

The background of the entire page is a photograph of a wind turbine against a clear blue sky. In the bottom left corner, there is a small, out-of-focus branch with green leaves. The Fingrid logo is in the top left corner, and the title is centered in the middle of the page.

FINGRID

ANNUAL REPORT 2022

Corporate Responsibility and Sustainable Development

CORPORATE RESPONSIBILITY
AND SUSTAINABLE DEVELOPMENT

- > **Fingrid’s corporate responsibility management and targets**
- > **Environmental responsibility**
- > **Social responsibility**
- > **Good governance**
- > **Corporate responsibility GRI and SASB disclosures**

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01

Fingrid's corporate responsibility management and targets

Introduction

The past year will be remembered by Russia's invasion of Ukraine and the consequent impacts on the electricity and energy markets. The importance of Fingrid's operations in terms of Finland's security of supply and our society's vital functions became prominent. Measures were taken to enhance the reliability and security of the power system in the changed geopolitical environment, where information security and continuity management became even more important. Fingrid communicated about potential issues in the availability of electricity during the 2022/2023 winter season well in advance to ensure awareness of potential electricity shortages and to enable Finnish society to prepare for potential outages. The communication campaign, which was started as early as in August, made an essential contribution in achieving voluntary energy savings in Finland.

For Fingrid, corporate responsibility management above all means taking care of our core tasks that are vital to a functioning society in a reliable and customer-focused manner, listening to our stakeholders and embracing sustainable ways of operation. Fingrid's basic task is to serve society and ensure that everyone in Finland gets their electricity, disturbance free. We accomplished this, even though Russia's war of aggression posed challenges to the functionality of electricity markets throughout Europe.

The current geopolitical situation caused uncertainties in the Finnish economy, in the availability of materials, and in the prices of commodities. Despite this, Fingrid was able to continue developing the main grid to ensure the reliability of the power system and to mitigate the climate change. Fingrid will develop the main grid



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together with its stakeholders so that Finland can achieve its goal of carbon neutrality by 2035. The task is to ensure, proactively, that the grid investments for connecting the numerous clean electricity production and consumption projects of our customers are carried out on schedule. During the year under review, grid construction and maintenance investments were implemented on schedule without any serious environmental damage, and no major deviations occurred in the supply chains in terms of contractor obligations or employment relationships.

Increasing strongly weather-dependent renewable power production requires the renewal of the electricity market, balancing between production and consumption, and increasing demand-side management. The geopolitical situation accelerated energy savings as well as acquiring new reserves and sources of demand-side management. During the year under review, the new arrangements introduced by Fingrid included the voluntary power system support procedure for companies and the public sector, aiming to make use of any flexibility potential currently outside the balancing power markets and to avoid outages during the winter period.

The company's other key improvement areas impacting climate change and the

environment are the reduction of the carbon dioxide emission impact of power losses resulting from electricity transmission, and improving energy efficiency in the company's operations. An additional goal is to achieve the maximum possible recycling rate for any decommissioned materials at worksites. In power line right-of-ways, it is essential to protect nature values and biodiversity as well as to mitigate adverse impacts on land use and scenic values.

Fingrid bears its social responsibility in many ways, including in particular a commitment to the well-being of the personnel. We are proud of the relevance of our work, and this also the foundation for our work community's well-being. Our personnel is motivated and committed. Our work community has a good team spirit. Our employer promise is to be one of Finland's best workplaces, and to promote diversity in everything we do. During the year under review, we came in third on the Great Place to Work Finland list in the large companies category.

The national transmission system operator has a far-reaching impact on society and different stakeholders, all of which have expectations of the companies' operations. Customer satisfaction improved even further, and our customers

gave us a net promoter score (cNPS) of 50. Being responsive to the expectations of residents of areas adjacent to transmission lines and other stakeholders, and involving them, are an essential part of our responsible business practices. We work closely with stakeholders, engaging in continuous dialogue. During the year under review, we verified our understanding of our stakeholders' views of Fingrid's sustainability work.

Our special standing in society obligates us to operate very cost-effectively and productively. We actively measure our operations and report the results. Our goal is for grid service fees to be among the most affordable in Europe. We accomplished this goal, as Finland's grid service fees were the second most affordable in a European comparison study. Fingrid is a responsible tax-payer and a strong investor in Finland, employing hundreds of people each year, in addition to our own personnel. The company is responsible for the safety of the main grid and service providers. Fingrid complies with responsible practices in its procurements and operations – throughout the chain.

The corporate responsibility indicators realised in 2022 are described in more detail in this report in connection with each ESG theme.

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Fingrid was able to continue developing the main grid to ensure the reliability of the power system and to mitigate the climate change.

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Strategic corporate responsibility management

Management at Fingrid is strongly based on the company’s values: Fingrid is open, fair, efficient and responsible. This is reflected in all our daily operations. Corporate responsibility is not an isolated function or topic, but a fixed part of Fingrid’s strategy and our people’s work. Therefore, corporate responsibility is highlighted in everything we do. Corporate responsibility and compliance management are integrated with Fingrid’s strategy, management system and risk management practices.

The highest responsibility for sustainable development principles and promoting them lies with the company’s Board of Directors. The Board of Directors approves the company’s Code of Conduct and the implementation of the goals. Corporate responsibility aspects are also included in the Board of Directors’ decision-making on investments and other strategic decisions.

The President & CEO is responsible for arranging corporate responsibility management and its integration into business operations. The President & CEO and the heads of functions are each responsible

for compliance and corporate responsibility management within their areas of responsibility. The executive management group regularly reviews corporate responsibility issues, and alongside financial profitability, social issues and environmental impacts are taken into account in a balanced manner in decision-making. Responsibility aspects have an impact on the remuneration of the President & CEO and other executives, as most of the metrics used in the remuneration schemes are also the company’s key sustainability KPIs. The Compliance and Responsibility

Team headed by the company’s General Counsel is responsible for corporate responsibility development and reporting at the company level.

In terms of the corporate responsibility ESG targets, each environmental (E), social (S) and governance (G) target has a director appointed by the President & CEO from the executive management group. The appointed director is responsible for development and monitoring together with the General Counsel in charge of corporate responsibility.

We have described our governance system in more detail in the Corporate Governance Statement for 2022, and in the Remuneration Statement for 2022 and the company’s Remuneration Policy for Governing Bodies.

Corporate responsibility and the UN Sustainable Development Goals

In 2016, Fingrid signed the UN Global Compact initiative. The company is committed to its principles on human rights, labour, the environment and anti-corruption.

Fingrid’s ESG Governance

CORPORATE LEVEL RESPONSIBILITY	› Board of Directors
RESPONSIBILITY FOR CORPORATE ESG TARGETS	› A director nominated by the CEO responsible for each individual corporate ESG target
RESPONSIBILITY FOR EXECUTION OF EACH CORPORATE ESG TARGET	› Nominated director
RESPONSIBILITY FOR DEVELOPMENT AND MONITORING	› Nominated director together with the director responsible for corporate responsibility at Fingrid

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The company promotes the UN’s Sustainable Development Goals (SDGs). Out of the 17 goals, the ones pertaining to energy, infrastructure and climate actions are the most important for us. Fingrid supports all in all nine of the sustainable development goals in particular through its operations. Our insight into our concrete participation in the realisation of these SDGs is available on our [website](#).

The attached table shows how Fingrid’s corporate responsibility ESG targets and indicators are linked to the three UN sustainable development goals that most important for us. Subsequent sections of this report will show how all nine of the SDGs supported by us align with our corporate responsibility targets.

Material corporate responsibility topics and Fingrid’s corporate responsibility targets

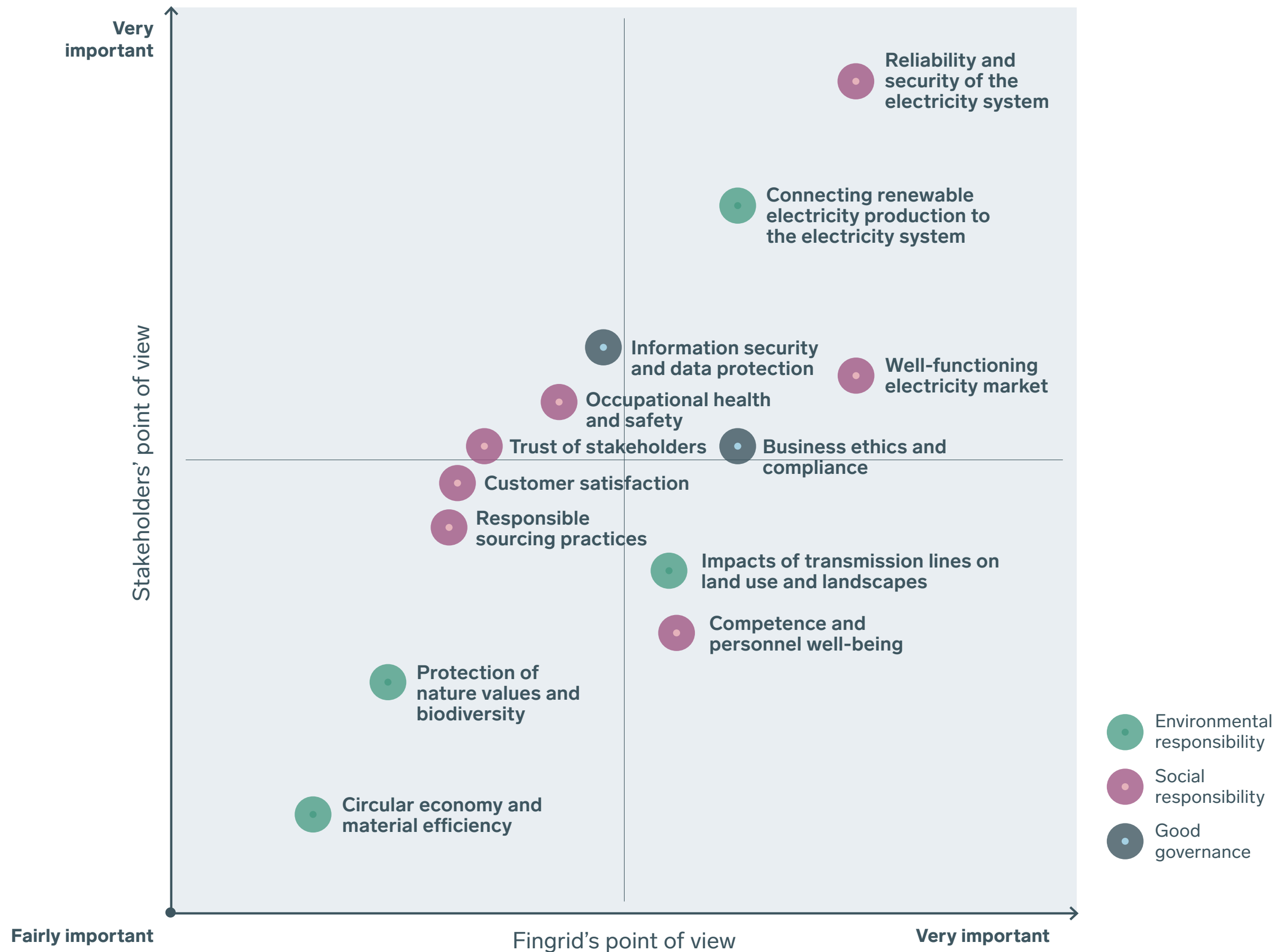
Fingrid has identified the material corporate responsibility topics in its strategy and core operations, which also serve as a basis for this Corporate Responsibility and Sustainable Development Report. The company has set corporate responsibility ESG targets covering environmental responsibility (E), social responsibility (S) and good governance (G) for the material

UN Sustainable Development Goal	SDG-linked indicator or target monitored by Fingrid	
	Transmission reliability in the grid, % Maintaining Finland as a single price area Connection of wind power to the grid, MW Development of costs in relation to the general price level	     
	Grid projects’ degree of completion, % Customer satisfaction, cNPS Affordable grid service fees, ENTSO-E price comparison	
	SF6 emissions, % Carbon dioxide emissions of transmission losses, tCO ₂ e Energy efficiency, energy savings, MWh	

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Material impacts of Fingrid's operations



topics. The foundation for corporate responsibility, the materiality assessment, recognises the impacts of Fingrid's operations on the economy, people and the environment. The analysis also covers the operating environment, issues raised by stakeholders, legislation and industry trends. The identified corporate responsibility areas have been prioritised based on the significance of the impacts of Fingrid's operations and the views of stakeholders.

A separate corporate responsibility survey was carried out in the year under review, aiming to verify an up-to-date understanding of Fingrid's key stakeholders' views and expectations in terms of corporate responsibility. The response rate, expressed as the percentage of responses received out of all emailed invitations, was 20%. The survey was also freely available for responders in Fingrid's social media channels.

According to the corporate responsibility survey, personnel and external stakeholders are on average well aware of Fingrid's corporate responsibility, personnel somewhat more than the external stakeholders. Both personnel and external stakeholders consider that Fingrid has been successful in its corporate responsibility efforts. The average grade was 8.0 (on

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a scale from 4 to 10). The geopolitical situation was reflected in the survey results: the responders considered that the reliability, security and safety of the electricity system as well as information security and data protection are among Fingrid's five most important corporate responsibility topics.

Fingrid's materiality analysis was updated on the basis of the survey results. The greatest impacts of Fingrid's operations continue to link with the reliability and security of the electricity system, climate change mitigation (enabling more renewables connected to the grid), and a well-functioning electricity market. Information security and data protection and the impacts of power lines on land use and scenic values were recognised as new key topics, as Fingrid needs to continuously build new grid sections to enable the green transition.

All these material responsibility topics are at the core of the company's strategy. The company promotes the transition towards a clean power system by reinforcing the main grid and by ensuring that renewable energy has access to the market.

Each material topic has short-term targets extending to 2025 and long-term targets

extending to 2035. The achievement of the targets is monitored and reported on using indicators, each of which has its own appointed director. The targets and the related indicators, including the results, are described in this corporate responsibility report using the ESG categories.

Value creation

Fingrid's operations create significant shared value for its customers, employees, contract partners, shareholders and the whole of Finnish society. Fingrid's basic task and the value of a sufficient and reliable electricity infrastructure is evident to all people in Finland: power is reliably available, which is not a given in all parts of the world. The societal value is in Finland's competitiveness, by enabling investments in Finland while keeping grid pricing affordable in comparison to peer countries. The dividends the company pays to Finnish shareholders and its taxes circulate back to help build the welfare of Finnish society. In addition to our own personnel, the service providers employed by numerous projects also benefit from the value created by us. Another form of value creation is the support for achieving climate policy targets by building a strong main grid and maintaining a well-functioning electricity market necessary for clean electricity.



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Fingrid's business model



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Value created by Fingrid in 2022

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CREATION OF VALUE

- › Fingrid's nationwide main grid creates a platform for a clean power-system. Around 500 kilometres of new grid transmission lines and 16 new or expanded substations.
- › Electricity transmission reliability 99.99993%.
- › Wind power was connected to the main grid in the amount of 1,940 megawatts, which will indirectly result in an annual emissions reduction of 357,000 carbon dioxide equivalent tonnes in the future. The reliability of cross-border transmission connections was 98.6%.
- › Top cost-effectiveness in European energy regulators' comparison study. Third cheapest in ENTSO-E's European price comparison. Customers perceive that Fingrid works for the benefit of the whole of society (4.4/5).
- › Personnel feel their work is meaningful and are ready to recommend their employer (eNPS 72). LTIF 5.4. Absences from work 1.5%. Number of training days on average 5/ employee.
- › One of Finland's largest corporate income tax payers (EUR 47 mill.). Payments to providers of capital EUR 150 mill.
- › Investments in the main grid approx. EUR 250 mill. Fingrid personnel's person-years 447 and service suppliers' person-years 642.
- › Direct CO₂ emissions and indirect emissions due to the company's own electricity consumption and losses totalled 106,000 carbon dioxide equivalent tonnes (Scope 1 and 2). 99% utilisation rate and 82% recycling rate for waste.

Fingrid promotes in particular these UN's Sustainable Development Goals



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Stakeholders give Fingrid a good score, 8 on a scale from 4 to 10, for corporate responsibility

Corporate responsibility highlights 2022

- 1,940 megawatts of wind power connected to the main grid
- Fingrid ranked third on the Great Place to Work Finland list in the large companies category
- Fingrid came second in Oikotie's 'Great working-life responsibility' survey
- Customer survey cNPS was 50, and personnel's eNPS was 72
- Fingrid was Finland's 26th largest corporate income tax payer in 2021
- Fingrid's personnel gave a score of 4.4 (on a scale from 1 to 5) when surveyed about sustainability compliance.
- Transmission reliability of the main grid was 99.99993%

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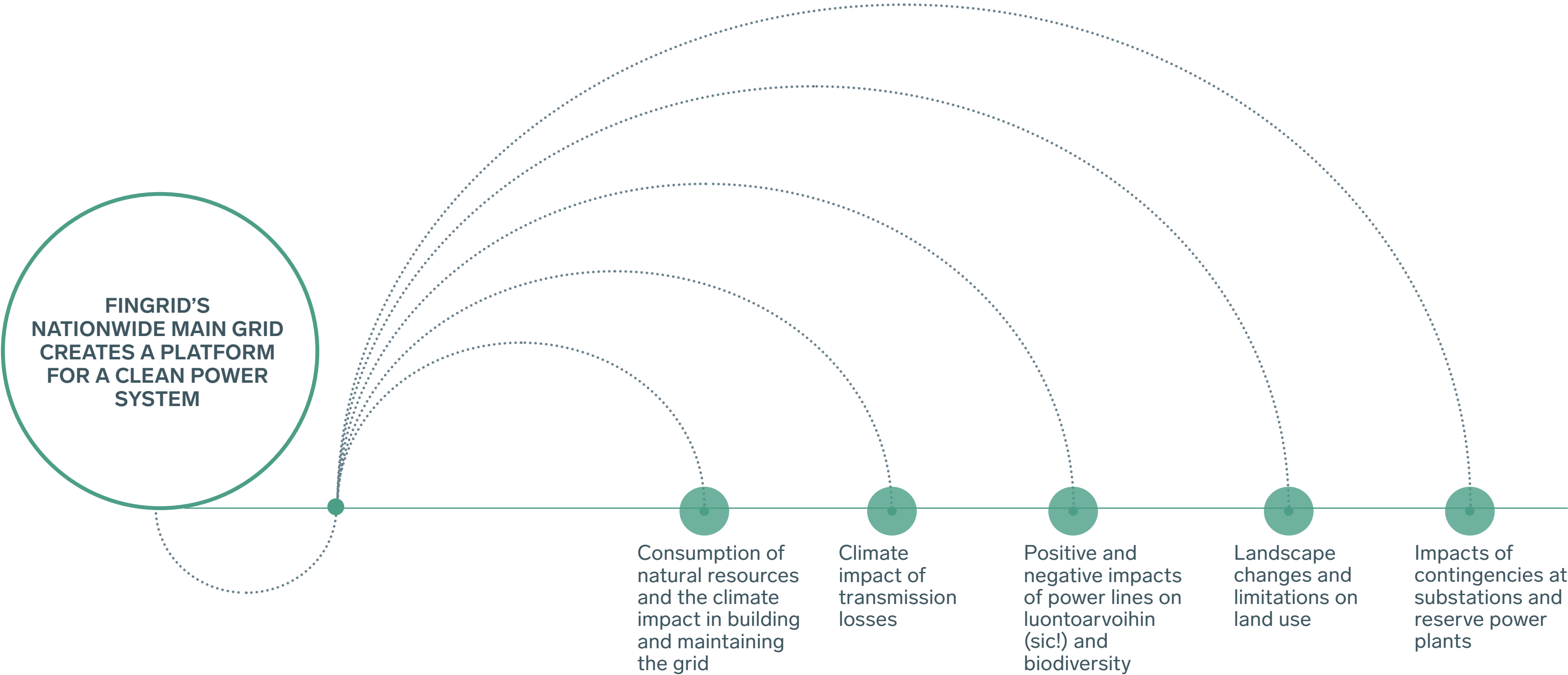
Environmental responsibility

Fingrid’s operations have a significant positive climate impact as our positive carbon handprint is substantially larger than our negative carbon footprint. The positive handprint is composed of Fingrid’s measures to reinforce the main grid for the needs of clean electricity production and for connecting it to the grid, which indirectly prevents greenhouse gas (GHG) emissions and enables the transformation towards a clean power system in line with Finland’s climate targets. The negative carbon footprint and environmental impacts from investments are reduced in line with Fingrid’s land use and environmental policy.



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Fingrid’s main environmental aspects



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Climate

Action to mitigate climate change is among Fingrid’s most significant responsibility actions: the main grid provides a platform for a clean power system. By reinforcing the transmission grid for the needs of clean electricity production and consumption, we enable Finland to achieve its climate targets. TSOs’ role as enablers of achieving climate targets is widely recognised in various countries.

Fingrid is committed to operating in accordance with global climate targets and to limiting the rise in global temperature to 1.5 degrees. Fingrid does not have electricity production of its own, but instead promotes the mitigation of climate change by connecting clean production to the power system and by transferring electricity from producers to consumers.

Integrating new emission-free electricity production and consumption into the power system requires reinforcing of the main grid. Fingrid’s total capital expenditure on the main grid over the next ten years will amount to roughly three billion euros. More than 3,500 kilometres of new transmission lines will be built during this period.

Grid investments for integration of emission-free electricity

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
Finland carbon neutral by 2035	Fingrid’s investments and development projects enable the reduction of carbon dioxide emissions in electricity production	Enabling the emission-free electricity production required for a carbon neutral Finland and increased demand for electricity.	Environment Climate – emission-free power system
	Grid investments to be carried out to integrate emission-free electricity production to the grid were completed on schedule, the market development projects were completed and the grid’s system security remained good.	The main grid does not restrict Finland’s transition to carbon neutrality, the markets balance out production and consumption, good system security.	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



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The grid investment programme currently includes a record number of ongoing projects, which will secure adequate transmission capacity for society’s needs and maintain unified electricity pricing throughout Finland, as laid down in Fingrid’s statutory duties. The most important and topical projects for mitigating climate change are:

- Forest Line, transmission link from Petäjävesi to Muhos via Haapavesi completed in the autumn 2022
- Grid development project in the Oulujoki region completed in autumn 2022
- Lake Line, transmission link between Vaala and Joroinen
- Aurora Line, third AC connection to Sweden
- Transmission line project between Rovaniemi and Vaala
- 400-kilovolt cable link in Helsinki
- Numerous substation projects to enable the connection of wind power

In 2022, around 500 kilometres of new transmission lines and 16 new or expanded substations were completed. Roughly 68 substations were under construction.

Around 740 kilometres of new transmission lines were in pre-construction planning.

Fingrid made the investment decision on the first 400-kilovolt cable link project. This is a joint project between the City of Helsinki, Helen Sähköverkko and Fingrid to create a connection from the Länsisalmi substation in Vantaa to the Viikinranta energy block in Helsinki. The underground cable link will reinforce the electricity network of the capital region and support the transformation into carbon neutral energy production. In the main grid, the use of underground cables will be limited to substation areas and urban areas when it is not possible to use overhead cables due to a lack of physical space.

In March 2022, Fingrid received the Vuoden Tuulivoimateko 2021 award for its long-term work and partnership in developing Finland’s wind power industry. The Finnish Wind Power Association annually selects an industry player or entity that has supported the development and growth of wind power in Finland in a significant way. The jury’s motivation focused on the fact that Fingrid’s grid investments are an enabling factor for Finland becoming self-sufficient in elec-

tricity and for replacing fossil fuels with renewable forms of energy, such as wind power.

A new section, Verkkokiikari or ‘Grid Scope’, was launched on Fingrid’s website to provide up-to-date information on public wind power projects as well as on the current and future connection capacity of the main grid on a map platform. Grid Scope will be a useful tool for government organisations as well.

More information on grid investments in 2022 is available in the Annual Report’s [Business Review](#).

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Fingrid received the Vuoden Tuulivoimateko award.

How does connecting wind power to the grid promote climate change mitigation?

Wind power for a long time accounted for a minor percentage of electricity production in Finland. Thanks to the energy transformation, wind power capacity has increased substantially, which requires larger and faster investments from Fingrid. Dozens of new substations and hundreds of kilometres of transmission line are needed quickly in order to

get the wind power on the markets. What makes this challenging are the time-consuming grid planning, permit and construction processes, the availability of resources, and the uncertainty of wind farm implementation. Fingrid’s goal is to develop its main grid in a way that accounts for any new connection and transmission needs.

