Transition risks**, in turn, refer to market-based and regulatory risks arising from societal and policy actions aimed at a low-carbon transition, including changes in legislation, technology, markets, stakeholder expectations and reputational impacts.

Identification and management of sustainability risks as part of active portfolio management

The majority of UB Renewable Energy Fund's investments in 2025 were in the project development phase. Development stage sustainability risks have the potential to be high and information on risk levels is updated as project planning progresses. It is therefore of crucial that sustainability risks are identified and managed proactively in the development stage, in a timely and professional manner such that risks can be minimised over the lifetime of the project. Development also has its own specific risks, and require e.g., high quality health and safety arrangements and expertise in project design and construction itself.

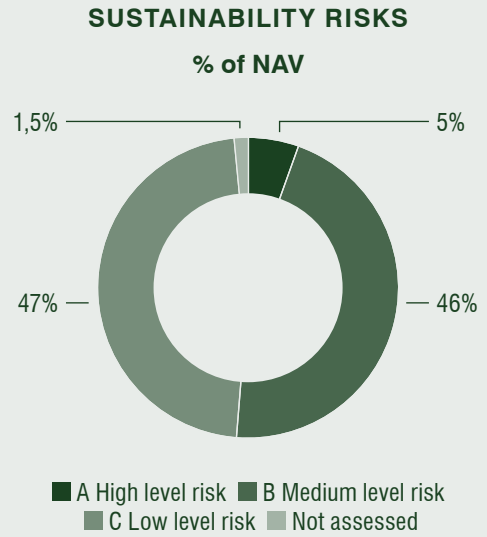
Human rights risks are also assessed and monitored in accordance with United Bankers' responsible investment principles. Human rights risks may arise both during the construction phase of projects and within the supply chains of project materials, even at locations far removed from the actual project site. The human rights risk level of wind power development projects and the fund's energy storage project has been defined as low based on their current stage of development. Human rights-related risks are examined, for example, in relation to the construction phase and the procurement and supply chains of technology components.

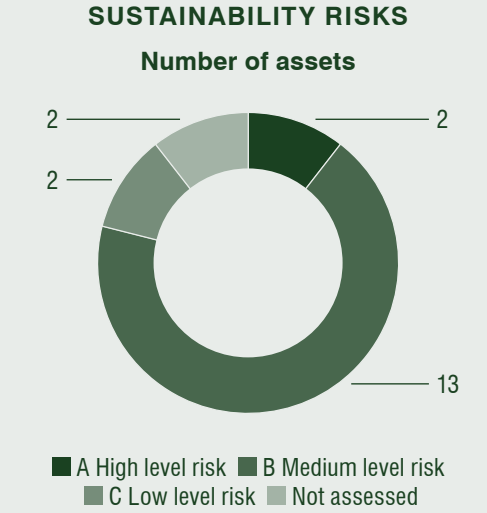
SUSTAINABILITY RISKS

Sustainability risks refer to environmental, social, or governance-related events or conditions that, if they occur, could have an actual or potential material negative impact on the value of an investment. In the investment activities of the fund, taking sustainability risks into account is expected to reduce overall risk and thereby also the total risk of the fund's investments, while potentially having a positive effect on return prospects. The fund's portfolio management assesses the sustainability risks of each investment target as part of its investment decision-making process, in accordance with the responsible investment principles of United Bankers and the fund's own supplementary sustainability policies. The risks are monitored on a monthly basis by United Bankers' Responsible Investment Steering Group.

The sustainability risks of the UB Renewable Energy Fund are assessed in accordance with the International Finance Corporation (IFC) Environmental and Social Categorisation criteria applicable to energy projects. This risk classification describes the types of sustainability risks to which each investment may be potentially exposed rather than risks that have actually materialised during the year. The classification takes into account, among other factors, risks related to biodiversity, local residents and communities, cultural environment, as well as employees and occupational health and safety. Further information is available: https://www.ifc.org/en/what-we-do/sector-expertise/sustainability/policies-and-standards/environmental-and-social-categorisation

FIGURE 1. The fund's sustainability risks are divided into three main categories: **A. High level risks:** activities with significant potential environmental and/or social risks or impacts that are diverse, irreversible, or unprecedented; **B. Medium level risks:** activities with potential or limited environmental and/or social risks that are few in number, site-specific, or largely reversible and manageable with known risk management measures; **C. Low level risks:** activities associated with little or no environmental and social risks.