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Case

Large share of solar and wind power requires action to ensure the stability of the grid

Solar and wind power account for rapidly increasing shares in energy production, which poses new challenges to the technical effectiveness of the power system. Wind and solar power connect to the grid via frequency converters, which is an essential difference from conventional power plants.

The weather-dependent types of generation lack characteristics that inherently maintain the stability of the power system. In Finland, however, converter-connected resources are required to include functionalities that support the grid, such as voltage control features and residual current devices in case of voltage disturbances.

It is becoming a common requirement of converters internationally in some

“Wind and solar power connect to the grid by technical means differing from conventional power plants and have different technical characteristics. This is the reason for the challenges we are facing,” says Antti Harjula, Manager, Power System Engineering at Fingrid.

applications to include grid-supporting characteristics in order to keep an converter-dominated system stable. Such systems are still in the development stage, however. In Fingrid’s view, one alternative is to build and connect to the grid large synchronous machines without an energy source to stabilise the grid. Such a device will be built in the Ostrobothnia region of western Finland, at the Jylkkä substation, close to a very large number of wind turbines.



Case

Clean energy from a hybrid power plant

The municipality of Simo in south-western Lapland will pair its wind power plants with a solar power plant to be developed by Exilion Tuuli Oy. This hybrid power plant is due for completion in 2025 and will be both the first of its kind and the largest solar power plant in Finland. The output of the plant consists of 70 megawatts of solar power and a total of 169 megawatts of wind power. The goal is to consolidate renewable energy both from sunlight and strong winds, which often occur at different times.

“The Simo wind farm is combined with a six-megawatt battery storage for storing any surplus production. This energy storage also helps to maintain the stability of the grid,” says Customer Manager Onni Härmä from Fingrid.



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Well-functioning electricity market

Fingrid promotes the functioning of the electricity market by actively taking part in its maintenance and development on the European, Nordic and national level, and by developing transmission connections proactively and in the long term. Development of the transmission links in the main grid is based on customers’ future needs, promoting the functioning of the Baltic Sea region’s electricity markets, cost-effectiveness, and managing the ageing of the grid.

The energy transformation calls for the revamping of the electricity market. Increasing weather-dependent energy production makes the electricity markets less predictable. So, in order to guarantee the security of supply, trading on the electricity market will move closer to real time, towards the actual time of consumption. This development is both increasing the volume of necessary data and accelerating decision-making. Fingrid has several electricity market development and process automation projects underway. Upcoming modernisations will take the electricity market in a more real-time and market-driven direction in a way that will result in closer cooperation between various electricity market players. In a clean

power system, the flexibility of electricity consumption and production is essential.

More information on the electricity market’s development projects in 2022, such as the 15-minute imbalance settlement project and projects to renew the reserve markets, is available in the Annual Report’s [Business Review](#).

Reliability and security of the electricity system

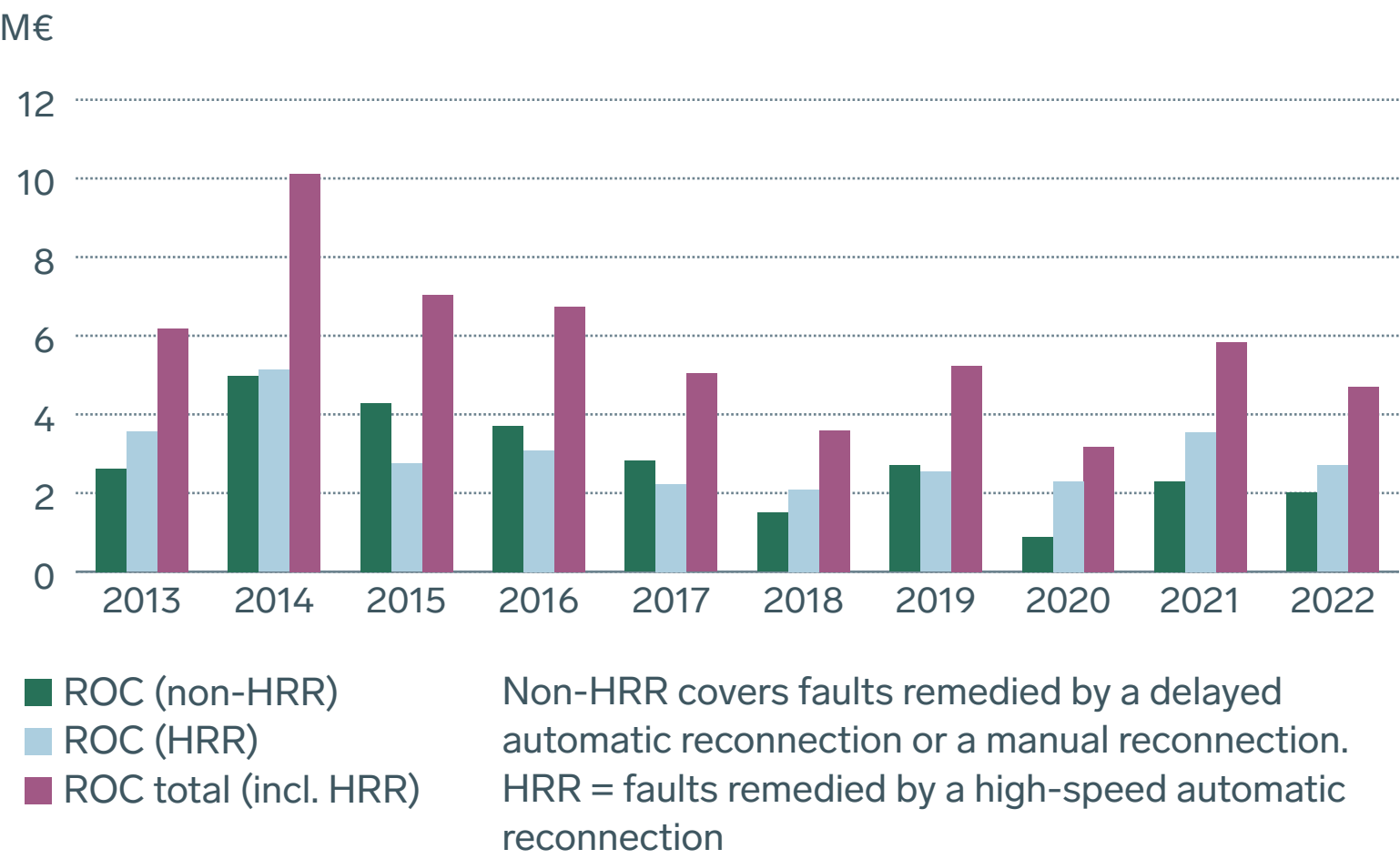
It is necessary to accomplish climate change mitigation and achieve climate targets without endangering the reliability of the power system. A reliable transmission system is essential for a functioning society. Fingrid transmits electricity in a secure and reliable way, while ensuring that the production and consumption of electricity are kept in balance.

Fingrid transmits the electricity generated by power plants that are connected to the main grid to our grid customers reliably and with high quality. Electricity is imported and exported also between Finland and its neighbouring countries. Electricity transmission reliability is maintained and monitored continuously. During the year under review, 99.99993% transmission reliability was achieved on

the main grid. The calculated cost of the disturbances (regulatory outage costs) to consumer customers was EUR 4.7 million. The main grid is designed and operated in such a way that individual faults do not result in a disturbance that spreads to the entire grid. The cost of a nationwide transmission blackout to customers and society at large would be significant, in the region of EUR 100 million for each hour of outage. This figure is a telling indication of the significance of Fingrid’s success in its basic task.

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Electricity transmission reliability rate was 99.99993%.

Regulatory outage cost, ROC



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The management of the power system becomes more difficult as the production of weather-dependent, emission-free electricity significantly increases. This is the reason for developing the management of the electricity system, increasing automation and seeking sources of demand-side management to help balance

power production and consumption. A key trend is the increasing participation of power system users in the balancing of electricity production and consumption.

More information on power system management in 2022 is available in the Annual Report’s Business Review.

Electricity transmission losses and energy efficiency

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
Emission-free transmission losses	Fingrid’s grid investments have enabled the integration of new emission-free production into the grid, reducing the CO2 emissions of transmission losses without any carbon offsets	In a carbon neutral Finland, transmission losses do not cause any CO2 emissions Fingrid is energy efficient in all of its operations	Environment Climate change – emissions from transmission losses and energy efficiency   
	Improved energy efficiency based on our commitments		

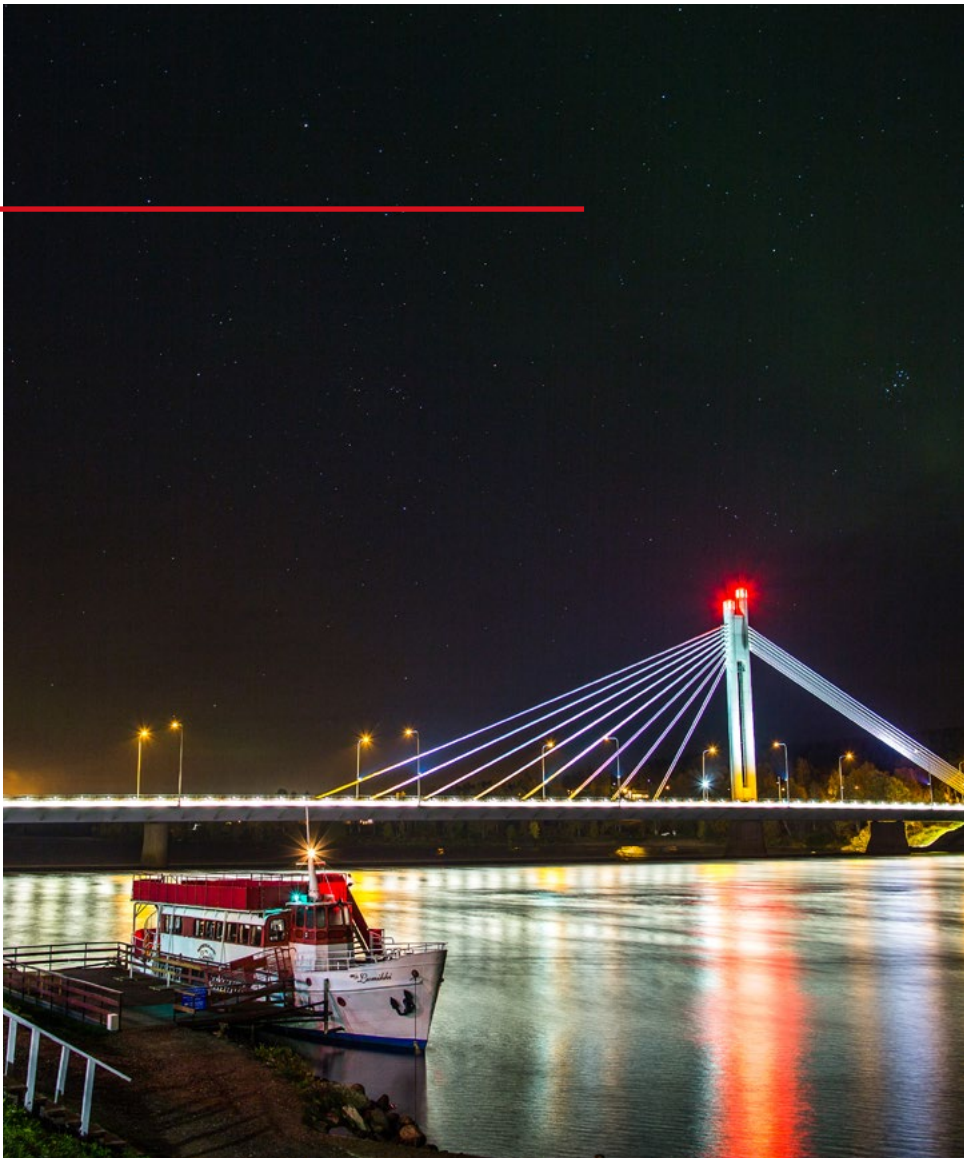
Case

Research data on a major blackout

A blackout of the grid is a rare, but extremely serious scenario. The outages caused by a system collapse of the main grid can extend throughout Finland or even to other Nordic countries, and the resulting domino effect can cause serious safety hazards. Even system restoration entails risks, as the grid is in a sensitive, volatile state during the repair work.

Fingrid’s Expert Antti-Juhani Nikkilä studied this topic in his dissertation thesis titled *Power system restoration after a system level blackout: Measures for system operation to manage technical uncertainties during the bottom-up restoration of a transmission network* (Tampere University, 2022). Nikkilä and other Fingrid experts modelled and tested various operational procedures for system restoration after a system-level blackout, which are presented in the thesis.

Expert Antti-Juhani Nikkilä: “Power system restoration after a system-level blackout is overall a very demanding task. The network being restored is extremely weak, unstable and prone to electrical phenomena seldom encountered during normal operation.”



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Climate targets are promoted by moving into cleaner electricity production, by reducing power losses in electricity transmission and improving energy efficiency.

The annual variation of losses resulting in electricity transmission is affected by the Nordic electricity production situation, such as the volume of hydropower. The majority of Fingrid’s greenhouse gas emissions are caused by the production of the electricity acquired from the electricity market to replace power losses taking place during electricity transmission.

The key tool for reducing the carbon dioxide emissions caused by transmission losses is the cleaning of electricity production and building the grid to accommodate the needs of new clean production, which will also reduce the carbon footprint from energy lost during grid transmission. In 2022, the volume of transmission losses in the main grid increased from the level of the previous year and amounted to 1.6 terawatt hours. This was 2.3 per cent of Fingrid’s total transmission volume of 70.1 terawatt hours. The greenhouse gas emissions due to transmission losses came to 96,000 carbon dioxide equivalent tonnes.

Additionally, losses are minimised by implementing energy-efficient grid investments and equipment procurements. In 2022, we decided to, for example, give more consideration to losses in future reactor procurement.

Fingrid is a signatory of the Finnish Energy Efficiency Agreement for Industries. The voluntary energy efficiency agreements are Finland’s primary method for meeting the EU’s strict obligations for more efficient use of energy. For the 2017–2025 agreement period, we have set a 12.9 per cent savings target, which corresponds to more than 180,000 gigawatt-hours of energy savings.

The most significant energy savings in 2022 were gained by completing the Forest Line, a new transmission line that will yield roughly 90,000 megawatt-hours in estimated annual energy savings. Thanks to the completion of this project, Fingrid has now reached its overall savings target for the 2017–2025 agreement period; a new, updated target will be considered for the remainder of the period. Other major energy saving measures completed in 2022 included the installation of heat pumps in two turbine rooms at the

Huutokoski reserve power plant (savings approx. 150 MWh/a) and improving the functional logic of the generator heating elements at the Forssa reserve power plant (savings approx. 50 MWh/a). In addition, the insulation of house doors was improved and luminaires were replaced with LED units at several reserve power plants and at a few substations.

Furthermore, ventilation equipment fitted with heat recovery systems was installed at substations. The total energy savings from these measures amount to roughly 30 MWh/a. Fingrid participated in the ‘Down a degree’ campaign which meant a reduced indoor temperature in the head office and communication efforts to boost energy saving.

Why does Fingrid not compensate for the carbon dioxide emissions from electricity transmission power losses?

The faster we can add more clean electricity production to the main grid, the fewer carbon dioxide emissions will result from the power losses from electricity transmission. When electricity transmission increases, power losses also always increase. Developing the transmission grid in

order to connect renewable energy to the main grid reduces carbon dioxide emissions even more as a whole, however. We are therefore looking for the greatest overall benefit, and our goal is for the electricity transmitted in the main grid to cause zero carbon dioxide emissions in 2035.

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ENERGY CONSUMPTION		2022	2021	2020
Direct				
Light fuel oil	t	2,000	1,700	1,600
	GJ	85,500	71,900	67,800
Indirect				
Electricity transmission power losses	GWh	1,600	1,450	1,470
	GJ	5,752,000	5,218,000	5,292,000
Energy produced with the fuels consumed by leased reserve power plants	GWh	1.0	1.0	1.1
	GJ	3,500	3,600	3,900
Reserve power plants’ auxiliary energy	GWh	11	13	12
	GJ	40,100	47,400	44,300
Reserve power plants’ district heating	GWh	1.1	0.7	0.4
	GJ	4,100	2,500	1,300
Substation auxiliary energy	GWh	19.1	19.5	-
	GJ	68,800	70,200	
Electricity of Fingrid’s own premises	GWh	2.5	2.6	2.6
	GJ	9,100	9,300	9,400
District heating of Fingrid’s own premises	GWh	1.3	1.3	1.0
	GJ	4,,800	4,600	3,500

The reporting encompasses the entire company. In the reporting for 2021, the substations’ auxiliary energy was reported as a separate item for the first time. The substations’ auxiliary energy was previously included in transmission losses.

ENERGY INTENSITY		2022	2021	2020
Fingrid’s total energy consumption divided by net sales	GJ/€1000	3.2	4.9	7.9



Case

Fingrid also pushes the room temperature ‘Down a degree’
In the winter of 2022, Fingrid participated in the governmental sustainable development company Motiva’s ‘Down a degree’ campaign, aimed to inspire private citizens, organisations and communities to save energy throughout the country.

As one of the campaign’s corporate participants, Fingrid pledged to highlight its own energy saving results. Internally, this was accomplished by challenging staff to share their energy saving efforts at home and at work or while commuting. Fingrid’s social media channels (Instagram, Twitter and Facebook) regularly featured energy saving cases over the winter.

Suvi Saarinen: “Using firewood for heating was convenient when working remotely from home. This winter, I decided to save electricity by making my coffee on the wood burning cook stove. I also heated up dishwashing water on the stove. In the sauna, I shower less and use the warm water from the sauna stove instead. I have also replaced old yard lights with LEDs.”

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Substations’ SF6 gases

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
Main grid does not cause SF6 emissions	Reducing SF6 gas emissions using modern technologies and preparing for adoption of new technologies	SF6 gas emissions at a minimum, all new gas-insulated switching substations comply with the selected new technology and are SF6-free	Environment Climate change – SF6 gas emissions
	The roadmap for new technologies has been drawn up and a pilot project is underway	The lowest SF6 gas emissions caused by a main grid in the world, when compared with other TSOs	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	The grid’s SF6 emissions are low compared with other TSOs		

Fingrid’s transmission grid consists of more than a hundred substations which consist of both air-insulated and gas-insulated switching substations. Over the decades, sulphur hexafluoride, or SF6 gas, has become established as the most common switching medium and dielectric gas in switching stations and components. Despite its excellent technical properties, the SF6 gas is a powerful greenhouse gas. The handling of SF6 gas is steered by the EU’s F-gas Regulation, which sets limits for leak monitoring and gas handling competence requirements.

Fingrid has for several years focused on the continuous technical monitoring of SF6-gas to detect even the smallest leaks and to respond to them quickly. Fingrid has also decided to reduce its use as the equipment reaches the end of its service life and new technology enables new solutions. It is not possible to switch out the SF6 gas without modernising the equipment. The large-scale use of new solutions is currently restricted by technical requirements and a lack of practical experience. The long-term goal for 2035 is to use new, SF6-free technology in all new gas-insulated switching substations.

In 2022, the first SF6-free gas-insulated switchgear (GIS) was taken into use at

Virkkala, in Lohja. The next three projects were under construction at Luukkala, in Lappeenranta, in Heinola, and at Kaupila, in Kangasniemi. It has also been decided to build the new substation in Kirkkonummi without using SF6 gas. Fingrid will continue to monitor the development of new eco-friendly technologies and test new solutions entering the markets.

At the end of 2022, Fingrid had roughly 54 tonnes of SF6 gas at its substations. In 2022, Fingrid’s SF6 gas emissions totalled 800 carbon dioxide equivalent tonnes. This means 32 kilograms of gas and a leakage rate of 0.06%. The long-term annual leakage rate has been very low, less than 0.2% on average, among the top results in the International Transmission Operations & Maintenance Study (ITOMS).

Greenhouse gas impacts of Fingrid’s operations

Building up and operating the main grid is necessary to achieve the set climate targets, but it also results in emissions and a negative carbon footprint. In 2019, we started a real-time assessment of the power system’s carbon dioxide emissions. In 2020, we started to use the more real-time emission factor for electricity consumed in Finland calculated in this

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way, instead of our earlier practice of using the emission factor published by Statistics Finland. The calculation formula in use for the emission factor is based on real-time production, import and export data, and emission factors for specific forms of production.

The average emission factor for the electricity consumed in Finland in 2022 was 60 g CO2/kWh. The emission factor decreased from the previous year (91 g CO2/kWh in 2021), which indicates positive progress in achieving Finland’s climate objectives. The decrease in the emission factor results from a decrease in the electricity consumption and changes in cross-border transmission, i.e. in the imports from the Nordic countries, exports to Estonia and especially the discontinued sourcing of electricity from Russia. As regards production, the decrease in the emission factor was a result of the increase in nuclear power and wind power.

In 2022, Fingrid’s direct greenhouse gas emissions and the indirect emissions due to the company’s own electricity consumption and losses (Scope 1 and 2) amounted to roughly 106,000 CO2 equivalent tonnes. Most of the emissions (approx. 90%) were caused indirectly by the electricity production required to replace

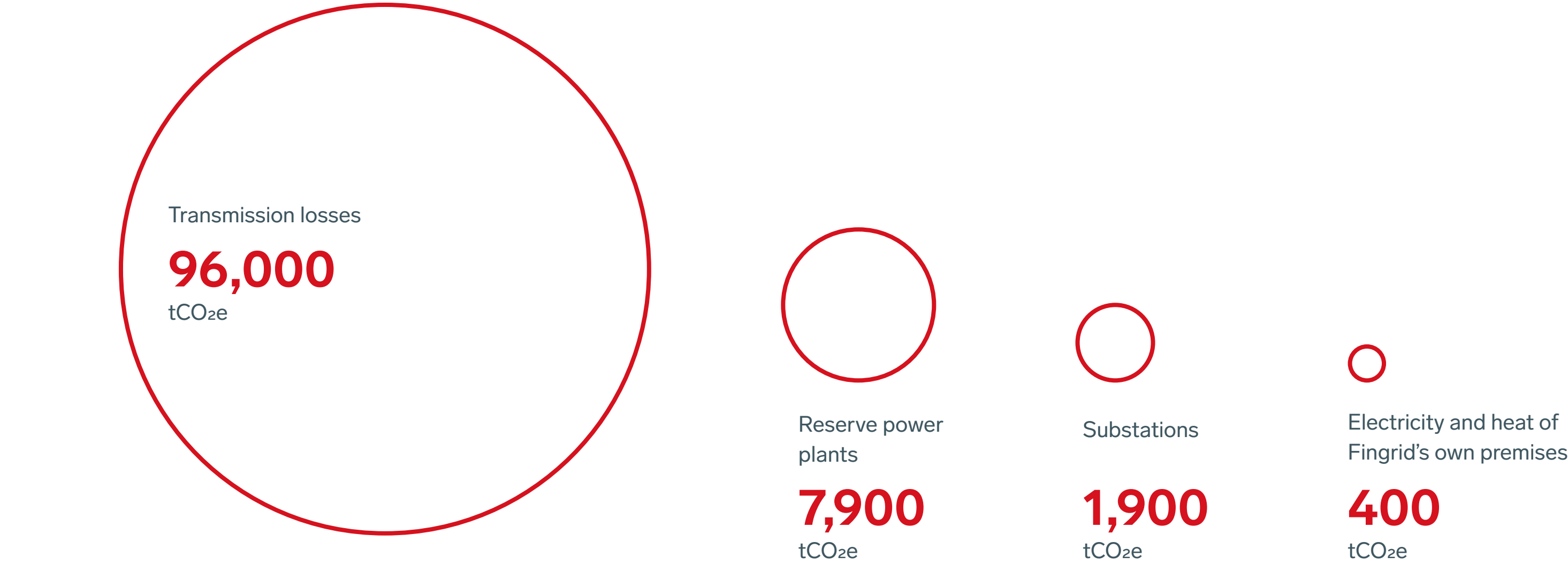
power losses taking place during electricity transmission. Roughly 0.2 per cent of Finland’s greenhouse gas emissions are our emissions (Scope 1 and 2). Fingrid’s greenhouse gas emissions totalled roughly 251,000 CO2 equivalent tonnes when including also the indirect emissions from business travel and purchased transmission line materials (Scope 1, 2 and 3).

In addition to the carbon footprint, Fingrid’s operations also have a significant positive carbon handprint. In 2022, altogether 1,940 megawatts of wind power were connected to Fingrid’s main grid, which will help to indirectly avoid annual emissions worth around 357,000 CO2 equivalent tonnes in the coming years. During the year, Fingrid concluded agreements on connecting a total of approximately 770 megawatts of wind power production to the electricity grid. Once realised, this will lead to a substantial positive climate impact, indirectly avoiding annual emissions worth around 141,000 CO2 equivalent tonnes. During the year under review, Fingrid received an increased amount of enquiries regarding renewable energy connections. The total power of new connection enquiries in 2022 was approximately 80,000 megawatts, which is nearly six times the production capacity in Finland at the end of 2022.



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Greenhouse gas emissions, tCO₂e (scope 1 and 2)



	2022	2021	2020
Transmission losses	96,000	132,000	106,000
Reserve power plants	7,900	7,800	7,000
Substations	1,900	2,200	300*
Electricity and heat of Fingrid's own premises	400	400	300

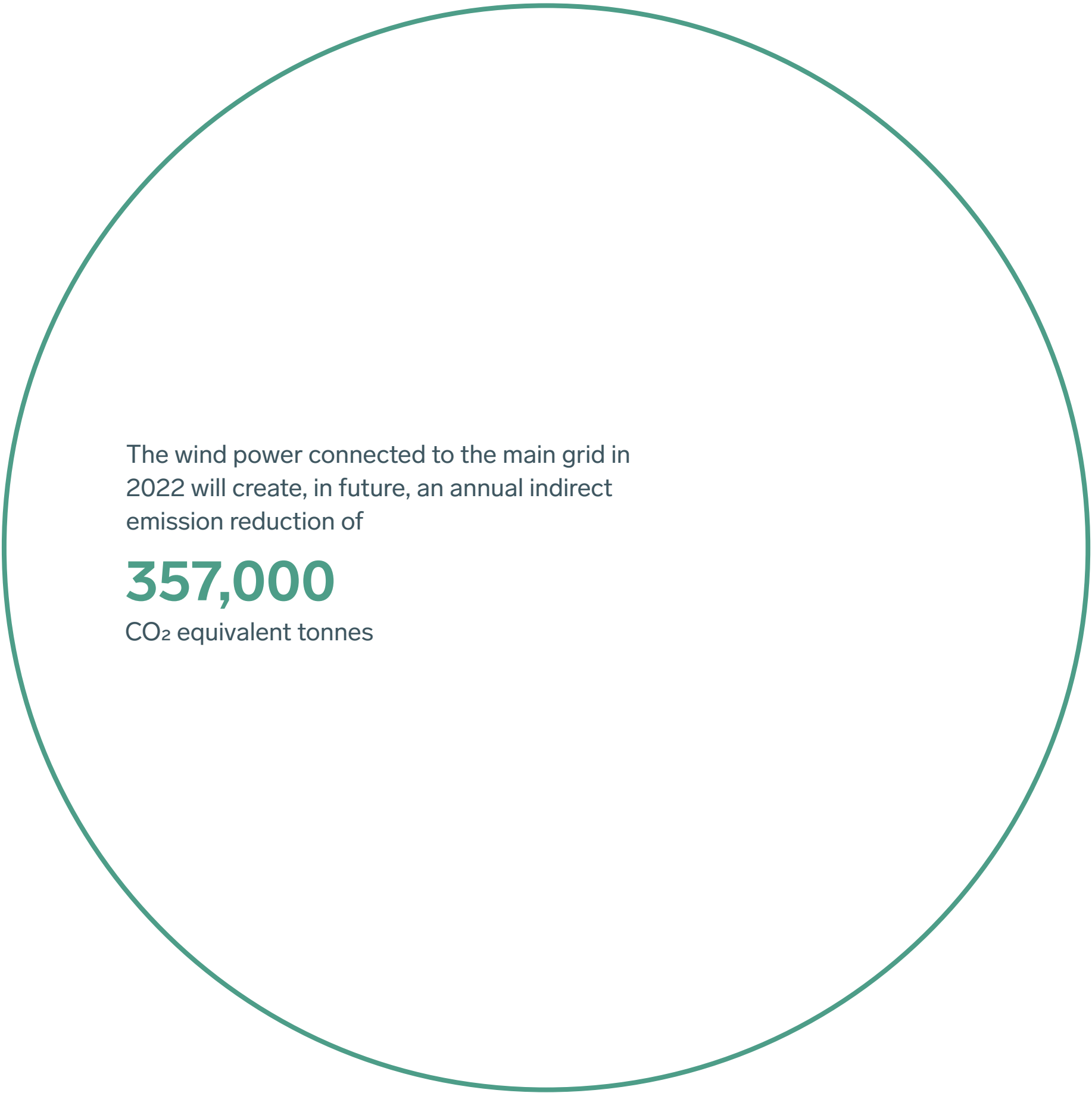
*Substations’ auxiliary energy not itemised

In its emissions reporting, Fingrid uses the real-time emission factor for consumed electricity (average of 60 g CO₂/kWh in 2022).

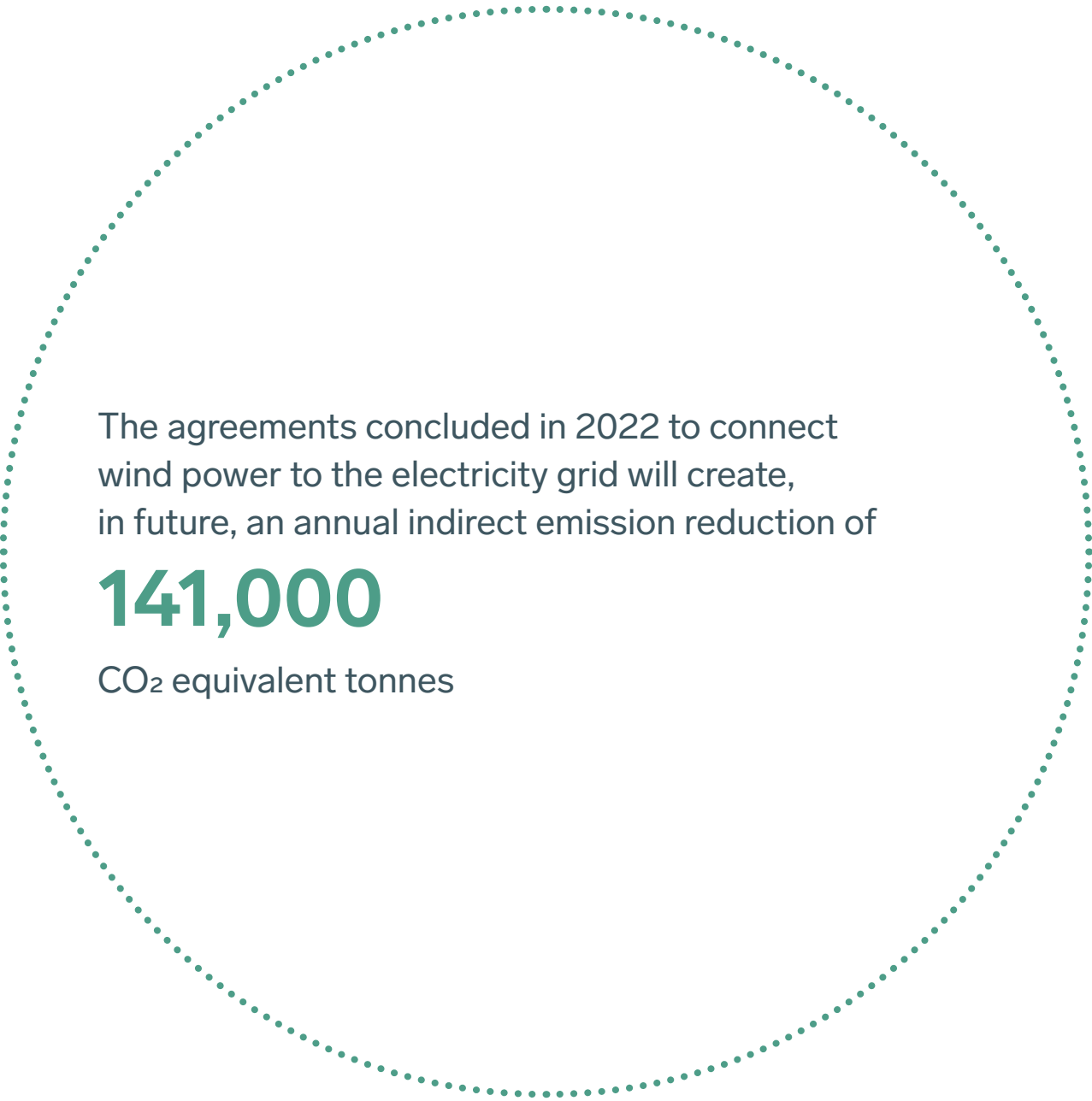
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Fingrid’s carbon handprint, tCO₂e

Carbon handprint means the positive climate impacts of activities, i.e. emission reductions.



This equals the annual carbon footprint of some **36,000** Finns.
A Finn’s carbon footprint is approximately **10 CO₂** equivalent tonnes on average.



In its emissions reporting, Fingrid uses the real-time emission factor for consumed electricity (average of 60 g CO₂/kWh in 2022).

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Fingrid has been reporting on its climate impact according to the Global Reporting Initiative (GRI) and the Greenhouse Gas Protocol (GHGP) since 2011. We also apply the Task Force on Climate-related Financial Disclosures framework when disclosing the business risks and opportunities related to climate change. In our TCFD fact sheet we have compiled our climate targets and information on how climate change impacts are taken into account in Fingrid’s governance, strategy and risk management.

From a climate risk viewpoint, Fingrid prepares for the physical risks of extreme weather phenomena, which are becoming more common and more powerful, in grid construction and operations. The transition risk, i.e. the transition to a clean power system, is being prepared for by building the main grid rapidly enough to achieve the climate targets, which means proactive environmental impact assessments, successful stakeholder engagement, fast project permit processes and effective project management. In 2022, we applied the approach of the Taxonomy Regulation, determining the material physical climate risks linked with Fingrid’s operations and creating a pro-

cess for this assessment. In future, we will assess the physical climate risks and the impacts of adapting to climate change as a part of the company’s 360-degree risk management.

Reserve power plants

In addition to the sulphur hexafluoride gas (SF6) in substations, direct greenhouse gas emissions are caused by the company’s reserve power stations. The reserve power plants are only used in serious disturbances of the power system and in test runs for ensuring their reliable operations, but not in commercial electricity production. The plant-specific hours of operation mainly consist of test runs, in the region of just around ten hours per year. The low running hours of the reserve power plants limits their impacts on the quality of air and their greenhouse gas emissions, which in 2022 amounted to roughly 7,900 CO2 equivalent tonnes.

Fingrid’s reserve power plants are included in the European Union’s emissions trading system. The accuracy of the measuring and reporting systems for fuel consumption (light fuel oil) is verified by an accredited emissions trading verifier. A total of 6,006 units (tCO2) of emission

allowances were returned, 100% of which consisted of purchased emission right units. Fingrid has not been granted free-of-charge emission rights for the emissions trading period 2021–2030. The purchased emission right units amounted to 4,000 in 2022. Emissions trading had minor financial significance for Fingrid.

The management of the reserve power plants’ environmental impacts is supported by ISO 14001 environmental certification. During 2022, several broad-ranging reviews linked with the continuous improvement of operations were carried out at the plants, concerning topics such as process risk assessment, fuel storage systems and facilities with explosion hazards. The training programme also included a joint oil leak containment exercise for all the reserve power plants as well as rehearsals focusing on the rescue

of injured personnel from a confined or closed space. Training rehearsals are an important way of maintaining the skills required for emergency preparedness.

Other indirect emissions

The material procurements (towers, conductors and foundations) for the approximately 500 new transmission line kilometres taken into use in 2022, resulted in emissions of some 144,000 CO2 equivalent tonnes. The significantly larger emissions from the procured materials can be attributed especially to the completion of the Forest Line, a major transmission line project aimed to reinforce the north–south transmission capacity necessary for the energy transformation. Other indirect emissions resulted from business travel. Fingrid is currently developing the coverage of its Scope 3 reporting.

RESERVE POWER PLANTS’ SULPHUR DIOXIDE AND NITROGEN OXIDE EMISSIONS	2022	2021	2020
Sulphur dioxide, SO2, tonnes	0.5	0.6	0.4
Nitrogen oxides, NOx, tonnes	40	25	23

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GREENHOUSE GAS (GHG) EMISSIONS*		2022	2021	2020
Direct emissions (Scope 1), tCO2e		7,000	6,000	5,000
Indirect emissions (Scope 2), tCO2e		99,000	136,000	108,000
Total (Scope 1 and 2), tCO2e		106,000	142,000	114,000
Other indirect emissions (Scope 3), tCO2e		145,000	24,000	4,000
Total (Scope 1, 2 and 3), tCO2e		251,000	165,000	118,000
Direct emissions (Scope 1)				
	Reserve power plant fuels, tCO2e**	6,000	5,000	5,000
	Substations’ sulphur hexafluoride, tCO2e	800	400	300
	Total, tCO2e	7,000	5,000	5,000
Indirect emissions (Scope 2)				
	Transmission losses, tCO2e	96,000	132,000	106,000
	Energy produced with the fuels consumed by leased reserve power plants, tCO2e	1,000	1,000	1,100
	Reserve power plants’ auxiliary energy, tCO2e	700	1,200	900
	Reserve power plants’ district heating, tCO2e	200	100	100
	Substations’ auxiliary energy, tCO2e***	1,100	1,800	–
	Electricity used at Fingrid’s own premises, tCO2e	200	200	200
	District heating of Fingrid’s own premises, tCO2e	200	200	100
	Total, tCO2e	99,000	136,000	108,000
Other indirect emissions (Scope 3)				
	Business travel (flights and kilometre-reimbursed business trips), tCO2e	800	300	300
	Purchased transmission line materials, tCO2e	144,000	24,100	3,200
	Total, tCO2e	145,000	24,000	4,000

* According to Statistics Finland, the total CO2 equivalent emissions in Finland in 2021 were 47.7 million carbon dioxide tonnes. The share of Fingrid’s Scope 1 and 2 emissions of all Finnish CO2 emissions amounted to approximately 0.2% in 2021. Fingrid’s CO2 emission calculations are based on the EU emissions trading system (EU-ETS) and on the international Greenhouse Gas (GHG) Protocol standards. The emission factors for electricity used in Fingrid’s CO2 calculations are based on the annual averages of Fingrid’s real-time electricity consumption data (2022: 60 kg CO2/MWh, 2021: 91 kg CO2/MWh and 2020: 72 kg CO2/MWh). The presented Scope 2 emissions figure is location-based. The CO2 calculations are also based on Statistics Finland’s most recent emission factor for district heat production and IPCC 2013 (AR5) Global Warming Potentials (GWPs). The CO2 emissions from district heating were calculated using the average published by Statistics Finland for the last three statistical years, 177 kg CO2/MWh, as the emission factor.

**The figure for 2022 is preliminary, the final figure will be confirmed in the emissions trading verification.

***The 2020 figures for the CO2 emissions from transmission losses also included substations’ auxiliary energy emissions, which have since been reported separately.

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GREENHOUSE GAS EMISSIONS INTENSITY		2022	2021	2020
Fingrid’s direct (Scope 1) and indirect (Scope 2) GHG emissions divided by amount of electricity transmitted				
	gCO2e/kWh	1.5	2.0	1.7

Guarantee of origin for electricity

Fingrid Oyj is responsible for the electronic guarantee of origin (GO) register service in Finland. Fingrid Oyj has entrusted this task to its fully owned subsidiary Finextra Oy. Keeping of a register is an official task which is supervised by the Energy Authority. Finextra’s GO register was taken into use on 1 January 2015.

Electricity GOs are certificates for verifying that electricity has been produced from renewable energy sources or by high-efficiency cogeneration. As of the start of 2022, electricity produced from nuclear power can also be granted a guarantee of origin.

An electricity supplier that sells or uses renewable energy in its marketing must certify the origin of the electricity. In the same way, an electricity producer and user that, in its other business, gives its customers information about the origin of the electricity it uses, must verify the proportion of renewable energy sources. Verification takes place by cancelling an amount of guarantees of origin corresponding to the amount of electricity marketed as renewable.

Finextra is a member of AIB (Association of Issuing Bodies). Transfers of GOs between the electronic registers of different countries are carried out via the EECS Hub administered by AIB.

Specialist Taneli Leiskamo was not surprised by Finland’s low CO2 intensity: “As much as 90% of our annual consumption now comes from emission-free sources.”



Case

Record clean electricity

On Sunday 12 of June 2022, the cleanliness of electricity consumed in Finland reached a momentary all-time high. The nationwide emission factor for that day reached the historically low figure of 24 g CO2/kWh.

The cleanness record was made possible by the relative abundance, in relation to the consumption, of wind power, hydropower and nuclear power as well as imported low-emission electricity from Sweden and Norway. Some of the clean electricity was further transmitted from Finland to Estonia via DC connections.

As much as 90% of Finland’s annual consumption of electricity now comes from emission-free sources, mainly consisting of nuclear power and renewables. The electricity imported from Norway and Sweden is also very clean.

Businesses and private consumers can, if they so wish, favour zero-emission sources of electricity by arrangements such as long-term supply agreements, guarantee of origin certificates or in-house production.

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Circular economy and material efficiency

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN's SDG
Recycling materials and reducing waste	The recycling rate for demolition material from Fingrid's operations is 90% and the utilisation rate is 98% Reduction of construction waste at worksites and reduction of office waste	New solutions for the recycling and use of materials	Environment Circular economy and material efficiency 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND

Transmission line structures have a long service life. Normal maintenance gives a transmission line a technical service life of 65 to 80 years, depending on the specific structure, and with improvement maintenance, this can be further extended by roughly 20 years. The standard replacement cycles of substation equipment are roughly 20, 40 or 60 years. Major maintenance and replacement needs on buildings and other structures are synchronised with the equipment renewals. Chemical safety and material efficiency are major concerns in maintenance work.

The efficiency of the main grid maintenance management is boosted through digital condition monitoring, which produces up-to-date data from the substations. This makes it possible to implement maintenance measures depending on the actual condition of substation equipment, resulting in improved material efficiency and lower emissions due to fewer visits to the substation. In addition to the positive environmental impacts, digital condition monitoring also improves safety by reducing the risks related to the condition of substation equipment.

The largest material flows of Fingrid's operations result from investment projects, when new electricity transmission grid sections are built and the old structures are dismantled. The majority of the demolished materials are concrete from transmission line towers and the foundations of substation structures, steel scrap from transmission line towers and substation structures, and metal scrap containing aluminium and steel from the transmission line phase conductors. All of these can be recycled as materials. The number of decommissioned impregnated wooden towers is low and they are used as energy. In addition to investments, the maintenance of the main grid results in small volumes of decommissioned materials. The waste volumes for transmission line maintenance are low and are not yet included in reporting.

Also the waste volumes resulting from office work and their significance is small for Fingrid, and waste volumes for office work are not reported. Efforts to reduce the environmental impacts of office work include supporting personnel's environmental know-how and increasing awareness especially about topical environmental issues. This was the aim of our 2022 environment theme day for

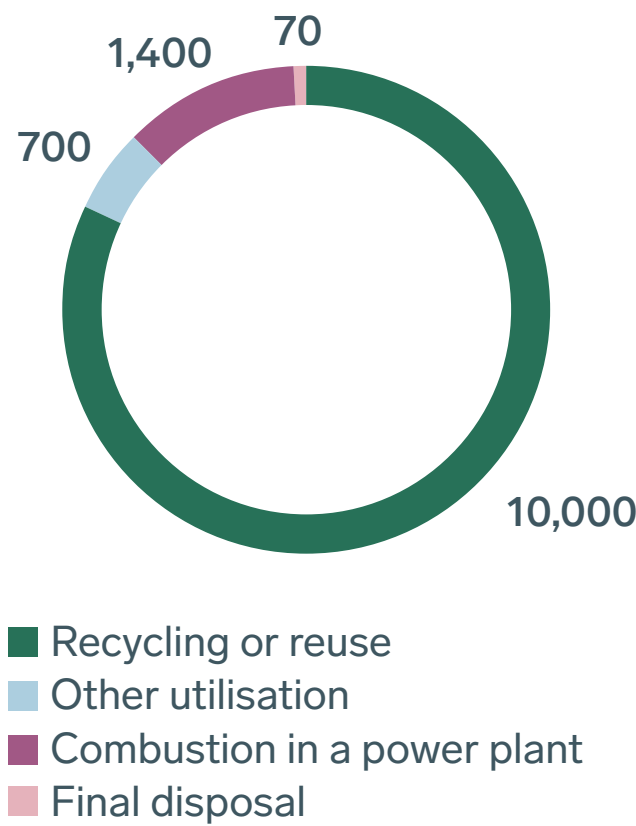
99 %

UTILISATION RATE

82 %

RECYCLING

Material volumes generated by Fingrid's operations in 2022, by tonnes



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the entire staff. The topics covered this year included environmental aspects in procurements, the climate impact of ICT equipment and applications, emission-free worksites, EU Taxonomy and sustainable investing.

Fingrid owns all of the decommissioned materials from substations, reserve power plants and transmission line worksites and is responsible for arranging waste management for them. Waste management is arranged in a centralised manner with a single waste management provider. The same service provider that is in charge of transmission line maintenance in the area in question is also responsible for arranging waste management for the transmission lines.

Materials to be decommissioned and waste are recycled as efficiently as possible when building new grid sections or dismantling old structures. In addition to careful sorting, our goal is to continuously improve logistics related to material transports and to develop investment project processes so that, for example, the concrete and brick being demolished is utilised increasingly in earthworks at the site.

In 2022, we verified that our procedures comply with the renewed waste legislation, which entailed changes in the sorting regulations at worksites as well as in the requirements concerning waste accounting and transfer documents. The total volume of waste during the year was approximately 12,000 tonnes, of which hazardous waste made up roughly 700 tonnes. Of the resulting material, 82% was recycled and 99% was utilised in some way.

Total volume of waste by type and disposal method	2022	2021	2020
total waste volume, tonnes	12,000	8,900	10,800
by type of waste:			
hazardous waste, tonnes	700	900	900
ordinary waste, tonnes	11,300	8,000	9,900
by disposal method:			
recycling and reuse, tonnes	9,800	7,000	6,700
other utilisation, tonnes	700	900	3,200
combustion in a power plant, tonnes	1,400	900	400
final disposal, tonnes	70	80	600
recycling rate, %	82	78	62
utilisation rate, %	99	99	95

”

The efficiency of the main grid maintenance management is boosted through digital condition monitoring, which produces up-to-date data from the substations.

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Protection of nature values and biodiversity and impacts on land use and scenic values

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
Reducing negative impacts on nature and improving biodiversity	Successful EIA processes which take into account natural diversity and traditional rural biotopes	Fingrid’s transmission line right-of-ways are utilised extensively for projects supporting biodiversity	Environment Protection of nature values and biodiversity
	Developing clearing practices and cooperation with landowners and environmental NGOs has improved biodiversity in transmission line right-of-ways Technical solutions (such as DLR and dynamic shunt compensation) have increased the transmission capacity of the existing grid	Technical solutions have significantly improved the main grid’s transmission capacity, reducing the need to construct new transmission lines	17 PARTNERSHIPS FOR THE GOALS 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND

Case

Biodegradable ester oil for transformers

A high-voltage grid transformer can contain as much as 100 tonnes of mineral oil used as an insulating and cooling medium. Transformer oils involve a minor, but potentially serious risk of a transformer fire. The latest transformer fire in the main grid occurred in the 1980s. The heat, smoke, potential oil leaks and the oily extinguishing water resulting from a fire pose a risk to the environment, safety, and to electricity transmission.

The environmental risk can be reduced by replacing conventional oils with biodegradable ester oil. The flash point of ester oil is higher than that of mineral oil, which makes it practically non-combustible. Ester oil is also expected to increase the service life of transformers and makes it



Specialist Jenni-Julia Saikkonen: “Ester oil has been used in equipment operating at a lower voltage, but there is globally very little experience from use in high-voltage equipment. This calls for pioneering work, which is what Fingrid is now doing.”

possible to load the transformer at a higher power level. Natural ester oil solidifies in cold air, however, limiting its usefulness. Synthetic esters made from petrochemical by-products do not have this solidification problem.