Project development requires a commitment to sustainability

Sustainability-related topics continued to be high on the portfolio management team agenda in 2025. Together with the United Banker's ESG team, portfolio management conducted a detailed review of potential suppliers' and contractors' ESG practices in connection with the tendering processes for both construction projects. The review resulted in an overall ESG assessment of the strength of each potential partner's sustainability practices. The reviewed parties demonstrated strong and well-developed sustainability strategies, commitments, and comprehensive ESG reporting, which is not necessarily a given in the component supply chain or construction sector. Suppliers are required to provide information on working conditions and the origin of raw materials throughout the entire value chain, all the way from material sources and processing facilities onward.

In procurement, price remains an important and often the most important criterion, but sustainability is an absolute requirement for equipment suppliers. Even if a supplier is clearly cheaper than competitors, but does not meet strict ESG requirements, it cannot be considered. The fund is, of course, not the only actor with strict requirements. It has been encouraging to observe that Chinese suppliers in particular have understood the new market rules and have responded by developing their operations and production in line with Western requirements across their entire value chains.

In summary, the development and implementation of renewable energy projects require not only technical expertise and effective project management but also a strong commitment to responsibility and sustainable development. Responsibility is not merely a concept, but a concrete part of decision-making and daily operations. Building renewable energy is long-term work, where every decision matters - both for the environment and for society.

The fund's sustainability objectives and principles

UB Renewable Energy	
EU SFDR-classification	SFDR 9
Investments aligned with EU Taxonomy	70.3%
Proportion of UN Global Compact violations	0%

ESG-strategy

The UB Renewable Energy Fund (AIF) is classified as an SFDR Article 9 fund and makes sustainable investments in accordance with the associated criteria.

The fund invests in environmentally sustainable economic activities, transitional activities, or enabling activities that meet the criteria of the EU Taxonomy Regulation.[1]

The fund invests in renewable energy production with the aim to mitigate climate change through sustainable renewable energy investments. The fund's energy projects generate renewable energy and create carbon dioxide emission reductions by replacing fossil-based energy with renewable energy sources. Investments in energy storage enable flexibility in energy production and consumption and support, among other things, the balancing power required by renewable energy.

The fund's strategy supports climate change mitigation and contributes to several United Nations Sustainable Development Goals, particularly Goal 7: Affordable and Clean Energy, and Goal 13: Climate Action.

ESG practices

The fund follows the responsible investment practices outlined below:

- Exclusion of certain investment targets
- Consideration of sustainability factors and risks in investment decisions
- Active ownership
- Impact investing

The ESG practices are described in more detail in the Responsible Investment Principles of United Bankers. The principles have been approved by the Board of Directors of United Bankers.

Principal Adverse Sustainability Impact (PAI) Indicators

Greenhouse gas emissions and carbon footprint indicators are at the core of the fund's activities as it aims to mitigate climate change through sustainable investments aligned with the EU Taxonomy. The fund also takes into account other Principal Adverse Impact (PAI) indicators defined by the EU, to the extent they are applicable to the different types of investment targets. For several indicators, the metrics relate to investee companies rather than direct investments in energy projects. More detailed information on the indicators is available in the fund's RTS periodic disclosure report on the fund's website.

[1] The fund's annual report discloses the proportion of its investments that are aligned with activities under the EU Taxonomy. For an economic activity to be considered environmentally sustainable under the EU Taxonomy Regulation, it must substantially contribute to one or more of the environmental objectives defined in the regulation, and must not significantly harm any of the other environmental objectives set out therein. The "Do No Significant Harm" (DNSH) principle is applied to the fund's investments, as they consider the EU criteria for environmentally sustainable economic activities.

Contact information

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