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Fingrid’s goal is to be a forerunner in grid life cycle management. Land use and environmental impacts are incorporated in planning, construction, use and maintenance operations and when dismantling old grid structures. The goal is to complete grid investment projects and maintenance without any significant environmental deviations.

No significant environmental damage took place in Fingrid’s operations in 2022. During the year, Fingrid procured the first ester-oil-insulated substation equipment for the Kontiolahti substation, which is located on a ground water deposit, and a transformer with ester oil insulation for the new Hepokorpi substation in Espoo. Replacing mineral oil with non-poisonous and biodegradable ester oil can enhance the management of environmental risks at electrical substations.

We require commitments in landowner engagement, respect of site-specific environmental values and proper waste and chemical handling from external grid maintenance contractors and service providers by means of contractual terms, environmental training and audits. All personnel working at Fingrid’s worksites

complete online training on environmental matters. Service providers receive environmental training when investment projects are started, and environmental aspects are monitored on-site as part of worksite monitoring.

Fingrid is actively mitigating the harmful environmental impacts of its activities and encourages landowners to make safe use of transmission line right-of-ways for the benefit of people and nature alike. Transmission line right-of-ways also offer an opportunity to promote biodiversity. The right-of-ways are kept open and exposed to direct sunlight through regular clearing, and they can replace the habitats of species threatened by disappearing meadows or the drainage of peatlands.

The ecological impacts and the possibility to mitigate them are assessed in major transmission line projects through an environmental impact assessment procedure (EIA) required by law. For projects with minor impacts, this is done by means of an environmental study. Using this assessment data, we can mitigate impacts and ensure the preservation of valuable locations during the further

planning and construction of the project. We also instruct the service providers working in maintenance and vegetation clearing on existing transmission lines to take known valuable flora, fauna or habitats into account and to take proper care of waste and chemicals.

Fingrid’s objective is to increase and restore traditional rural biotopes and to encourage landowners to maintain and protect the scenic and nature values of transmission line right-of-ways. Through active management, transmission line right-of-ways can be developed into traditional rural biotopes, which are valuable in terms of both biodiversity and scenic values. These environments include meadows and pastures shaped by traditional agriculture, which have developed a unique and rich fauna and flora as a result of centuries of grazing and mowing. They include both built landscapes and traditional rural biotopes created through reaping and grazing.

Due to changes in agriculture, traditional rural biotopes have fallen into disuse, which is why they are disappearing. Overgrowth, eutrophication and afforestation are the greatest threat to these areas.

Fingrid offers financial support for maintaining transmission line right-of-ways as traditional rural biotopes in the form of initial funding and a maintenance plan. Overall, the company offers information on utilising transmission line right-of-ways in the form of guidelines for land planners and idea cards intended for landowners.

In 2022, Fingrid increased its financial support for maintaining power line right-of-ways as traditional rural biotopes. To secure the continuity of care, existing beneficiaries can now also re-apply for continued support after the funding period has ended. Furthermore, we started a study on shorter clearing cycles at dedicated sites for promoting biodiversity.

Fingrid is aware of its responsibility in stopping the spread of invasive species in its operations. In 2022, we fine-tuned our procedures and guidance for combatting harmful invasive plant species by arranging training events for substation suppliers and by communicating on the issue to the right-of-way clearing contractors.

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Case

First Finnish sighting in a transmission line right-of-way

Exceptional news made the rounds among Finnish entomologists in summer 2022: a waisted beegrabber (Physocephala rufipes) was found in a patch of grasses of the honeysuckle family under a transmission line in Imatra. Closer examination detected several individuals of the species, which may mean that this was not a one-off occurrence. Normally a more southern species, the waisted beegrabber has apparently spread to Finland as a result of the warming climate.

The open areas and short undergrowth in the transmission line right-of-way offer a suitable habitat for this fly species. Through active management, some of the transmission line right-of-ways can be developed into traditional rural biotopes, which are valuable in terms of both biodiversity and scenic values.

Case

Clearing increases safety

Managing the vegetation near transmission lines ensures electrical safety and transmission reliability. Regular clearing also helps to maintain the open habitats vital for certain animal and plant species.

Clearing and tree removals make sure that trees do not encroach on transmission lines or fall onto them, which could cause electricity distribution disturbances or personal injury. Particularly in the yard areas close to people’s houses, electrical safety takes precedence over transmission reliability.

The average clearing cycle is five to eight years, but shorter intervals may be necessary in built-up areas, for example. Most clearing work is performed manually, with clearing saws. Landowners receive advance notification of clearing work.

Fingrid welcomes feedback on vegetation management via an online feedback system, which also offers information on planned clearing and tree removal sites.



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Environmental impact assessments

The massive grid investment programme is directly reflected in the number of necessary environmental impact assessments (EIA). The major grid transmission line projects are inherently significant in terms of climate change mitigation. EIAs have also begun to take climate impacts into account in a new way. In addition to climate change mitigation, an important issue is adapting to climate change. As a company critical for national security of supply, Fingrid ensures the continuity of its operations through good risk management, including adaptation to a changing climate.

As a result of the energy transformation and the green transition, several grid projects designed to strengthen the main grid were in the planning stage at Fingrid in 2022. Environmental studies were drawn up to take into account environmental impacts in transmission line projects with less extensive impacts in Iisalmi and Nurmijärvi. Environmental issues were also incorporated into the location planning for numerous new substations. The environmental impacts of transmission line projects with significant impacts are studied using a statutory environmental impact assessment (EIA). The goal

is to involve environmental impacts at the earliest possible stage of planning and decision-making, alongside financial and technical standpoints. Through the EIA procedure, landowners and other stakeholders receive information and can impact the project. Involving these parties is very important in terms of ensuring that the transmission line adapts to the environment, taking into account various perspectives and stakeholders.

In 2022, the Finnish association for promoting EIAs (Yva ry) awarded its ‘Good EIA’ prize (Hyvä YVA) to Fingrid in recognition for the excellent EIA implementation in connection with the Lake Line project. This was the third time Fingrid received the EIA prize. The EIA authority issued a reasoned conclusion on the Rovaniemi–Vaala transmission line project. An EIA report was completed for two extensive transmission line projects, from Jylkkä in Kalajoki to Alajärvi, and from Alajärvi to Hikiä in Hausjärvi. Furthermore, the EIA procedure was started for a new long transmission line, from Kristiinankaupunki to Nokia. In each EIA procedure, we continued to inform local residents beyond statutory practices through letters to landowners and, when necessary, with local newspaper ads supporting the

official communication. Several public EIA events were arranged online, and they reached a large audience. The feedback received testifies that also webinars can be an informative and welcoming platform for public events. As an example, roughly 990 landowner letters were posted during the EIA stage of the Kristiinankaupunki–Nokia transmission line project, and the public webinar gathered an audience of around 300 participants. A record of the event was also uploaded for viewing afterwards.

Fingrid complies with the national land use goals in its objective to use existing transmission line routes for its transmission line projects, which aims at reducing both the new land area taken up by the transmission lines and the environmental impacts. Of the approximately 500 new transmission line kilometres taken into use in 2022, some 98% utilised existing transmission line routes, while around 2% were located in entirely new terrain. This goal is not without its challenges, however. For example, the Lake Line transmission line project, which largely relies on existing transmission line routes, received an exemption in compliance with nature conservation legislation from the obligation to protect flying squirrels and

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Fingrid received the ‘Good EIA’ award for the Lake Line project.

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an amendment to conservation regulations on private land. An application concerning an amendment to the decree on a conservation area on state-owned land was under consideration. Furthermore, an application for the Ii–Oulu transmission line project on downgrading some of the conservation regulations in a private conservation area was under consideration. A permit to disturb an ancient relic was required from the Finnish Heritage Agency for the expansion of the Jylkkä substation.

In addition to new investments, Fingrid aims to adopt solutions that will increase the transmission capacity of the existing main grid. In 2022, the Dynamic Line Rating (DLR) method was taken into operational use on the long 400-kilovolt north–south transmission lines, and two new shunt compensation substations started up on the Forest Line. A decision was additionally made to implement shunt compensation to increase the capacity through cross-section Central Finland.

Case

Backlog in EIA projects

The purpose of the environmental impact assessment procedure is to reduce or entirely prevent large landscaping projects from harming the environment. There is currently a backlog in EIA projects. Indeed, the entire EIA administration is experiencing backlogs at the moment. This has been sparked by a boom in wind power all over Finland, with dozens of projects that are in the embryonic stage, undergoing planning, or already in progress.

An average EIA takes over a year, but sometimes even longer. However, the EIA backlog has so far not delayed any of Fingrid’s projects. Good advance planning is the key to ensuring that the assessment is carried out on schedule.

Any person affected by a project may participate in the EIA, so information must be shared with all stakeholders, and everyone must have the opportunity to participate. Some of the public EIA info events are



nowadays arranged online. They have received positive feedback and show that also a webinar can be an informative and welcoming platform for public events.

“We now have grid development and investment plans extending to 2030, which gives us a good early start also for the EIA procedures,” says Mika Penttilä, head of Fingrid’s land use and environmental unit.

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Fingrid’s environmental responsibility indicators

Environmental responsibility: target indicators, target levels and results

Indicator	Description		2021–2025	Target monitoring: how we did in 2022
Environmental target indicators and target levels		UN’s SDG		
System security	Transmission reliability in the grid, %		99.9995%	99.99993% transmission reliability on the grid
Well-functioning markets	Maintaining Finland as a single price area		yes	Finland only had one electricity wholesale market price area
Connecting emission-free production	Connection of wind power to the grid, MW		+5,000 MW	Around 770 megawatts worth of connection agreements were concluded in 2022. Unfinished permit processes limited the number of connection agreements Fingrid was able to conclude.
Third AC connection to Sweden	Project’s degree of completion, %		100% in 2025	Target for completion unchanged. The procurements for the first stage are completed, and the worksites and deliveries from factories have started. The investment decision on the second stage has been made.
North–South transmission: Forest Line	Project’s degree of completion, %		100% in 2022	The project was completed on schedule in autumn 2022.
North–South transmission: Lake Line II	Project’s degree of completion, %		60% in 2025	The target for completion in 2026 unchanged. General planning was completed, and the expropriation permit application was submitted.
All markets in 15-minute periods	Project’s degree of completion, %		100% in 2025	The 15-minute imbalance settlement period will be adopted in May 2023, after which it will be possible to trade in 15-minute products on the intraday markets within Finland. The other aspects of the 15-minute market rollout on various marketplaces will be postponed.

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All markets in 15-minute periods	Kuvaus		2021–2025	Tavoitteiden seuranta: näin onnistuimme 2022
	Project’s degree of completion, %	YK:n SDG		
SF6 emissions	%, emissions/volume		0.1%	SF6 emission leakage rate was 0.06%
Transmission losses, CO2 emissions	tCO2e		According to Finland’s goals	Transmission loss emissions were 96,000 tCO2e. The 2025 target is 84,000 tCO2e.
Energy efficiency	Energy savings, MWh		181,000 MWh	The measures carried out in 2022 saved 90,000 megawatt hours and altogether 182,000 megawatt hours have been saved during the entire agreement period.
Recycling of materials	Recycling rate, %		90%	The recycling rate was 82%
Utilisation rate of materials	Utilisation rate, %		98%	The utilisation rate was 99%.
Measures to reduce the environmental impact of office work	quantity		+1	A theme day was arranged to support personnel’s environmental awareness. Environmental aspects were emphasized when procuring office supplies and business gifts. Chemical-free cleaning was introduced at head office.
Completed biodiversity improving projects	quantity		+1	A study was started on shortening clearing cycles at dedicated sites to promote biodiversity; increased support for the management of traditional rural biotopes.
Utilising existing transmission line routes	Utilisation rate (for new transmission line kilometres)		90%	Utilisation rate was more than 98%. Of the approximately 500 new transmission line kilometres taken into use in 2022, approx. 2% were located in entirely new terrain.
Positive environmental impacts of technical solutions	Number of adopted solutions increasing the transmission capacity of the existing grid		+1	The Dynamic Line Rating (DLR) method was taken into operational use on the long 400-kilovolt north–south transmission lines, and two new shunt compensation substations started up on the Forest Line. It was additionally decided to implement shunt compensation to increase the capacity through cross-section Central Finland.
Environmental deviations	Number of significant deviations		0	No significant deviations detected

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Social responsibility

Our role as transmission system operator in charge of the national power system means that our operations impact many stakeholders and society as a whole. The aim is to keep transmission tariffs affordable and boost Finland’s competitiveness. The operations are based on the values of openness, fairness, efficiency and responsibility. Close long-term customer and stakeholder collaboration helps promote the goal of a carbon neutral Finland by 2035. Our operations are based on skilled personnel who recognise the importance of their work for customers, the company and the whole of society.



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Personnel

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
An open, collaborative, renewing and high-performing work community	Personnel survey’s top result compared to other specialist organisations	Fingrid’s work community is productive, healthy and evolving, and has a diverse personnel structure	Social responsibility Personnel
	Leadership: Fingrid among Finland’s best workplaces		
	Healthy and happy personnel: low absences due to illness, no premature retirement	We are a well-known and attractive workplace, whose supervisory work and leadership practices are second to none	
	Diverse work community: different educational and ethnic backgrounds, more even gender distribution, even age distribution		

Fingrid’s basic task is to secure the supply of electricity for our customers and society cost-effectively, and to help shape the clean, market-oriented power system of the future. Our work to mitigate climate change and our daily task of promoting the security of the power system are relevant. Fingrid’s personnel are well aware of this and strive to carry out their work responsibly and with care.

In 2022, Fingrid again participated in Oikotie’s survey on responsible employer practices, and this time we came second in the ranking. Fingrid has been involved in the Responsible Employer survey since it was started and scored the first place in the large companies series twice in a row. Second place in 2022 was a good result, as our responsibility index had already reached 4.3 on a scale from 1 to 5.



Case

More than 60 summer employees propped up the Fingrid team
For permanent Fingrid employees, summer traditionally also means many new faces. In the summer of 2022, we hired a total of 64 summer employees as part of our commitment to the “Responsible Summer Job” campaign. The summer recruits propped up Fingrid’s staffing in a vital way over the summer months.

Fingrid aims to offer young people successful and high-quality summer job experiences. It is important for us that our young colleagues feel welcome in their summer jobs and have opportunities to apply their

skills. According to their feedback, Fingrid’s strength and resource is its company culture, which the summer employees experienced as good team spirit throughout the company, equal treatment and a sense of community. On the other hand, there is room for improvement in the meaningfulness of work tasks, as many people would like to have more challenging tasks.

Another sign of a successful summer job experience is the fact that many of our summer employees want to come back next summer. Indeed, several members of our permanent staff started as summer employees and went on to do their thesis projects with Fingrid or stayed on for a longer period.

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The Responsible Employer survey looked into the image of the employer’s responsibility in six different topics: non-discrimination, flexibility and work-life balance, investing in managerial work, content and relevance of work, pay and remuneration, and applicant experience. The responses from Fingrid employees highlighted areas such as the relevance of work, good applicant experience and investing in managerial work. Nearly all the surveyed employees would recommend Fingrid as an employer to their friends and family. This was no surprise, as Fingrid received an excellent eNPS score, 72, in our latest personnel survey.

Fingrid also came third in 2022 Great Place to Work survey’s list of large Finnish companies. Third place in this list is a testimony to Fingrid’s long-term efforts in areas such as developing managerial work. On the previous Great Place to Work list, Fingrid was seventh.

According to the Great Place to Work survey results, Fingrid’s outstanding characteristics as an employer are cooperation and team spirit, employee engagement, and the experience of being able to influence one’s own work and participate in decision-making. Fingrid employees are also proud of their work

and feel it is meaningful. The responses additionally highlighted the atmosphere at work, the employer’s role in society and flexible working hours.

Know-how and healthy, happy personnel

In compliance with our employer promise, Fingrid is a community of experts that maintains and safeguards Finland’s electricity system and in this way promotes a well-functioning society as a whole. We are building a new type of carbon-neutral power system in Finland. Our work community is open and supportive, and offers excellent possibilities for personal development and further training. We promise that Fingrid will remain one of Finland’s best places to work going forward.

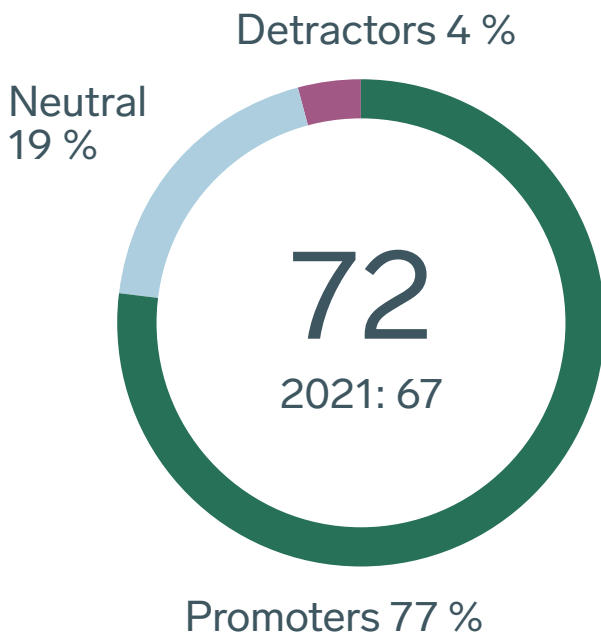
Our promise to keep the company as one of Finland’s best workplaces also means a commitment to take care of our employees. We support the overall well-being of our employees and maintain a good work atmosphere and style of management, we take into account the needs of individuals, and support personnel’s recreational activities and life-long learning.

Fingrid surveyed the well-being of its employees in 2022 with a PeoplePower employee experience survey. The survey

gauges staff engagement: commitment, leadership and performance. These aspects are cross-lit with the experience from one’s own, immediate work community as well as the entire organisation. According to the results, Fingrid’s strengths include the atmosphere at work, trust in the employer and commitment. Fingrid again achieved the excellent AAA PeoplePower rating, with an index of 83.4 on a scale from 1 to 100. Only around six per cent of all the surveyed organisations annually achieve the highest AAA rating category. Our result clearly exceeds the average level of Finnish peer companies employing largely specialist professionals.

A good workplace is a value that the management chooses, and its creation can be boosted through management practices. Supervisors are encouraged to communicate actively, to involve the teams in decision-making and to reward good performance. A managerial position is not the only way for personnel to advance in their career, and the company has created a separate specialist career path towards this end. Overall, we encourage everyone to develop and expand their expertise. We offer each specialist the possibility for flexibility and freedom in their work. This freedom also involves accountability and responsibility for one’s work and personal development.

Net Promoter Score from customers (cNPS)



Average eNPS in Finnish specialist organisations = 37 (source: EezyFlow)

A good workplace is a value that the management chooses, and its creation can be boosted through management practices. Supervisors are encouraged to communicate actively, to involve the teams in decision-making and to reward good performance. A managerial position is not the only way for personnel to advance in their career, and the company has created a separate specialist career path towards this end. Overall, we encourage everyone to develop and expand their expertise. We offer each specialist the possibility for flexibility and freedom

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in their work. This freedom also involves accountability and responsibility for one’s work and personal development.

Our management system and HR policy are described in more detail in the [Business Review](#). From a corporate responsibility perspective, a material part of our HR policy is our organisation’s flat hierarchy and the opportunity that each person has to impact the planning and performance of their work.

Fingrid takes care of staff well-being and ability to cope at work through comprehensive well-being services and activities. We focus on preventive occupational healthcare by preventing illnesses before they occur. This involves measures such as health check-ups and advice on healthy habits. Fingrid’s employees have access to a wide range of comprehensive occupational healthcare and well-being services that aim to support their work capacity and well-being, regardless of the location.

The occupational healthcare agreement and action plan are available to personnel on the company’s intranet. Fingrid’s occupational healthcare agreement also covers an extensive array of doctor’s and healthcare services unrelated to work. These include general practitioner’s ap-

Case

Courageous supervisor coaches and inspires

Finland’s TSO Fingrid focuses on courageous leadership, leaning heavily on openness and interaction. Fingrid is a specialist organisation where the ways of working are largely based on the expertise of each individual employee.

Fingrid uses the phrase ‘the CEO of one’s own work’, which means everyone has their own goals and is responsible for achieving them, on both the individual and organisational level. This requires well-functioning interaction and open sharing of knowledge.

Being one’s own CEO also means that we need to understand the significance of our own work in a broad sense, for the customer and for society at large. Even though people work independently, ‘being one’s own CEO’ does not mean doing everything alone.

Fingrid has an open, fair and responsible corporate culture, where respecting col-



leagues is a must. In a model based on trust, the results of the work matter more than micromanaging working hours. The focus of managerial work is rather on the follow-up of goals and understanding customer needs. Responsibility also includes taking care of the employees’ well-being and resilience. This is reflected in the substantial reduction in overtime, for example.

Mervi Marttila, Manager of Finance and Analytics: “For me, the Fingrid spirit means trust, respecting one another. We have genuine and responsible people. High quality is evident in our work.” The interview of Mervi Marttila is part of Oikotie’s Responsible Employer campaign.

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pointments, appointments with special-ists based on an occupational healthcare physician’s referral, physical therapist and psychologist services, and various minor operations or examinations. In addition to statutory insurances, Fingrid offers its personnel group insurance for off-work-ing hours, which also covers accidents occurring during leisure.

Occupational healthcare costs before the reimbursements from the public health system (Kela) were EUR 366,969 (323,335) for the entire personnel. The number of absences due to illness has been remarkably low for many years now, with the percentage of absences due to illnesses at 1.5 in 2022 for the entire per-sonnel. The high age of retirement (65 in 2022, 2021 and 2020) and the lowest possible disability pension contribution category bear further testimony to the well-being of our employees.

Diverse work community

Fingrid is committed to promoting diver-sity in everything it does. The company guarantees equal opportunities, rights and treatment to all employees and makes use of its personnel’s diverse expertise. In accordance with our HR policy, we have a collaborative atmosphere where the organisational culture and management practices are universally respectful, fair

GENDER DISTRIBUTION*
BY EMPLOYEE GROUP

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Board of Directors	2 (50 %)	2 (50 %)	3 (60 %)	2 (40 %)	3 (60 %)	2 (40 %)
Executive management	6 (66 %)	3 (33 %)	6 (66 %)	3 (33 %)	6 (66 %)	3 (33 %)
Senior salaried employees	324 (77 %)	95 (23 %)	294 (77 %)	87 (23 %)	274 (80 %)	70 (20 %)
Salaried employees	1 (10 %)	9 (90 %)	1 (10 %)	9 (90 %)	1 (10 %)	9 (90 %)

* The Board of Directors and personnel groups reported by gender and age distribution of permanent personnel (quantity).

and tolerant. Fingrid treats its employ-ees and all cooperation partners in a non-discriminatory way regardless of their age, gender, nationality, ethnic or-igin, language, beliefs, religion, health, sexual orientation, political background, socioeconomic status or marital status.

Our personnel includes both recent gradu-ates and long-standing industry veterans. The age range of our permanent staff is from 25 to 69. In terms of education, our personnel mostly hold tertiary education degrees, ranging from vocational degrees to PhDs. While regrettable but typical of our industry, women make up only a small proportion of personnel. We hope to attract more women to the technology sector, which is why we have been involved in the Women-in-Tech campaign for sev-eral years. Of the executive management group, 3 out of 9 are women and of the Board of Directors 2 out of 4 are women.

AGE DISTRIBUTION
OF PERMANENT
PERSONNEL*

	2022	2021	2020
Under 29 yrs.	47	43	30
30–39 yrs.	137	119	106
40–49 yrs.	130	117	109
50–59 yrs.	89	83	83
60–69 yrs.	36	38	35
Average age	43	44	44

TYPES OF EMPLOYMENT

	2022	2021	2020
New permanent employment contracts	61	40	27
Number of expired employment contracts, incl. retired employees	28	13	10
Retired	7	3	4
Average retirement age	65	65	65
Average length of employment in years*	9	10	11
Number of persons made redundant	0	0	0
Incoming turnover rate	13,9	10 %	7,4 %
Outgoing turnover rate	6,4	3,3 %	2,8 %

Incoming and outgoing turnover rates not reported by age group and gender. The report accounts for absolute values; percentage rates not reported due to a low turnover rate.
* Fingrid was established in 1996 and its operations started in 1997. The previous company’s personnel were transferred to the company as serving employees.

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NEW, PERMANENT EMPLOYMENT CONTRACTS, BY AGE GROUP	2022 No. of people	2021 No. of people	2020 No. of people
Under 29 yrs.	9	12	8
30–39 yrs.	32	16	9
40–49 yrs.	15	8	8
50–59 yrs.	5	4	2
60–69 yrs.	0	0	0

EXPIRED PERMANENT EMPLOYMENT CONTRACTS, BY AGE GROUP	2022 No. of people	2021 No. of people	2020 No. of people
Under 29 yrs.	5	0	0
30–39 yrs.	7	5	4
40–49 yrs.	6	3	1
50–59 yrs.	3	1	0
60–69 yrs.	7	4	5
Percentage of employees retiring within the next 5 years, %:	7		
Percentage of employees retiring within the next 10 years, %:	17		

The estimate is based on the lowest possible retirement age for old-age pension according to the statutory pension system.

EMPLOYMENT IMPACT. PERSONNEL AND SERVICE PROVIDERS, MAN-YEARS

	2022	2021	2020
Man-years, Fingrid’s personnel*	447	391	355
Man-years, service providers**	642	703	492
Man-years total	1 089	1094	847

* As of 2022, man-years also include Fingrid Datahub Oy.
**Reporting covers the service providers’ work hours included in Fingrid’s internal monitoring. In 2022, grid building and maintenance operations amounted to roughly 1,092,000 work hours, equalling 642 man-years

The company’s current status in equal opportunity and non-discrimination issues is monitored annually during the HR reporting process. The surveys include various methods and channels, such as workplace atmosphere questionnaires, equal opportunity studies as well as feedback from management, supervisors and all employees.

Relationship between the personnel and the employer
The cooperation between the company and personnel is a natural part of developing the work community at Fingrid: personnel are involved in decision-making and their opinions are heard. The statutory cooperation bodies are the cooperation and dialogue meeting and the occupational health and safety committee. Fingrid respects its personnel’s freedom of association and right to collective bargaining.

The cooperation and dialogue meeting discusses personnel issues extensively. Personnel are represented at the meeting by the shop stewards elected by the senior salaried employees and salaried employees. The company’s representatives at the meeting are the President & CEO, the Senior Vice President, HR and the HR Manager. Regular interaction ensures that the personnel is aware of

the company’s activities and any current issues impacting the activities. The joint meeting was held four times during the year under review. The issues discussed included pay studies, the company’s equal opportunity and non-discrimination plan, and local agreements.

Statutory OHS matters are handled by the company’s OHS committee, which includes elected personnel representatives. The employer’s representative in the OHS committee is the OHS Manager appointed by the company.

The cooperation between the employer and personnel is further promoted in the steering group of the Personnel & Expertise perspective, which has representatives from the company’s various functions that have been appointed by the executive management group. The steering group especially prepares matters related to the development of the personnel for the executive management group to decide on. Fingrid’s SVP, HR and Communications is in charge of the personnel steering group’s work and results. During the year under review, the group discussed topics such as personnel surveys, pay transparency and recruitment development. The Personnel & Expertise steering group convened six times.

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Fair remuneration

The goal for Fingrid's compensation and remuneration is to encourage our personnel to work productively and develop our operations. The pay level and its development are kept competitive compared to the pay level in the energy sector. The compensation, remuneration and other employment terms are fair, non-discriminatory and sufficiently transparent in their justifications.

The transparency of pay data was increased by publishing key results of the Finnish Energy Industries' and Mercer's pay surveys on the intranet. The key results of both surveys were also reviewed jointly with the personnel representatives.

Personnel salaries comprise the basic salary determined according to the content of the task, competence, experience and results, an annual quality bonus that encourages the effective implementation of the strategy, and an incentive bonus to support personal performance. The company reserves two per cent of the payroll for incentive bonuses each year, and they are paid for good performance as part of the daily management of personal performance. Remuneration is supplemented by other benefits and worktime flexibility organised by the company.

Results which form the basis of quality bonuses are measured using company-level strategic criteria defined annually and criteria based on personal performance. In 2022, the shared indicators determined 60 per cent of the merit pay result, in addition to which each person had a personal performance indicator with a 40 per cent weight.

The CEO-to-employee annual median income ratio in 2022 was 7:1, and the female-to-male annual median income ratio was 0.9:1. In terms of percentages, the CEO-to-employee annual median income ratio in 2022 was 0.05:1.

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While not aiming to be a wage leader, Fingrid keeps its salaries competitive.

Case

Monitoring ICT around the clock, year-round

Fingrid established an ICT control centre to support the company's core operations at the main grid control centre in 2022. In early 2023, the ICT control centre operates 24 hours a day, helping to secure the functionality of Finland's power system.

The ICT control centre's main tasks include maintaining the ICT systems and information exchange systems necessary for the critical business processes, maintaining the situational awareness in terms of ICT as well as forecasting any malfunctions, and starting and coordinating repair work. The control centre will also coordinate any preplanned changes to the ICT systems to avoid unnecessary malfunction reports or actual malfunctions.



ICT Manager Teemu Salo: “The ICT control centre will improve Fingrid's disturbance resilience. This will help both us and our customers. Disturbances will be shorter and some of them can be avoided altogether.”

Establishing the ICT control centre was decided on in cooperation with personnel representatives, and a local agreement was drawn up on the terms and conditions of the employees.

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Economy – society

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
Owner of critical infrastructure and a major investor in Finland.	Implementation of a significant maintenance and investment programme, which benefits the whole of society	Implementation of a significant maintenance and investment programme, which benefits the whole of society	 
The employment impact of investments and maintenance on cooperation partners and local communities.	Increasing the amount of green financing in the company’s financing arrangements	Increasing the amount of green financing in the company’s financing arrangements	
A responsible taxpayer.	Fingrid continuously improves its efficiency and productivity, and promotes Finland’s competitiveness	Paying taxes without special arrangements Fingrid continuously improves its efficiency and productivity, and promotes Finland’s competitiveness	

In our societally important basic task, and as a natural monopoly, sustainable and responsible finances are important. The goals for Fingrid’s financial steering include well balanced corporate finances, cost-effectiveness, responsible operations, high operational reliability, company-level risk management, creation of shareholder value in a regulated business environment, and a high credit rating.

Among the company’s key financial goals is to be among the most cost-effective TSOs in Europe and to keep services competitive in terms of pricing. Based on the most recent comparison of transmission system operators, Fingrid’s grid prices are the second lowest in Europe. Developing the main grid cost-effectively and maintaining high operational reliability, including quality, timeliness and operational costs, will keep Finland competitive and attract investments involving the generation and consumption of electricity. Fingrid’s goal is to maintain a strong grid and well functioning market models so that Finland can remain a single price area for electricity even in the future. This means that the wholesale price of electricity is the same throughout Finland, which will help enable investments involving electricity generation and con-

sumption everywhere in the country and, more specifically, in locations where the investments can be accomplished most effectively to meet customers’ needs.

The starting points for Fingrid’s investments include the needs of society and the customers, developments on the European internal market in electricity, securing the preconditions for the company’s business operations, and the targets set by the owners. The company’s Board of Directors decides annually on a budget that includes the company’s key investment projects and major commitments for the coming years. The investments must be cost-effective and financially profitable. As part of its approval decisions for individual investments, the company’s Board of Directors also assesses the investment’s climate, corporate responsibility and risk impacts.

The long-term planning of the main grid and the related investment and maintenance programme support the implementation of the national climate and energy strategy, maintain system security, increase transmission capacity, and promote the electricity market. In addition, the company’s sustainable financial position is secured.

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The guiding principle for Fingrid's dividend policy is to distribute substantially all of the parent company profit as dividends. When making the decision, however, the economic conditions, the company's near-term investment and development needs, as well as any prevailing financial steering targets are always taken into account. The company's dividends are paid entirely to Finland; mainly to the state and to Finnish pension and insurance companies. In 2022, we paid approximately EUR 133 million in dividends for the 2021 financial year.

Generation of economic value

Fingrid's profits are channelled to the service and equipment suppliers, electricity market parties, personnel's payroll, payments to financiers, taxes and, finally, to the Finnish owners, in the form of dividends.

Fingrid is a major investor in Finland. Over the next 10 years, we will invest some three billion euros in grid networks and substations for the main grid and the supporting systems. This will ensure a well-functioning electricity market and the transition to a clean power system.

Fingrid operates on a national scale and invests throughout Finland, buying grid construction and maintenance services from external service providers. This way, our employment impacts are spread out across an extensive area. In addition, we innovate together with different players, including start-up companies, to create opportunities for new commercial business on the infrastructure platform built up by the company. Fingrid's objective is not to create new business for itself; its goal is the creation of technology, operating models and low service costs resulting from innovations.



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DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED, €1,000

Income from customers		2022	2021	2020
	Turnover	1,815,242	1,090,924	682,456
	Other operating income	171,387	64,937	5,219
	Profit from changes	-141,018	-62,267	-2,830
	in the fair value of derivatives	-115	-224	-547
	Dividend income	410	2,904	8,357
	Income from investments and loans	852	381	150
Total		1,846,759	1,096,655	692,806
Payments to service and equipment suppliers and electricity market parties				
	Purchases, materials and services	1,508,975	773,553	404,330
	Other costs	41,330	37,990	35,304
	Changes in fair value	-432	-66	175
	Voluntary additional personnel expenses and compensation for expenses (excl. training)	-2,039	-1,552	-1,477
	Real estate taxes	-440	260	-453
	Contributions	-32	-11	-10
Total		1,547,362	810,173	437,869
Remuneration to personnel				
	Salaries, remunerations, social security contributions	42,104	37,810	34,094
	Voluntary additional personnel expenses and compensation for expenses (excl. training)	2,039	1,552	1,477
Total		44,144	39,363	35,571
Payments to providers of capital				
	Dividend*	133,037	133,037	135,614
	Finance costs	17,345	13,972	13,348
Total		150,383	147,009	148,962
Payments to government and community investment				
	Income tax for the financial year	45,340	33,522	29,722
	Real estate tax	440	-260	453
	Contributions and sponsoring	32	11	10
Total		45,813	33,273	30,185
Economic value retained for developing operations		59,058	66,837	40,219

* The dividend for 2022 is the Board of Directors’ proposal to the Annual General Meeting.
The reporting on economic impacts does not include Fingrid’s investments, which has been accounted for elsewhere in the annual reporting.

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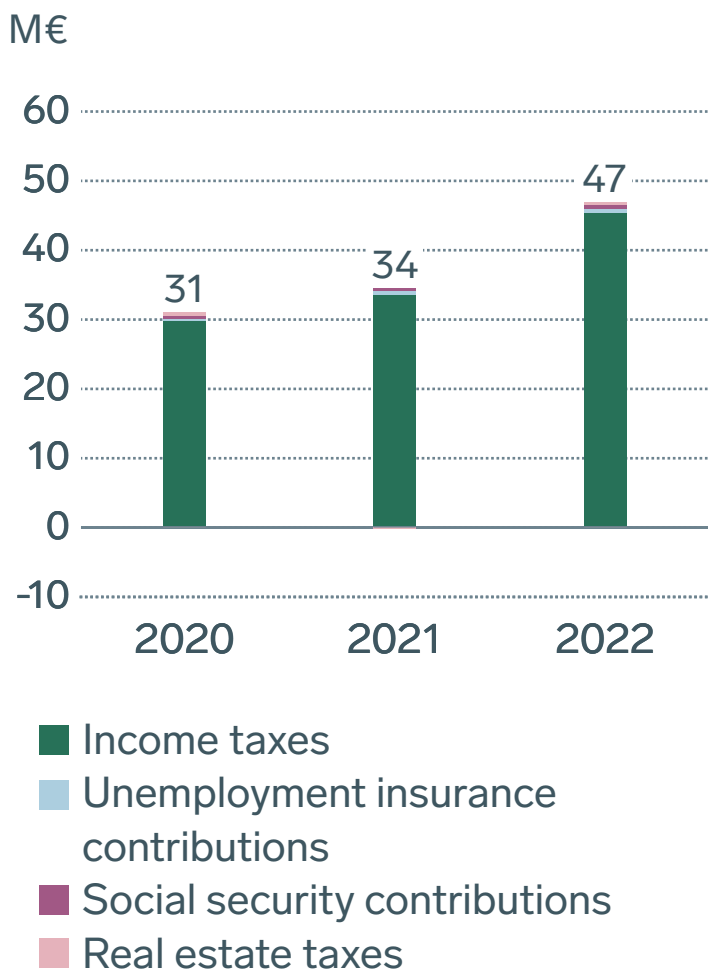
CONTRIBUTIONS RECEIVED, €1,000	2022	2021	2020
Tekes (Finnish Funding Agency for Technology and Innovation)	39	0	0
EU: Horizon 2020 Framework Program	75	79	402
National Emergency Supply Agency	0	145	145
EU: Connecting Europe Facility (CEF Energy) grant	15,703	0	0
Total	15,818	224	547

Tax footprint

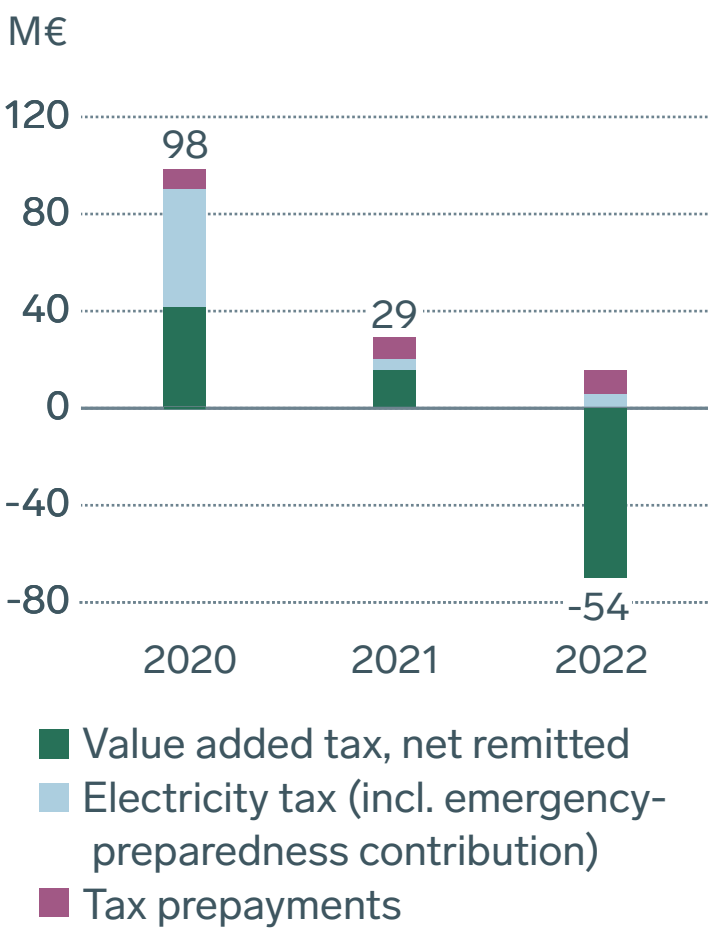
Fingrid is a responsible taxpayer. In 2022, we paid EUR 45 million in income tax. Our tax rate, i.e. the amount of tax to be paid on the company’s earnings, corresponds to Finland’s corporate income tax percentage (20%). In 2021, Fingrid was Finland’s 26th largest corporate income tax payer, paying EUR 34 million in income tax. Fingrid annually reports on its tax footprint and refrains from any special arrangements to minimise its taxes.

Fingrid’s tax footprint

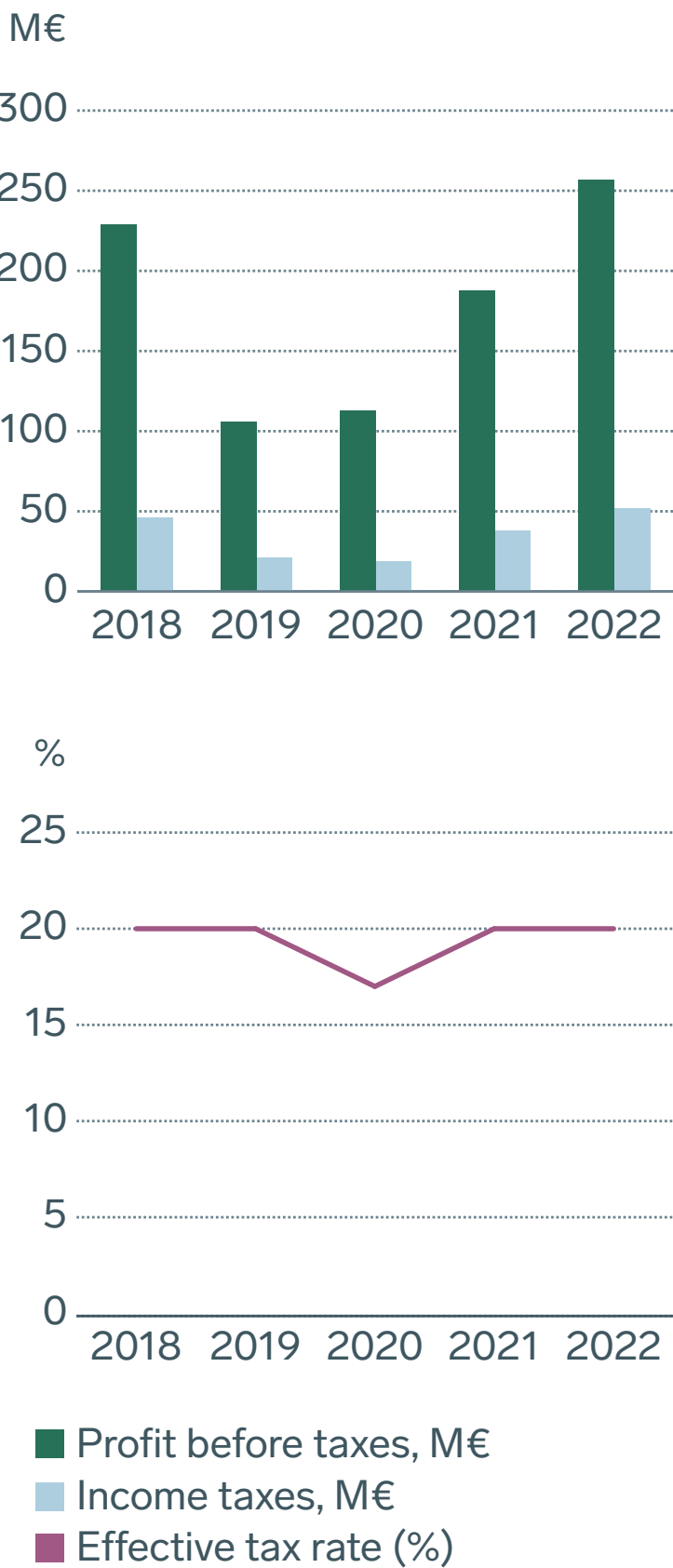
Taxes payable



Taxes to be collected and remitted



Taxes 2018–2022



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The table below describes Fingrid’s tax footprint for 2020–2022. The summary includes taxes and charges that Fingrid is under legal obligation to pay or to collect the tax or payment in question. However, taxes that are included in the purchase price of a product or service and which Fingrid is not under legal obligation to declare are not included in the summary data. The majority of the summary’s taxes

and charges concern Finland, as do the entire Group’s operations. Fingrid had minor business operations in Denmark in 2018–2022, due to the Regional Security Coordinator (RSC) established in accordance with the EU’s ‘Establishing a guideline on electricity transmission system operation’ regulation. As a consequence, a low amount of income tax has been paid to Denmark and a low amount of tax prepayments on the sala-

ries paid to personnel in Denmark have been remitted. In compliance with the regulation referred to above, the organisation for maintaining the operational security of the power systems across Finland, Norway, Sweden and Denmark was incorporated and started operating as Nordic RCC A/S on 1 July 2022. Since the incorporation, Fingrid no longer pays taxes to Denmark.

Green financing

Fingrid’s goal is to increase the amount of green financing in the company’s total financing. Green financing is an important part of Fingrid’s financing strategy and responsible operating model. Fingrid was the first Finnish company to issue a Green Bond in 2017.

Green Bonds are used to finance projects that are expected to have long-term net positive environmental impacts. Green Bond projects connect renewable energy production to Fingrid’s transmission network, reduce electricity transmission losses, and create smart solutions that save energy and the environment. Fingrid annually reports on the impacts of its Green Bond projects by publishing a separate impact report on its website, under ‘Investors’. The report’s emissions calculations have been verified by and independent third party.

As of 2019, the company has also disclosed the estimated amount of indirect carbon dioxide emissions that have been avoided through these projects in carbon dioxide equivalent tonnes. Fingrid approved, from the company’s investment programme, investment projects worth altogether EUR 180 million as eligible for

FINGRID’S TAX FOOTPRINT, MEUR		2022	2021	2020
Taxes payable				
	Income tax	45.34	33.52	29.72
	Unemployment insurance contributions	0.63	0.53	0.42
	Social security contributions	0.47	0.46	0.42
	Real estate taxes	0.44	-0.26	0.45
Taxes payable total		46.88	34.25	31.02
Taxes to be collected and remitted				
	Value added tax, net remitted	-69.96	15.58	41.66
	Electricity tax (incl. emergency-preparedness contribution)	5.91	4.81	48.50
	Tax prepayments	9.70	9.01	8.25
Taxes to be remitted total		-54.35	29.40	98.41

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Green Bond financing. The company can finance these projects with Green Bonds in the future. As Fingrid did not need additional funding in 2022, the amount of green financing did not increase.

Fingrid has a key role in connecting renewable electricity production and consumption to the power system. Fingrid wishes to use green financing because it supports the company’s goal of enabling the transition to a clean power system. Green financing also conforms with our corporate responsibility policy, which involves the assessment of the projects’ environmental impacts, the responsibility audits of service and goods providers, and requires suppliers to commit to the company’s corporate responsibility requirements.

Supporting and sponsoring non-profit activities

In all of its operations, Fingrid strives to be impartial, fair and open. Our activities are steered by legislation and reasonableness. According to the Limited Liability Companies Act, Fingrid can use funds for philanthropic or similar purposes, if the amount of the donation is insignificant in view of the state of the company. Fingrid can thus support non-profit activities based on its sponsorship guidelines

with a moderate amount of funds. The main focus is on activities related to research, education, culture and people’s well-being taking place in Fingrid’s industry. In 2022, the company supported, for example, child and youth work, youth sports and electrotechnical studies with approximately EUR 46,000. Furthermore, Fingrid decided to donate the money budgeted for the employees’ and stakeholders’ Christmas presents to charity. The Good Holiday Spirit fundraising campaign and the association of mother and child homes and shelters received EUR 8,000 in donations in December 2022.

In addition to direct sponsorship, Fingrid can support joint societal projects with which the industry’s preconditions are improved or harm to nature is reduced. Fingrid does not support religious or political activities.

Support for Ukraine

The European transmission system operators received, via their industry network ENTSO-E, a request from Ukrainian companies to support the country’s grid system with equipment deliveries. Ukraine has suffered from the aggressor’s strikes on the grid and power plants, and requested spare parts from the rest of Europe to repair the damage.



Case

Support for student overalls

The students of electrical engineering and energy systems engineering are important stakeholders for Fingrid. Many of our summer employees have a background in engineering studies, and the graduates completing their master’s thesis on topics close to Fingrid bring valuable fresh research insight. Fingrid continued providing support to several student bodies by purchasing an advert on their overalls in 2022.

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The lists of necessary equipment received via ENTSO-E are quite specific because it is crucial to ensure that the equipment is suitable for the Ukrainian grid voltage. Fingrid is able to provide Ukraine with substation equipment such as disconnectors and circuit-breakers, measuring current transformers, and protection relays. Such equipment is freed up from dismantled substations because Fingrid is currently renewing a large numbers of its own substations and building new ones, which means that the old but functional equipment from the dismantled substations can be sent to Ukraine. Otherwise they would be recycled.

Some of the equipment is physically removed from the old substations, which takes some time. More equipment can be sent later on in 2023.

In addition to this, Fingrid is supplying to Ukraine a set of ICT equipment in support of grid operations in early 2023; the equipment became unnecessary for Fingrid during the ICT platform modernisation.

Stakeholders and customers

Stakeholder engagement and trust

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
Fingrid is known for its good reputation and for being a reliable operator and energy influencer	Fingrid is known as a reliable company with a good reputation and is a sought-after partner with understandable goals	Fingrid is well-known throughout Finland and customers are ready to support its responsible operations Fingrid’s expertise is valued in Finland, the Nordic countries and Europe	Social responsibility Other key stakeholders   

Different stakeholders have different expectations of Fingrid. Based on stakeholder surveys and the feedback we have received, we are expected to act in accordance with our vision, as a forerunner for electricity network operations and respected and influential in energy matters. This entails the continuous development of our operations.

We are expected to provide reliable electricity transmission that meets customers’

needs. To keep the lights on in Finland and to ensure that the consumption and production of electricity in Finland’s electricity system are continuously balanced. This is currently more important than ever for the functionality of our society.

Being open to stakeholders’ expectations and cooperation are an essential part of sustainable business. In terms of communications, our objective is to encounter

our stakeholders in a timely fashion and disclose matters openly to ensure that the right people are easy to contact. Through quality communications, we can influence social debate, thus promoting the targets we have set ourselves and furthering our success in a task that bears great significance for society.

Our employees interact with a number of different stakeholders on a daily basis. In our stakeholder engagement, we follow practices that are in line with the company’s values. First-class, respectful interaction must be the goal in all stakeholder engagement. Our employees are trained on how to interact with stakeholders. We make sure that every employee is aware of our stakeholders’ expectations and knows how to act responsibly.

The executive management group and Board of Directors regularly monitor the success of stakeholder interaction. We have identified the key stakeholders in terms of our operations (listed in the table), these stakeholders’ expectations, and identified the main measures carried out with the stakeholders in 2022. The leaders in charge of different areas are responsible for the measures linked with stakeholder engagement as part of the company’s action plan.

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Stakeholders and their expectations and Fingrid’s measures

	Stakeholders’ expectations	Fingrid’s measures 2022
Owners and financiers	• Responsible business and good governance • Improvement in profitability • Preservation of shareholder value and stable return development • Debt service consistent with agreements • Transparent reporting	The company was successful in creating shareholder value and paid owners the planned dividends. We continued systematic dialogue with the financiers and transparent financial communications on the company’s strategy, finances and business.
Customers	• Reliable electricity and a well-functioning electricity market • Services that meet customers’ needs • Affordable pricing • Predictable operations	Two large Fingrid Current events organised for customers and several webinars on projects to develop the electricity market. Face-to-face meetings with different customer groups. Meetings with wind power facility owners and many new customer groups: industrial investors, solar power plants and battery storage systems. Fingrid’s advisory committee convened four times, and the grid committee and the market committee four times each. Customer communication took place through a newsletter and the customer magazine.
Personnel	• Equal treatment and rewards • Well-being in the work community • Occupational safety • Professional development opportunities • Stable employment	Diverse training organised for the personnel at Fingrid Academy (Loikka IV, O365, project management, language training, presentation skills coaching, supervisor coaching). A coaching day was arranged for the entire personnel in May, focusing on corporate culture and being the CEO of one’s own work. Occupational healthcare, an important safeguard for employee wellbeing, was retendered in 2022. The OHS committee boosted good collegial spirit with a year-long anti-harassment and anti-discrimination campaign.
Policymakers	• Reliable electricity • Shaping the clean and market-oriented power system of the future • Well-functioning electricity market • Participation in the electricity market	Contacts with political decision-makers were exceptionally regular in 2022 due to the electricity market impacts of Russia’s war of aggression. Fingrid’s representative has been present in the parliamentary Commerce Committee’s meetings concerning issues such as the current energy policies in the EU and Finland, climate policy planning in the land use sector, and the climate and energy strategy. Various political parties have also requested Fingrid’s representatives to speak at their engagements.
Authorities and NGOs	• Promotion of common interests • Clear, reliable and timely communication • Expertise	Meetings with national and local authorities related to the grid investment programme, building more wind power, and especially adequacy of electricity in the winter 2022/2023. Security of supply issues were also highly topical.
Contractors and service providers	• Occupational safety • Responsible treatment of suppliers • Predictability and continuity	Fingrid took over some of the commodity risks linked with the materials needed for grid investments. Several OHS events were arranged during the year. The joint Grid Day event for service providers and Fingrid personnel focused on the safety of grid construction and maintenance. Several OHS info events, training events and safety supervisor meetings were also arranged, and various newsletters were sent to worksites in support of safety communication.
Landowners and neighbours	• Responsible operating methods in land-use and environmental matters to reduce negative impacts • Proactive and reliable contact	Communications and direct contacts at different stages of transmission line projects and during maintenance. Events for the general public, letters to landowners and newspaper advertisements in EIA procedures, and online feedback system.
Other partners	• Expertise • Promotion of common interests	The cooperation between Nordic and the Baltic Sea region’s TSOs was particularly active. Several multi-year development projects are underway.

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Customers

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
Affordable for customers, fair partner to customers, most market favourable TSO	Customers are happy with Fingrid’s services	Customers are happy with Fingrid’s services	Social responsibility Customers   
	Among the most affordable TSOs in Europe	Among the most affordable TSOs in Europe	
	Well-functioning electricity market and system security at a good level	We secure reliable transmission of electricity in the main grid, capable of meeting the needs of utility companies and energy intensive industry We provide electricity market operators with a unified price area for electricity in Finland as well as the benefits of the open European electricity markets	

Transmission system operators have quite similar core missions in different countries, but they can be managed in very different ways. Fingrid stands out from other TSOs through its customer focus. One of Fingrid’s most important strategic choices is a focus on customers, the success of which is ensured by providing services that match the customers’ needs and by an effective customer service model. We work for the benefit of our customers and society. Reliable electricity and a well-functioning electricity market are secured for society, and customers are offered grid connections and transmission services as well as affordable prices. We work in close cooperation with customers and we listen closely to their needs. Fingrid has increased solutions that enable customers to more easily acquire information on our services and capabilities to meet their needs. These solutions include our open data services and the newly opened Verkkokiikari or ‘Grid Scope’ service on our website to provide information on grid connection possibilities.

The main grid is planned in cooperation with our customers, and the grid investments are based on actual customer needs and transmission quality require-

ments in a changing power system. The importance of cooperation will continue to grow as we transition towards a consumer-centric, digital electricity market.

Our promise ‘Fingrid delivers. Responsibly.’ illustrates many key issues. To our customers, we promise to deliver, i.e. to transmit electricity in the main grid reliably and affordably. The quality of the services is maintained at a level that ensures that the number of operational disturbances and outages remains low. Our operations are efficient, and our grid transmission prices are among the lowest in Europe.

Affordable grid service fees and high productivity

At Fingrid, responsibility means doing the right thing and saving in costs. Fingrid ensures the high productivity and cost-effectiveness of its operations by focusing on customer needs. Fingrid, Finland’s TSO, is known for its cost-effectiveness: grid service fees are among the least expensive in Europe, and yet our main grid has high transmission capacity and reliability. Each year, the company ranks among the best in international comparison surveys that measure the cost-effectiveness and quality of our

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transmission system operations. We also have an international certification for the management of physical assets (ISO 55001), which was recertified in 2022. This is proof of the effective management of costs and other risks related to grid assets (such as expense risks).

In its benchmark group, Finland’s main grid offered the second-lowest prices for electricity transmission in Europe. The European Network of Transmission System Operators for Electricity (ENTSO-E) compared electricity transmission in 36 countries. Nineteen of the countries are EU/EEA countries comparable with

Finland, with large geographic areas and main grids operating at various voltages. The cheapest of these were Slovenia, Finland and Norway.

The high price of electricity and major area price differences have increased TSOs’ congestion income. In contrast to the other Nordic countries, Fingrid does not receive congestion income from the transmission links within Finland, as the whole country constitutes a single price area. The congestion income for the cross-border connections substantially increased Fingrid’s share of the congestion income compared with previous years. At the same

time, market-term costs have significantly increased due to the exceptionally high price of electricity. The use of congestion income is regulated by EU-level legislation, which is implemented by the Energy Authority at the national level. By the Energy Authority’s decision, Fingrid used its congestion income for investments to increase cross-border capacity and to cover the increase in operating costs, and this way avoided any changes to the grid pricing during 2022.

Fingrid decided to use the record-high congestion income of 2022 to cover the increased costs and to waive grid service fees in December 2022, and in January, February and March of 2023. Fingrid also plans to waive grid service fees for three additional months in 2023. This would reduce main grid customers’ current payments by some EUR 300 million.

The number of new wind power producers grew, as in previous years. During the year, around 770 megawatts worth of new connection agreements were concluded. Some 240 megawatts worth of solar power connection agreements were concluded. The challenge is to build the new connections and to simultaneously develop the main grid to meet new transmission needs. Additional challenges can

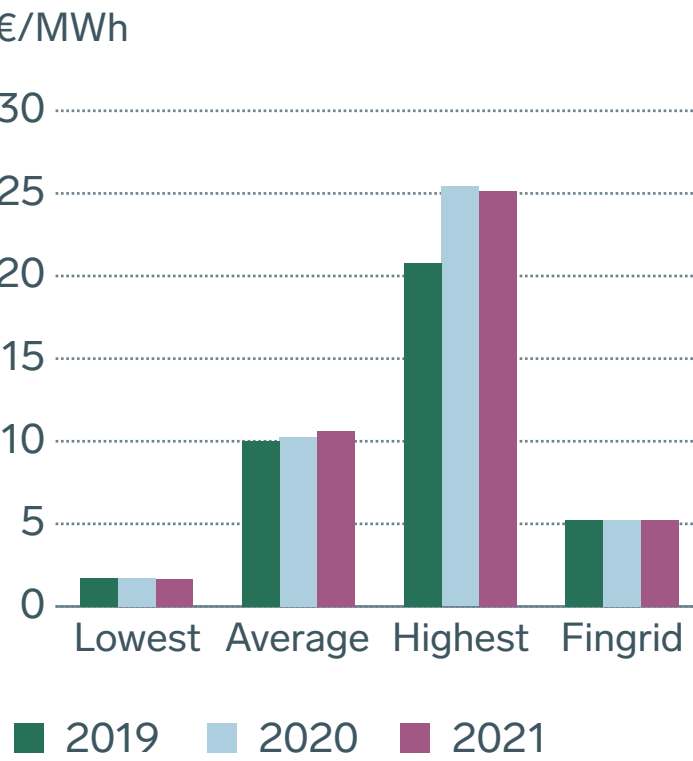


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*Fingrid waives
EUR 300 million in
grid service fees.*

ENTSO-E transmission tariff
comparison

European system operators



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be caused by the fact that the design, permit, land acquisition and construction processes necessary for grid construction can take significantly more time than it takes to implement the customer projects that depend on those new grid links. The growth of renewable energy production has also created more interest in investments designed to consume clean electricity. Such projects were planned in cooperation with customers. Market development projects, such as the Datahub, a centralised information exchange system for the retail market that went live in February, and the 15-minute imbalance settlement period to be adopted in 2023, also required many discussions with our customers, as they will have major impacts on customers’ metering and information systems.

Customer satisfaction

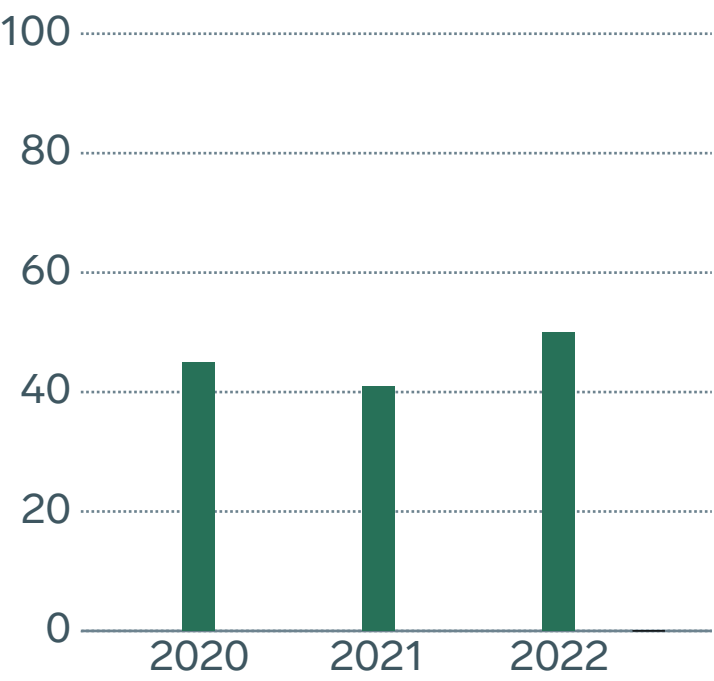
Understanding customers’ needs and challenges is crucial to Fingrid’s operations. A good measure and trend indicator is the annual customer satisfaction survey, the results of which have been very good for many years now. Customers are happy to recommend Fingrid’s way of working. Customer satisfaction is one of the key indicators of strategy implementation and remuneration for the entire personnel.

All customer contacts and feedback are recorded in our CRM system, which provides us with an overall picture of customer satisfaction in order to develop our operations.

The traditional customer survey was carried out in late August and early September. Customers’ satisfaction with Fingrid’s services remained at a high level. The Net Promoter Score, in other words the customers’ approval of Fingrid’s way of working, increased to +50 (+41 in 2021). The score for how well Fingrid’s services match the customers’ needs was 4.1 on a scale from 1 to 5 (4.0 in 2021). Areas that improved were, in particular, disturbance clearing and open electricity market data. The reserve markets, balance services and Datahub services were perceived as weaker.

Working with Fingrid’s experts was perceived as very positive, with better results across the board. The most highly rated areas were Fingrid’s expertise and service-mindedness, and various experts were specifically praised in the open-ended feedback. Significant improvements had been made in the ability to solve problems and understanding customer needs, while in the open-ended feedback, some people still requested improvements in these areas.

Net Promoter Score from customers (cNPS)



Fingrid’s role in implementing a carbon neutral Finland is significant, and the company’s operations in the interest of society as a whole were given a score of 4.4 (4.3 in 2021).

More on our customer operations can be found in the [Business Review](#) included in the Annual Report.

Landowners

Cooperation with landowners and neighbours living near grid transmission lines is important to Fingrid. When planning new transmission lines, the cooperation

starts already during the preliminary planning stage, when the environmental impacts and the possibilities to mitigate them are addressed. The land and trees under the transmission lines remain the property of the landowner. We help landowners identify where they can influence a transmission line project and encourage them to safeguard their rights. Respectful interaction with people and cooperation aimed at reducing the harm caused to humans and nature are pursued throughout the life cycle of the transmission line. Fingrid actively communicates to the landowners and continuously develops its practices based on feedback.

In 2022, we reviewed Fingrid’s land use and environmental policy to ensure it is up-to-date. In accordance with the policy, our goal is successful interaction with landowners and neighbours of transmission line right-of-ways. We conducted a landowner survey on the Kontiolahti–Uimaharju transmission line project that was completed during the year, and we received a score of 3.9 on a scale from 1 to 5. The score fell just short of our target (> 4). The expectations for improvement expressed by the landowners focused on communications and the tracks left by work machinery.

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In order to be able to build, operate and maintain a transmission line, Fingrid expropriates a right-of-use to the transmission line area. In 2022, an expropriation permit decision was issued for the following transmission lines: Viitajärvi–Pyhänselkä, Torna–Lautakari, Kauppila–Hännilä, Leväsuo–Isokangas, Arkkukallio–Furubacka, Keminmaa–Isohaara, Isohaara–Raasakka and Siikajoki–Olkijärvi. An expropriation permit application was drawn up for the Vuennonkoski–Viitajärvi, Huittinen–Forssa, Nuojuankangas–Huutokoski (Lake Line), Siikajoki–Sorsaraivio, Keminmaa–Isohaara and Isohaara–Raasakka transmission line projects and for the Teikkoperä and Höyttikangas substation projects. The compensation process for compulsory purchase was completed in the Hikiä–Orimattila transmission line project. Fifteen hearings in accordance with the Redemption Act were held with landowners. Two built-up holiday home properties and the buildings on one property were acquired for the appropriate implementation of the Lake Line transmission line project.

Amendments to the Redemption Act concerning procedural details and modifications to the implementation of the EIA Directive entered into force in September 2022. The amendment to the act, pend-

ing since 2016, particularly concerned the renewal of the grounds for compensation, but the issue has been delayed. Fingrid does not rule on the compensations for compulsory purchases; these compensations, to be paid by Fingrid, are determined in an expropriation procedure carried out by the National Land Survey of Finland. In 2022, landowners' dissatisfaction with the expropriation compensations became evident during Fingrid's ongoing EIA procedures, for example.

The act on the expropriation permits for specific projects with land-use implications (768/2004), which affects the rules for how the results of EIA procedures should be accounted for in an expropriation permit procedure, was also under review in 2022. According to the expropriation permits act, the ruling on an expropriation permit must include the requirement for the transmission line route, the implementation methods and dates of implementation, and the monitoring of the impacts of the project necessary for limiting any adverse effects. Fingrid highlighted in its related statement the significance of comparing public and private interests and the requirement that the amendment of this act should not slow down or complicate the existing well-functioning expropriation permit process.

Case

Fingrid's strong presence at industry exhibitions

The global silence necessitated by the pandemic gave way to a rebirth of industry exhibitions and various public events in 2022. Fingrid was represented at the Farmari exhibition in Mikkel, FinnMETKO in Jämsä and at Energia in Tampere. We met students close to our industry, for example, at Aalto Talent Expo and Contact Forum, Finland's biggest recruitment and career event for university students.

Exhibitions are an important platform for Fingrid's outreach to our stakeholders and for communicating our latest news. During 2022, we were present at various events for landowners, students and energy sector actors in general. Our message focused on Fingrid's ongoing projects, and we responded to visitors' specific information needs at our stand.



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Other key stakeholders

European legislation and regional solutions on market rules have a significant impact on the electricity markets. Fingrid actively participates in the preparation and implementation of EU legislation together with **European, national and regional authorities, and other transmission system operators**. The idea is to safeguard the best interests of our Finnish stakeholders. In electricity transmission connections between neighbouring countries and within Finland, we try to avoid transmission bottlenecks.

Fingrid works together with Finnish **political influencers and authorities** to develop the electricity system and to reinforce the main grid so that Finland can achieve its carbon neutrality goal and maintain the balance and quality of the electricity system.

Financers, credit rating agencies and shareholders expect us to plan the company’s finances, investments, risk management and financing in the long term. The company’s decision-making and operations are based on the right information at the right time and on our objective to be an efficient, profitable and responsible company.

Contractors and service providers are a significant resource for our company through their expertise and the work input we receive from them. Contractors’ and service providers’ main expectations of us are a safe working environment and the possibility to plan for future situations collaboratively.

Fingrid also collaborates with different **higher education and research institutions**. The company annually has dozens of R&D projects underway, seeking innovations that will enable the transformation of the energy system.

We regularly survey our stakeholders’ views on the company. The surveys are intended to bring in feedback on the company’s operations and to help us take stakeholders’ wishes and insights on the company into account in our operations. We measure customer satisfaction and the development of the company’s reputation, and its success in various projects. We use the results of the stakeholder survey also for identifying key responsibility themes.

The table below shows our different stakeholder surveys, their target groups and their scope. The results of the surveys

can be found in the responsibility target tables, and they are also accounted for in the [Business Review](#).

Our stakeholder surveys	Target group	Scope
Reputation survey	Customers Policymakers Authorities Technology professionals The general public	Reputation survey spring 2021 Every 2–3 years, 2021 most recent Every 2–3 years, 2022 most recent Once a year Once a year
Customer satisfaction survey	Customers	Once a year
Personnel survey	Personnel	Once a year
Completed transmission line projects	Landowners	Always at the end of a project

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Supply chain

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
Fingrid is a responsible buyer of services and goods	Responsibility requirements included in all of the company’s sourcing activities	Extensive and comprehensive responsibility requirements included in all of the company’s procurements	Social responsibility Supply chain   
	No major deviations or problems in contractor obligation or employment relationship matters	No major deviations or problems in contractor obligation or employment relationship matters	
	Supplier audits cover 95% of the value of ex works deliveries in 2025		

Responsible procurement practices are impactful in Fingrid’s outsourcing-based business model. Fingrid uses many different service providers in its business. Service and goods suppliers are required to commit to Fingrid’s Supplier Code of Conduct or their own similar code. The code covers issues such as business practices, human rights, labour rights, occupational safety, the environment, and anti-corruption in compliance with the United Nations’ Global Compact initiative.

The Supplier Code of Conduct is always applied to procurements worth at least EUR 60,000 and they are linked to material, equipment, ICT etc. purchase agreements. Compliance is monitored on a risk basis, and the remedying of any detected deviations is supported in cooperation with the suppliers. The Supplier Code of Conduct is a condition for being included in supplier registers used in recurring substation and transmission line procurements. In addition, contractual partners are subject to separate contract terms related to the use of subcontractors and workforce, and to occupational safety and environmental matters. Assessments are also carried out during projects, monitoring the technical implementation as

well as the management of occupational safety and environmental issues at the worksite. Operational excellence affects the final score of the assessment, which is taken into account as quality scores in future competitive bids.

Construction work on the grid is carried out on a project basis, in separate substation and transmission line projects as well as in so-called turn-key contracts. The main contractor, acting in the role of Fingrid’s contractual counterparty, is in charge of the detailed design, the procurement of material and equipment as well as building and installations until commissioning. The main contractor on a specific project may have several subcontractors and must submit the most significant subcontractors for approval by Fingrid.

The qualifications of the contractors and service suppliers carrying out grid construction and maintenance are verified primarily by means of various supplier registers and shortlisting procedures. A validation system to ensure the proper qualifications of employees for performing maintenance on transmission lines and substations is also in place.

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Of Fingrid’s direct contractual partners in the construction and maintenance of main grid transmission lines, the 20 biggest account for roughly 95 per cent of the contractual volume. Thirty-five of the suppliers have a contract portfolio of more than one million euros with Fingrid. There are two companies with regional contracts on transmission line maintenance and four companies with regional substation maintenance contracts.

In basic grid maintenance, service providers and their subcontractors use Finnish workforce. In 2022, foreign workforce was used in the clearing of transmission line right-of-ways (around three quarters from the Baltic countries, Poland, Ukraine and Thailand) and, on minor scale, in some specialist fields. Both the contractors’ and subcontractors’ use mostly Finnish workforce for grid building work. In 2022, a substantial number of non-Finnish personnel, from the Baltics and Spain, worked mainly on transmission lines and to some extent, e.g. from the Baltics, also at substations.

We verified compliance with the responsibility requirements through several risk-based audits. As part of the procurement

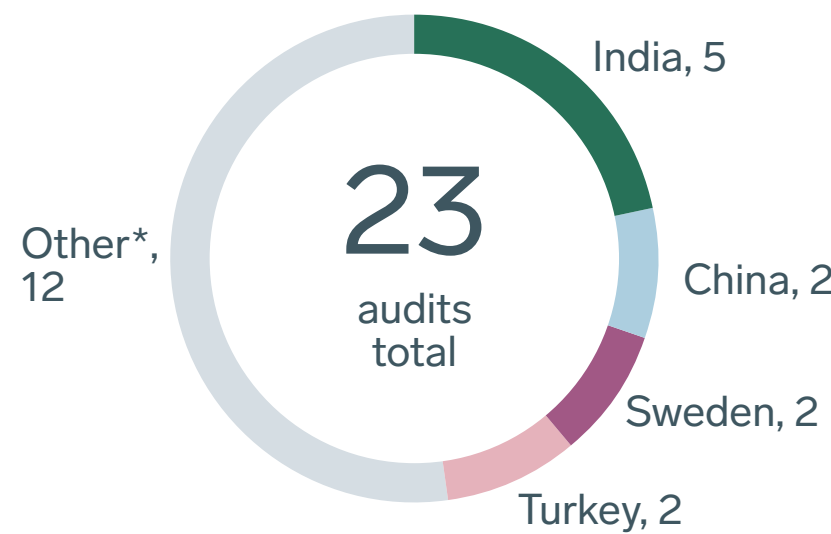
process, we checked regularly that the elected suppliers are not subject to mandatory exclusion criteria based on procurement legislation for special sectors or international sanctions.

Worksite responsibility audits are used to verify service providers’ compliance with contractor obligations, occupational safety and environmental requirements. The goal is to support the service provider in even safer and more eco-friendly ways of working. During 2022, 11 sites were audited, from investment project worksites to maintenance operations. The most typical deviations discovered in the worksite audits had to do with risk management and the processes for the hand-over inspections of machines and equipment. As a new measure, the audits covered also two concrete plants supplying the worksites with materials.

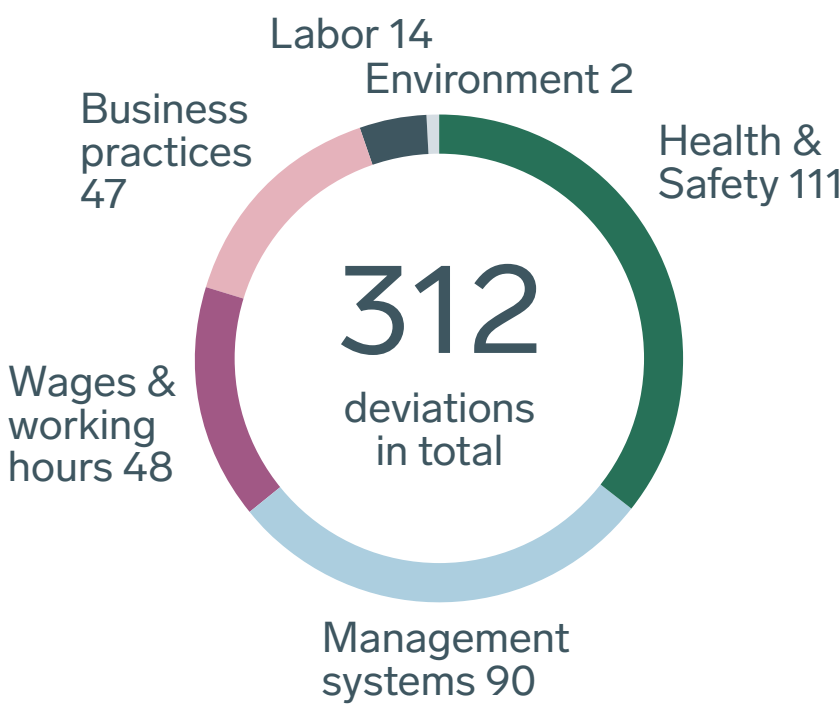
In international goods sourcing, Fingrid carries out very few direct material and equipment procurements, as the majority of the procurements are the responsibility of the main contractors. In 2022, third-party supplier audits were carried out at 23 production plants in altogether 15 countries, such as India, China and

Turkey. The audits included one follow-up inspection to verify the rectification of non-compliance issues from earlier audits. The audited plants included capacitor, secondary equipment and steel tower producers, and especially conductor factories linked with an ongoing procurement project. The audited companies included both Fingrid’s direct contractual partners and their suppliers, but also possible future material and equipment suppliers. The deviations were typically related to occupational health and safety or management systems. Some irregularities in working hours were also discovered. In addition to the production plant audits, Fingrid made preparations for service provider audits outside Finland in 2022.

Audits related to international material sourcing by country and distribution of findings



*Other (1/country): Bahrain, Brazil, Bulgaria, Mozambique, Puerto Rico, Poland, Germany, Slovakia, Finland, Hungary, Estonia, UAE



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Occupational safety and the safety of the main grid

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
Each of our employees and everyone working at a Fingrid worksite returns home healthy and in one piece – at the end of every workday.	Low LTIF (less than 5)	Zero workplace accidents	Social responsibility Occupational safety and the safety of the main grid  
	No serious occupational safety deviations	No serious occupational safety deviations	
	Fingrid is known for exceptional occupational safety	Fingrid is known for exceptional occupational safety	
Main grid does not cause harm to the public.	The main grid is safe, no accidents or health impacts	The main grid is safe, no accidents or health impacts	

Occupational health and safety come first in all of Fingrid’s activities. It is important for us that each of our employees and every service provider employee working at a Fingrid worksite returns home healthy and in one piece. Each employee has the right and obligation to stop work that they consider to be dangerous. Fin-

grid’s operations also comply with regulatory requirements, which means that each person is also entitled to refuse to perform work that they consider to be hazardous. Our worksites and transmission lines must not pose a hazard to the public either.

Promoting occupational health and safety

Fingrid’s occupational health and safety management is steered by Fingrid Oy’s occupational health and safety policy and goals. We apply an OHS management system based on the ISO 45001 standard, the scope of which has been limited to the functions and units working with grid construction, maintenance and reserve power plants. The Occupational Safety and Health Act requires an action plan for occupational health and safety, which applies to Fingrid’s entire personnel.

In addition to our own personnel, it is equally important to guarantee the occupational health and safety of the personnel of the service providers working at our worksites. Fingrid requires a high level of occupational safety in investment projects and maintenance alike. Contract terms concerning Fingrid’s safety are appended to all agreements. The workplace safety and working conditions of suppliers working at Fingrid’s worksites is ensured with measures such as regular worksite visits, management’s occupational safety rounds and sustainability audits. Our global sourcing practices require a third-party verifier on a risk-based approach to ensure compliance with occupational safety standards at the workplaces of our equipment and material suppliers.

Identifying hazards, risk assessment and investigation

Fingrid’s occupational health and safety procedures are continuously developed and our work environments are upgraded on the basis of risk assessments and workplace surveys. All accidents, near misses and safety observations are investigated and the lessons learned are implemented.

Occupational safety deviations are classified in three classes based on the severity and risk of potential outcomes. The extent of the investigation and responsibility for it are based on the severity classification. The investigation, reporting and the corrective actions and follow-up take place in the HSEQ reporting system. Safety observations can also be made anonymously at the address www.fingrid.fi/havainto.

Fingrid’s OHS committee coordinates the risk assessments of the company’s own personnel. Risk assessments are handled in the OHS committee. The identification of hazards in investment projects and maintenance and the evaluation of risks is divided into several stages.

We ensure the quality of the risk assessments with the support of specialists and

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through sufficient training. The internal audit results for OHS are processed annually in the Management Review and, according to the scope required, in the OHS committee. The OHS committee annually creates an action plan based on factors such as risk assessments, safety observations, occurred accidents and near misses.

Occupational healthcare services
Fingrid has an agreement with occupational healthcare services that applies to all persons employed by Fingrid. The occupational healthcare services make workplace visits to the company’s various locations and, in this way, take part as a healthcare specialist in the identification and assessment of the risks affecting the company’s occupational health and work ability. In addition they provide recommendations for measures to prevent and mitigate the risks. The quality of occupational healthcare services is monitored and steered regularly through steering group activities.

We require our service providers to provide an account of the arrangement of occupational healthcare services as stated in the Act on the Contractor’s Obligations and Liability when Work is Contracted Out.

Participation in OHS development
Fingrid has a legally required OHS committee, whose chairman is the OHS Manager. In the committee, employees are represented by occupational safety representatives from several areas of operations. The OHS committee convenes regularly and its memorandums are available to the personnel. The employees may also make suggestions to the committee for developing occupational health and safety.

Service providers can make propositions on their own initiative and give feedback on occupational safety issues at joint meetings, through the HSEQ reporting system and in the suppliers’ occupational safety group. The memorandums of the group’s meetings are published on Fingrid’s website.

OHS topics are communicated on twice a year in the Safety on the lines magazine. We also hold occupational safety briefings where we review current issues and any accidents and near misses that have occurred and any reported safety observations.

Training and development
The occupational safety training requirements for functions and units that the

OHS management system applies to are described in the occupational safety handbook. Training organised for personnel is planned annually depending on need. It is discussed in the internal occupational safety group and OHS committee. Developing safety skills is the responsibility of each Fingrid employee and their supervisor.

The occupational safety qualification requirements for service providers are described in the contract terms concerning safety. We annually organise occupational safety training for service providers as needed, on topics such as electrical safety, occupational safety, and safety-related contract terms.

In 2022, we arranged the ‘Safety is done together and by everyone alone’ campaign to encourage Fingrid’s personnel and service providers to carry out risk assessments. Several OHS briefings and training events were held for Fingrid’s personnel and service providers. Furthermore, new safety guidelines were published and safety-related contract terms were updated.

Occupational safety 2022
One of Fingrid’s long-term goals is to improve the occupational safety culture

and, in this way, achieve its zero-accident objective. A total of 0 (0) lost-time workplace accidents were recorded among Fingrid’s own personnel. A total of 10 (17) absences due to accidents at the workplace were recorded among the service providers. Among the lost-time accidents, 6 (1) led to an absence from work of more than 30 days and was classified as serious. The service providers’ and Fingrid’s combined lost time injury frequency (LTIF) decreased from the previous year to 5.4 (9.1) absences due to accidents at the workplace per million worked hours.

Slipping and tripping caused a significant share of workplace accidents in 2022. Fingrid’s own personnel experienced 6 (4) recordable workplace accidents and the service providers 19 (27) recordable workplace accidents. The service providers’ and Fingrid’s combined TRIF rate was 13.5 (16.6) recordable workplace accidents per million hours worked.

We also measure the work carried out to achieve occupational safety. The number of safety observations grew year-on-year. A total of 640 (534) safety observations were made at Fingrid’s worksites.

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WORKPLACE ACCIDENTS, OWN PERSONNEL	2022		2021		2020	
Absences due to illness, %	1.5%/3.5 days/person		1%/2.1 days/person		1%/1.5 days/person	
	Workplace	Business travel	Workplace	Business travel	Workplace	Business travel
No. of accidents leading to absences	0	0	0	0	2	1
of which serious accidents (no. of absences of more than 30 days and/or permanent injury)	0	0	0	0	0	0
No. of recordable workplace accidents, no absence	6	3	4	5	0	0
No. of recordable workplace accidents, total	6	3	4	5	2	1
Lost-time injuries frequency, workplace accidents resulting in absence (LTIF)*	0	0	0	0	3,3	1,6
Total recordable injury frequency (TRIF)*	7,9		5,9		3,3	
No. of work-related fatalities	0	0	0	0	0	0
No. of occupational diseases diagnosed	no cases		no cases		no cases	
No. of safety observations	11		26		17	

* LTIF in line with Zero Accidents. As of 2022, LTIF also includes Fingrid Datahub Oy.

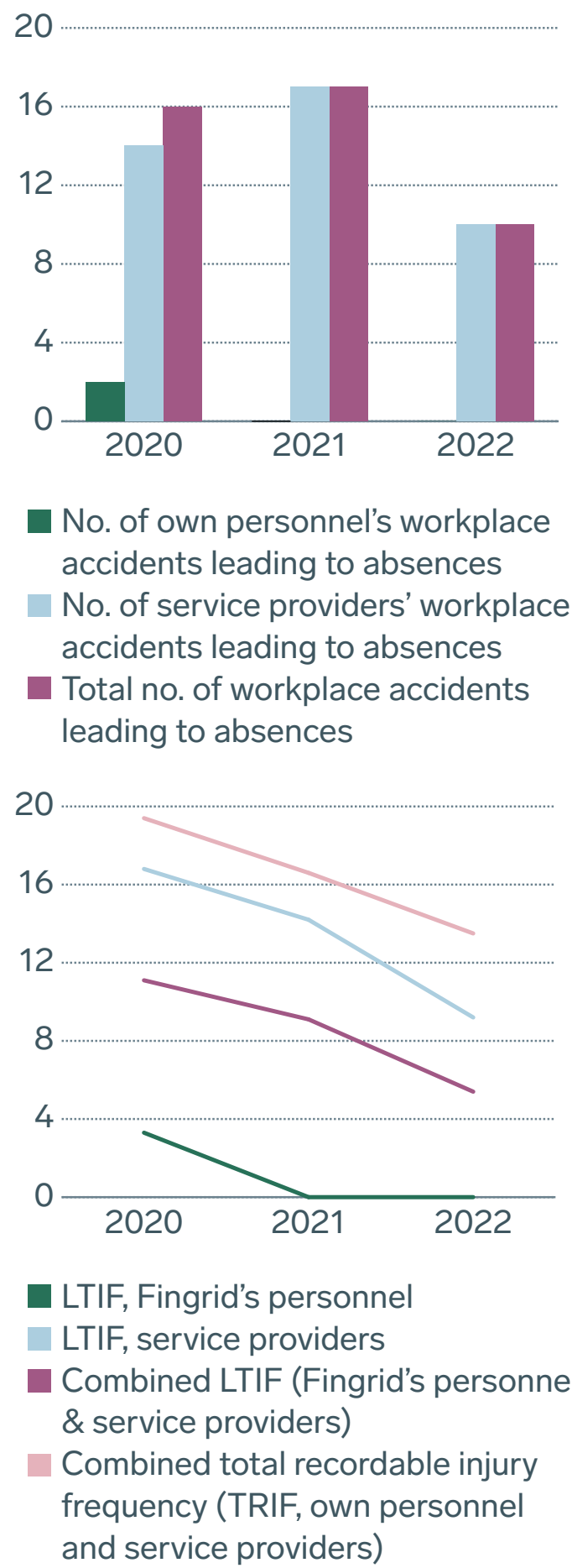
WORKPLACE ACCIDENTS, SERVICE PROVIDERS	2022	2021	2020
No. of workplace accidents leading to absences	10	17	14
of which serious (no. of absences of more than 30 days and/or permanent injury)	6	1	5
No. recordable workplace accidents, no absence	9	10	12
No. of recordable workplace accidents, total	19	27	26
Lost-time injuries frequency, workplace accidents resulting in absence (LTIF)	9.2	14.2	16.8
Total recordable injury frequency (TRIF)	17.4	22.6	31.2
No. of safety observations	629	508	460

COMBINED WORKPLACE ACCDENTS (OWN PERSONNEL AND SERVICE PROVIDERS)	2022	2021	2020
Combined lost time injury frequency (own personnel and service providers), workplace accidents resulting in absence (LTIF)*	5.4	9.1	11.1
Combined total recordable injury frequency (TRIF, own personnel and service providers)	13.5	16.6	19.4

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Lost Time Injury Frequency (LTIF) and workplace accidents



LTIF and workplace accidents

Case

Occupational safety campaign 2022

Fingrid’s guiding principle is that every employee and anyone else working at a Fingrid site returns home healthy and in one piece at the end of every workday. This principle was reinforced with the 2022 occupational safety campaign “Safety is done together and by everyone alone”.

The campaign focused on the risk assessment and hazard recognition to be carried out before starting work. Risk assessments were looked into during the campaign through six different occupational safety themes. Work sites received related materials, and the progress of the campaign was communicated at safety info meetings, for example.

The campaign was clearly a success. The number of risk assessments entered into the HSEQ system increased drastically in comparison with the previous years, amounting to more than 600 in total throughout the campaign.



Markku Pöysti, OHS Expert at Fingrid: “It was great to see how well people received the campaign at worksites. Risk assessments will be continued next year, so let’s push the LTIF down to zero – we can do it together.”

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Safety of the main grid

In addition to occupational safety, it is important for Fingrid that the main grid does not pose any danger to people or the functioning of the power system. During 2022, no personal injuries were caused by the main grid to the public.

The safety of the transmission lines are guaranteed through careful and pre-emptive maintenance. Regular inspections of the transmission line structures and transmission line right-of-ways are carried out. The undergrowth below the transmission lines is cleared regularly, while the height of the forests next to transmission lines is reduced using helicopter sawing and felling so that any trees falling over do not come into contact with the transmission lines.

Faults identified in inspections are repaired pre-emptively before they cause interruptions in electricity transmission or

a hazard in the transmission line’s vicinity. In 2022, inspections were performed on some 5,100 kilometres of transmission line. Around 5,000 hectares of transmission line clearings were trimmed, and roughly 111,000 cubic metres of wood was felled in the bordering forests. More than 11,500 landowners were contacted with regard to the measures. With these measures, the transmission lines remain secure and above all are safe for their environment.

The ongoing energy transformation and green transition highlights the importance of reconciling biodiversity protection with climate change mitigation and these both with developing the main grid and the reliability of the power system, also key components in Fingrid’s corporate responsibility. When mitigating climate change and biodiversity loss, both Fingrid’s crucial societal and statutory mission and responsibility for the electricity

system should be taken into account. In 2022, the Uusimaa Centre for Economic Development, Transport and the Environment (ELY Centre) prohibited Fingrid to fell trees at the edge of transmission lines at Rörstrand in Sipoo and at Lemmenlaakso in Järvenpää, citing conservation-related grounds. The work is a part of regular maintenance of the main grid and necessary for accomplishing Fingrid’s obligations in compliance with the Electricity Market Act. The court has not yet decided on the case. Also another ongoing case is related to transmission line maintenance; Fingrid submitted an appeal concerning a permit to deviate from the prohibition of destroying and degrading a breeding and resting site of the flying squirrel.

Regular guidelines are issued on work and other activities near the electricity network. Fingrid actively participates in land-use planning together with municipalities and associations of local authorities to

ensure safety and land-use reservations for the grid. In 2022, Fingrid issued about 350 statements on land-use plans and environmental impact assessments. In addition, we directed the construction work and activities taking place near grid installations by issuing roughly 380 statements that included safety instructions and land-use restrictions. Fingrid also carried out several related reviews and provided inductions. We continued to participate in the reform of the Land Use and Building Act into the planning and building act. In our statements, we stressed the importance of regional land use planning and its steering impacts on Fingrid, and taking the main grid into account in the land use planning system. The reform proceeded to the stage of government legislative proposal in the autumn of 2022.

People are concerned about the electromagnetic fields in the vicinity of transmission lines. Electromagnetic fields are everywhere around us and one of the sources of these fields are transmission lines. However, the limit values set by the Ministry of Social Affairs and Health for public exposure are not exceeded in the vicinity of transmission lines. In 2022, we continued to publish, jointly with an independent expert party, status reports on global medically oriented research on electromagnetic fields. There is no new, conflicting evidence of the health impacts.

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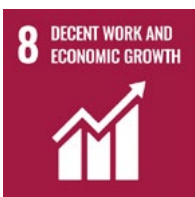
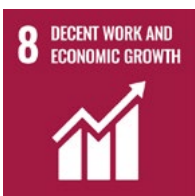
Fingrid’s social responsibility indicators

Social target indicators, target levels and results

Indicator	Description		2025	Target monitoring: how we did in 2022
Personnel		UN’s SDG		
Finland’s best workplace	Result of personnel survey		Among Finland's best workplaces	Target achieved. Fingrid again achieved the excellent AAA PeoplePower rating (index of 83.4 on a scale from 1 to 100).
Healthy and happy personnel	Absences due to illness Retired		< 2% No premature retirement	Absences due to illness were at 1.5%. Two cases of early retirement on partial disability pension.
Diverse work community	Equal opportunity, non-discrimination and diversity		No incidents of discrimination More diverse personnel structure	No incidents of discrimination. An equality campaign was arranged. The personnel has a healthy age structure.
Finance				
Green financing	Total amount in company’s financing arrangements		The goal is to increase the amount of green financing in the company’s total financing	As Fingrid did not need additional funding in 2022, the amount of green financing did not increase.
Financial efficiency	Development of regulation costs matching the general price levels		Rise in controllable costs slower than the general development in the industry.	The controllable costs in compliance with Fingrid’s financial regulation remained at the previous year’s level, despite the general cost inflation
Effective tax rate	Paying taxes according to Finland’s corporate income tax rate		Paying taxes according to the corporate income tax rate in force at any given time.	Fingrid paid EUR 45.3 mill. in taxes in 2022. In 2021, 26th largest corporate income tax payer.

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Indicator	Description		2025	Target monitoring: how we did in 2022
Customers		YK:n SDG		
System security Well-functioning markets		Defined under climate targets		
Customer satisfaction	cNPS		>50	cNPS was 50
Affordability of grid service fees	ENTSO-E price comparison		Among 3 most affordable	2022 result not yet known. Ranked 2nd in 2021.
Other key stakeholders				
Satisfaction of landowners	Satisfaction with the management of investment projects (1–5)		>4	The overall grade was 3.9
Company’s reputation among different stakeholders	Stakeholder surveys		Fingrid is a well-known company and sought-after partner among all stakeholders	Both the employer image among engineering professionals and the reputation among the general public improved somewhat. The familiarity with Fingrid improved, probably due to the visibility in media during the year concerning the adequacy of electricity.
Willingness of service providers to work with Fingrid	Functioning of service provider market		Competitive, well-functioning and high-quality service provider markets	A lot of quotes were received, especially for the most critical projects.
Occupational safety				
Lost-time injuries frequency	Combined lost time injury frequency (own personnel and service providers), (LTIF)		<5	LTIF was 5.4
Safety of the main grid	Number of accidents to the public		0	No harm to the public
Supply chain				
Procurement chain responsibility	No. of deviations or problems in contractor obligation or employment relationship matters		No major deviations	No major deviations or problems in contractor obligation or employment relationship matters

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04

Good governance

Fingrid’s good governance is based on openness and a responsible operating model. Fingrid’s management complies with the laws, regulations and recommendations of the Finnish Governance Code for listed companies that apply to the company’s operations and the principles, policies and guidelines decided within the company. The main aspects of the goals and requirements of responsible and ethical operations, good governance and risk management have been defined in the company’s values, Code of Conduct and internal control and risk management principles, which have been separately approved by the Board of Directors. Our corporate culture is based on openness and the personnel’s strong commitment to the company’s values and Code of Conduct.

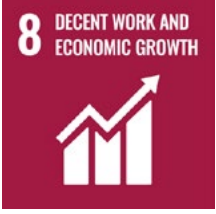


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Openness

Corporate culture

Responsibility theme, vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN’s SDG
We commit to and require others to commit to responsibility and listed companies’ good governance in line with our values	Our entire work community is committed to a responsible way of working and open communications	Fingrid is known for its exemplary responsibility work and open external reporting	Good governance
Balanced risk-return ratio for the owners and financiers	The company’s guidelines are in line with legislation and the company’s personnel has received training in the rules and know the guidelines	From the owners’ and financiers’ point of view, Fingrid is an open, stable and productive company	
The continuity and profitability of our operations through good risk management	Dividend income in line with shareholders’ targets	Fingrid is known for its high-quality information security and ability to protect personal data and business critical data	 
Open and comprehensive external reporting and communications	High credit rating		
High-level information security and responsibility for data	No significant information security and data protection breaches resulting in adverse business impacts		

One of Fingrid’s key values is openness. Encouraging the sharing of information and promoting a culture of openness are seen to improve the company’s productivity and customer service and to serve in the best interest of society. First-class and deliberate sharing of information boosts the learning of both individuals and the organisation and understanding the needs of stakeholders in all business operations, which in turn serves to improve the company’s evolution and performance of its task as well as the quality of customer service. Sharing information can help merge the competence of different professionals across boundaries and bolster the organisation’s practices, while also enhancing value creation for customers and society. At the same time, it can help prevent unnecessary mistakes, build reputation, and take control of the organisation’s capabilities, knowledge and skills.

The personnel have the right to open, up-to-date and active communication. A high standard of communications will promote our personnel’s understanding of the company’s values and goals. Communication is also a way to ensure that the personnel engage with the company. At Fingrid, information is, as

a rule, open and accessible to all in the shared information management system, except for confidential information such as personal data. The intranet and Teams are additional interactive communication channels that are open to everyone and enable the entire personnel to take part in dialogue.

Openness in our company is increased by our flat hierarchy and straightforward communication style. This allows for a bold exchange of ideas and the expression of different opinions. Everyone is equal in the work community and the management is closely involved in daily business. We are informal and people find it easy to approach one another. The open culture that allows for discussion is most clearly reflected in people’s sincere willingness to help their colleagues.

Feedback is collected regularly and we act upon it. By request of the personnel, the company has developed, for instance, remote work and working hour flexibility in recent years. The latest personnel survey in autumn of 2022 indicated a wish to improve information management. This feedback has been acted upon, and the goal is to clarify the information management practices in 2022 through 2023.

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We monitor the development of our corporate culture; we asked our personnel about the main features of our culture in 2019. The responses highlighted community, a team spirit, honesty, trust, responsibility and a relaxed mood. Personnel are strongly committed to the values that form the foundation of our corporate culture. The values were updated in 2020 in collaboration with the entire personnel, and the personnel felt that the most important values were precisely openness and responsibility.

The responses from personnel also well reflect management’s objectives: the aim is an open, collaborative, renewing and performance-oriented corporate culture. Collaboration helps reinforce joint action and break down silos. Renewal is intended to promote the exchange of opinions and continuous development of work practices. Performance orientation aims at streamlined processes and achieving results.

In 2022, Fingrid’s culture was discussed with the entire personnel during the coaching day in the spring, where personnel representatives were invited in a panel discussion to share how they see the company’s culture and values.

Open communications

The guiding principle for Fingrid’s internal and external communications is to be open, active and up-to-date. Open communications support the company’s strategic business targets. The open communication policy was evident in 2022 particularly in Fingrid’s bold public statement concerning the electricity availability outlook over the winter of 2022/2023. Fingrid openly communicated about the threat scenarios which, if realised, could potentially lead to outages. The company received positive feedback from the authorities responsible for energy and security of supply for raising this serious topic early enough to allow preparing for a potential electricity shortage. More information on the precautions in case of an electricity shortage can be found in the [Business Review](#).

We use multiple channels in our communications. The main channel is the company’s website www.fingrid.fi, where all of the news and stock exchange releases, investor information, newsletters and magazines for customers, the company’s events and brochures, and project news for landowners are published. In 2022, the website was renewed as a reaction to the feedback from our stakeholders. Short-

cuts for landowners, new grid connectors and reserve providers were added to help these groups find the information they are looking for more easily.

Our website contains a continuously updated power system status page that shows a real-time view of the power production and consumption in Finland. The State of the power system page brings together historical and real-time data and forecasts on the Finnish electricity system, including production, consumption and transmission capacities in a single user interface. In addition, the diagram under the map shows the CO2 emission values and Finland’s electricity area price on the day-ahead market for both the historical and coming hours. In 2022, the ‘State of the power system’ web page enjoyed a large following due to the public debate about the availability of electricity.

Another key service for the electricity market and customers is Fingrid’s open data service (<http://data.fingrid.fi>) that centrally distributes information about Finland’s power system and electricity market. Offering the data conveniently in one place enables the development of new services and applications. The open data service has received plenty

of feedback from stakeholders, which is why Fingrid has launched a project for updating the service. The aim is to create a more user-friendly information retrieval channel.

Also Fingrid’s ‘Tuntihinta’ app for monitoring electricity spot prices gained considerable popularity in the autumn. In fact, it was one of the most popular free apps in Finland.

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Feedback channels and reporting breaches

Fingrid’s personnel and external stakeholders have access to several feedback and reporting channels. The personnel have been provided instructions for their use on Fingrid’s intranet and in induction training. Feedback is collected through personnel and stakeholder surveys. Feedback can also be given personally to supervisors or supervisors’ supervisors based on the ‘one above’ principle. Shop stewards or the HR unit can also be given feedback.

If an activity is suspected to be in breach of Fingrid’s Code of Conduct or the law, and the information cannot be directly conveyed to Fingrid’s contact person, a confidential and independent **whistle-blowing channel** is also available. The channel is intended for use when a breach or crime is suspected which could concern, for example, accounting, conflicts of interest, corruption, the securities markets or other financial irregularities.

All suspected breaches are investigated confidentially and professionally, with discretion. At Fingrid, the reports are handled by a Legal Counsel, the General Counsel and the President & CEO. Any

Case

Fingrid’s website knows all about the electricity system

The energy markets are undergoing a major transformation, and energy-related information is possibly more sought after than ever in Finland. As regards electricity markets, the TSO Fingrid’s ‘State of the power system’ web page is one source that strives to meet this need. It offers a real-time dashboard of the overall status of electricity production, consumption and transmission in Finland. The page also shows the market price for electricity, as quoted hourly in the power exchange.

Furthermore, many people perhaps find interesting to see the breakdown of electricity production in different modes of generation. Accordingly, the page shows how much electricity the hydro power, nuclear power and wind power plants generate at each moment. The informative map graph shows how much electricity is transferred between Finland and the neighbouring countries and in which direction.



Consumers interested in energy issues are particularly keen followers of the ‘State of the power system’ page. The data is often quoted also in the debates on energy policies on platforms such as Twitter.

All the data shown on the page is based on the open data produced by Fingrid. This data is in a digital, machine-readable format and freely available to anyone.

Finland is a pioneer in making electricity market data publicly available in Europe. Other TSOs have followed the suit and started to make similar data available.

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reports are reported on to the company’s Board of Directors, taking into account privacy protection. In 2022, Fingrid received two reports through the whistle-blowing channel. They did not result in any further action. The reports did not state any concrete cases of suspected malpractice, instead they concerned a request for information delivered to Fingrid and statements made by the company’s representatives in the media.

No incidents of bribery or other corruption, human rights violations or discrimination incidents occurred in Fingrid’s operations in 2022. Teollisuuden Voima Oyj has lodged a request for an investigation with the Energy Authority on alleged neglect of the obligation to develop the main grid. Fingrid’s view is that the claims are unfounded.

Information security and data protection

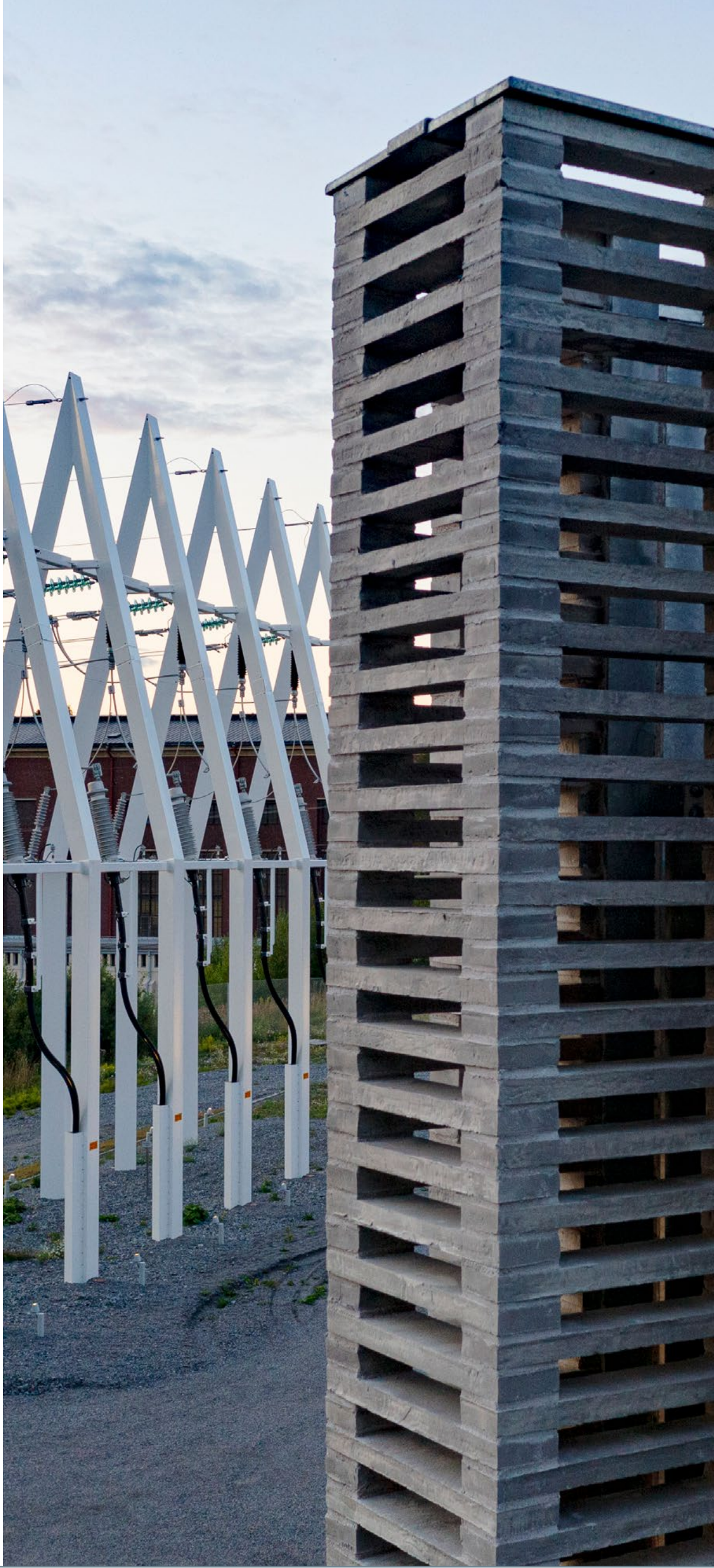
During 2022, Fingrid continued to invest strongly in the personnel’s information security skills as the personnel plays a significant role in identifying and reporting different types of deviations. A continuous investment in the personnel has brought about clear improvements in Fingrid’s information security level.

When handling personal data, data protection must be ensured proactively and comprehensively for the total lifespan of the personal data. The processing of personal data must be systematic and documented and equipped with guidelines, and it must comply with the EU’s General Data Protection Regulation and other legislation related to data protection. Fingrid has created its own written guidelines on data protection, and data protection issues are also part of the on-line induction programmes. In addition, targeted training and exercises are held for people operating in different roles. Data responsibility plays a key role in Fingrid’s information security and data protection operating models.

No significant information security and data protection breaches resulting in adverse business impacts were detected in the year under review. One breach was detected in connection with the privacy of landowners. The case concerned two attached documents handed over to municipalities during an expropriation permit process; some of the personal data contained in the documents had been missed when blocking it out. The data was also temporarily visible on the municipalities’ websites, until it was removed at Fingrid’s

request. According to Fingrid’s assessment, the case did not cause high risk for the registered persons’ rights and it also did not result in any major impact on Fingrid’s business operations. We modified our practices concerning expropriation permit processes to prevent any similar incidents in the future.

The situation in Ukraine and the possibility of electricity shortage increased measures related to preparedness and continuity of operations. Fingrid received ISO 27001 information security certification in June 2022. A key development in personal data management was the implementation of the required development measures indicated in the internal audit of the centralised information exchange system, the Datahub, in 2021.



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Code of Conduct

Fingrid holds key responsibility for the electricity system and the main grid in Finland and thereby the functioning of the entire society. As such, it is important to ensure the social acceptance of our operations through shared values and a Code of Conduct.

Fingrid is committed to responsible and ethical practices to promote sustainable development. Every Fingrid employee makes a commitment to work in compliance with our Code of Conduct, which is based on the United Nations’ Global Compact initiative and the principles guiding business operations and human rights. The Code of Conduct includes Fingrid’s human rights commitment. We expect the service and goods suppliers who operate as our contractual partners to comply with our Supplier Code of Conduct or other corresponding, separately agreed on requirements.

Our managers and the entire work community ensure that behaviour is in line with the Code of Conduct. One tool used for this is our online induction course. We require all of our employees to regularly

complete the induction course. Fingrid also has in place ethical principles for the use of artificial intelligence.

Human rights and environmental due diligence has for long been a part of applying Fingrid’s Code of Conduct and is also included in the Code of Conduct document.

In 2022, we continued to monitor the regulatory development on corporate responsibility and human rights and updated our human rights action plan. To ensure our understanding of human rights, we have previously carried out an assessment in compliance with the due diligence process recommended in the UN’s Guiding Principles on Business and Human Rights. We arranged a campaign themed ‘No inappropriate behaviour is allowed at our workplaces!’, including training and news flashes for personnel and training for supervisors and the OHS Committee. In the 2022 personnel survey, employees gave a score of 4.4 (on a scale from 1 to 5) for the sustainability compliance of Fingrid personnel.

Case

Fingrid receives an information security certificate

An information security certificate, a key tool for defining information security standards and maintaining excellent information security practices, was granted to Fingrid in 2022. Fingrid’s information security management has been audited according to the requirements of the ISO 27001 standard, a testimony to the organisation’s good level of information security.

The certificate in itself does not have much intrinsic value, but it is a valuable tool when defining the level of information security. Following the criteria readily available in the standard makes it easier to monitor all the activities. In many EU countries, actors critical to the national security of supply, such as transmission system operators, are required to have a certified information security management system.

Fingrid’s information security certification was implemented and audited by Nixu Certification Oy. The audit included



20 Fingrid employees ranging from executives to specialists. The information security certificate covers all Fingrid’s operations and testifies to the company’s willingness to continuously develop information security.

“The strongest link in information security is the Fingrid employee! Our people are alert in all things data security and if any deviations are detected, they are immediately reported,” says Information Security Manager Jyrki Pennanen.

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Compliance of the business operations

The aim of Fingrid’s management and leadership is to implement the strategy approved by the Board of Directors and achieve the business goals responsibly and sustainably, in an effective manner. This requires the correct allocation of financial and human resources and the optimal utilisation of information.

Fingrid complies with laws and regulations. Good governance, risk management, sufficient controls and internal audit principles steer all of our operations. Internal control and risk management procedures enforcing good governance are applied in management and leadership. The company stays up to date on amendments to laws and regulations and ensures that principles, policies and other guidance remain in line with the applicable regulations. Business is planned and managed in such a way that we can demonstrate compliance with the requirements. This applies to the company’s internal operations, but also to the services that the company sources externally.

The main aspects of the goals and requirements of responsible and ethical operations, good governance and risk

management have been defined in the company’s values, Code of Conduct and internal control and risk management principles, which have been separately approved by the Board of Directors. The company complies with the Board-approved insider guidelines and related party principles, as well as separately maintained guidelines concerning conflicts of interest and judicial disqualification. Our goal is to ensure that the guidelines steering our business remain up to date.

Financial steering

Steering measures include operating guidelines and procedures that we follow in order to ensure that key measures for risk management, as defined by the management, are implemented effectively.

The process and steering descriptions that support significant expenditure, decision-making and risk management, and good governance and the quality of operations are maintained in the company’s guideline database within the sphere of automatic monitoring and a uniform approval process.

The effectiveness of the steering is monitored regularly as part of management. The Board of Directors and the audit

committee regularly monitor the company’s financial result and performance. At the same time, they monitor whether the company has sufficient processes with which to assess risks and the effectiveness of steering in terms of financial reporting at all levels of the organisation. The audit committee supervises the company’s finances, financial reporting, risk

and continuity management, and internal control and audit as part of the company’s corporate governance.

Deficiencies in internal control are communicated in a timely manner to the parties responsible for corrective actions and, if needed, to the management and Board. Internal audit annually assesses

The key principles and policies steering the company’s operations and guidelines and plans supporting corporate responsibility

- | | |
|---|--|
| • Corporate Governance Code 2020 | • Land use and environment policy |
| • Procurement policy | • Ensuring impartiality in preparing matters and decision-making |
| • HR policy | • Internal control and risk management principles |
| • Management principles | • Insider guidelines |
| • Main grid development and maintenance management principles | • Principles for promoting the electricity market |
| • Crisis communications principles | • Equal opportunity and non-discrimination plan |
| • Principles for managing system security | • Code of Conduct |
| • Related party principles | • Corporate finance principles |
| | • Supplier Code of Conduct |

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the internal control of the financial reporting processes and the related processes and procedures as part of its audits of business processes. The role of the internal auditor is held by an independent third-party auditing body who reports directly to the Board’s audit committee.

Anti-corruption and anti-terrorism measures

Fingrid strictly opposes the grey economy and abstains from money laundering or corruption, such as blackmail and bribery. Fingrid requires each employee to commit to this by adopting the Code of Conduct and external contractual partners to commit by adopting the Supplier Code of Conduct.

In addition, Fingrid has several operating models in place to prevent corruption, bribery and other financial irregularities. These are related to, among other things, the use of funds, verifying invoices and receipts, accepting gifts and hospitality, verification of commitments, counterparty verification and sanctions screening. Third-party service providers are used in sanctions screening. In public procurement, exclusion criteria approved by Fingrid are used, preventing the grey economy and ensuring the suppliers’

reliability and operational capabilities. Fingrid ensures that corruption, bribery and other financial irregularities are prevented through up-to-date principles, guidelines, steering and induction.

Managing risks and continuity

The nature and crucial importance of Fingrid’s operations to the functioning of society are strongly reflected in the company’s risk and continuity management culture and its development. Fingrid is responsible for the functioning of Finland’s power system, which makes it fundamentally a risk management company. The entirety of Fingrid’s risk management is described on the company’s [website](#) and in the Annual Report’s [Business Review](#).

Our objective is to ensure the continuity and effectiveness of our operations through good risk management.

Internal audits

Internal control and audit create verified information on the efficiency of the company’s processes and the functioning and legality of procedures. At Fingrid, the internal audit is handled by an external independent auditing body that meets the quality requirements for internal auditing, which, together with the Board of

Directors, decides on which areas will be audited each year. The internal audit can be applied to issues on many different levels: for example on a general level to the management of investment projects or the completion of a single project. Audits are carried out to ensure everything from the appropriateness of business to developing support functions’ processes. The observations of internal audits are reacted on as decided by the Board of Directors.

More on internal audits can be found in the [Corporate Governance Statement](#). The internal audit reports for 2022 concerned grid maintenance, the grid connection agreement process and international commitments. In one of them, one significant audit observation was made regarding the description of the grid connection process. An internal audit on Nordic RCC A/S, a company which started its operations on 1 July 2022 and is jointly owned by the Nordic TSOs, was additionally carried out as a joint Nordic audit.

Finance – owners and financers

The principal aim of Fingrid’s capital management and grid asset management is to secure the company’s ability

to conduct uninterrupted operations, retain value and to recover rapidly from any exceptional circumstances. The company must have a solid capital structure to support consistently strong credit ratings, reasonable cost of capital and adequate dividend pay-out capability. The company aims to maintain a credit rating of at least ‘A-’.

During the year under review, Fitch Ratings (Fitch) raised Fingrid’s long-term company rating from ‘A’ to ‘A+’ and unsecured senior debt rating from ‘A+’ to ‘AA-’. The rating is the highest assigned by Fitch to any regulated TSO in Europe.

Fingrid operates under financial regulation. Finland’s Energy Authority is responsible for the regulatory model determining the reasonable rate of return allowed for Fingrid and for implementing this model. Fingrid’s dividends are distributed such that the shareholders receive a reasonable return on their invested capital, but also such that the company’s financial position remains stable. The guiding principle for Fingrid’s dividend policy is to distribute substantially all of the parent company profit as dividends. When making the decision, however, the economic conditions, the company’s near-term

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investment and development needs as well as the company’s prevailing financial steering targets are always taken into account. Our goal is a balanced risk-return ratio for the owners and financiers.

Working for security of supply

Fingrid is deeply involved with ensuring Finland’s security of supply. Fingrid is a company with duties critical to the national security of supply and must be able to continue its operations even under the application of emergency legislation. Fingrid maintains a contingency plan as part of the system defence plan referred to in the Finnish Electricity Market Act. Fingrid is an active participant in the collaboration to develop the energy sector’s preparedness activities, and Fingrid’s CEO is the chairman of the national Emergency Supply Council.

“A critical aspect in disturbance control is that all affected parties adopt joint systems and use the same terminology for communication and maintaining situational awareness, with prearranged contents,” says Control Room Manager Arto Pahkin from Fingrid.



Case

RESPA 22 concludes a multi-year series of exercises

In September 2022, organisations critical to the security of supply in the Helsinki metropolitan area conducted an exercise simulating an electricity distribution disturbance in the main grid and distribution networks. The two-day exercise involved a large-scale disturbance that paralysed the basic functions of society for a lengthy time while the participants attempted to resolve the situation.

The parties affected by a major electricity distribution disturbance include various authorities, energy sector op-

erators, and other businesses. A joint overview and situational awareness must be created and shared rapidly. Communication tools were used effectively during the exercise, and the organisations were able to monitor each other’s communications and share information in their own communication channels.

RESPA 22 was the final part of a series of exercises, known as JÄÄTYVÄ, held in various parts of Finland. The series began in the Kuopio region in 2017, and additional exercises were conducted in Lappeenranta, Turku, Oulu and Seinäjoki.

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Fingrid’s indicators related to good governance

Indicators, target levels and results related to good governance

Indicator	Description		2025	Target monitoring: how we did in 2022
Code of Conduct		UN’s SDG		
Personnel’s view on responsibility of ways of working	Personnel surveys: score for responsible operations (1–5)		>4	Personnel survey grade 4.4 on a scale of 1–5
Up-to-dateness of principles and policies steering operations	Principles and policies updated according to the annual cycle		Everything updated at least every two years and the company’s operating practices comply with these.	The review of the ICT policy was rescheduled, due to changes in operations, to 2023 instead of 2022. Otherwise, all principles and policies are updated at least according to the annual cycle.
Internal audits			No critical shortcomings identified in internal audits	One significant audit observation was made in internal audits regarding the description of the grid connection process
Risk management, continuity management				
Risk management, continuity management			No significant realised risks resulting from the company’s deficient preparedness. Continuity exercises carried out 100% according to the planned schedule.	No significant risks related to poor preparedness materialised and the continuity exercises were carried out
Protection of business critical and personal data (personal data, grid model)	Ensure that business critical data can only be accessed by those who need it		No significant information security and data protection breaches resulting in adverse business impacts	No significant information security and data protection breaches resulting in adverse business impacts detected
Finance – owners and financiers				
Credit rating	Credit rating (S&P, Fitch) at least ‘A-’ (at least from one)		Company’s credit rating at a level that ensures the availability of financing at an affordable cost	The minimum credit rating level was exceeded
Dividend payout capacity	Moderate dividend income for owners that takes into account the company’s financing needs		Absolute amount of dividend and share of parent company’s profits (%)	Dividend income in line with shareholders’ targets was achieved

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Reporting principles

In order to ensure transparency and comparability, Fingrid is in compliance with the Global Reporting Initiative (GRI) guidelines. The boundaries of the social and environmental data do not include the associated companies. The information on reporting was verified by an independent third party, except for the preliminary review of the EU Taxonomy Regulation reporting. Requirements for corporate responsibility reporting by state-owned companies and environmental, social and governance (ESG) reporting guidance for stock exchanges are also taken into account. A Communication on Progress (COP) report in compliance with the UN's Global Compact initiative was prepared separately from the Annual Report. The business risks and opportunities related to climate change are disclosed on Fin-

grid's website, adapted from the TCFD framework (Task Force on Climate-related Financial Disclosures).

The Report of the Board of Directors also includes reporting on Fingrid's non-financial information. The preparations for disclosure in alignment with the EU Taxonomy Regulation continued in 2022. The taxonomy is designed to support sustainable finance by channelling money into projects that are sustainable in terms of climate change and the environment. The reporting obligation under this regulation is not, for the time being, obligatory for Fingrid, but the company reports in compliance with the regulation on a voluntary basis. The transmission of electricity is classified as taxonomy-eligible, i.e. sustainable economic activity eligible to be included in the taxonomy



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system, with technical assessment criteria in place for assessing compliance. In terms of climate change mitigation, the transmission of electricity has been defined as an enabling activity with which other sectors’ greenhouse gas emissions can be significantly reduced. In terms of adapting to climate change, the criteria concern the electricity transmission’s preparedness for the risks related to physical changes in the climate system.

In 2022, the taxonomy-related efforts focused on the required disclosures and preliminary calculations of the proportions of Fingrid’s operations that are taxonomy-eligible and meet the assessment criteria related to climate change mitigation. The three key performance indicators (KPIs) required by the taxonomy were calculated: turnover, capital expenditure and operating expenses. The starting point was that the transmission of electricity is classified sustainable economic activity eligible to be included the taxonomy system. However, the peak load capacity income from Fingrid’s operations is not eligible for the taxonomy system because it is not directly related to the transmission and use of electricity in the main grid. The Datahub and the guarantee of origin certificate service are also not directly linked with electricity transmission,

but they were classified to be eligible for and aligned with the taxonomy because they have positive impacts on promoting climate change mitigation. The Datahub and the guarantee of origin certificates accounted for 0.9% of Fingrid’s total turnover in 2022. In contrast to the previous years, Fingrid recognises some of the congestion income as turnover in 2022. The congestion income was classified to be eligible under the taxonomy, as it arises from the allocation of electricity transmission capacity owned by Fingrid and is an essential aspect of grid operations.

When assessing the taxonomy-alignment of Fingrid’s operations, an essential criterion is met in that the transmission system is an interconnected European system. However, a Fingrid operation is not compliant with the taxonomy criteria if it includes infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO2e/kWh measured on a life cycle basis. Such connections are rare and were ruled out of the calculations of taxonomy-aligned operations. Fingrid’s reserve power activities were also ruled out of the calculations, on the same grounds.

Another aspect of the assessment was to verify that Fingrid’s operations contributing significantly to climate change mitigation do not cause serious harm to the other environmental taxonomy targets applicable to electricity transmission. These targets are related to climate adaptation, resource efficiency and promotion of circular economy, pollution prevention as well as protection of biodiversity and ecosystems. Furthermore, it was verified that Fingrid’s operations comply with the minimum safeguards for social sustainability as defined in the Taxonomy Regulation and have in place appropriate procedures for supervising social sustainability compliance both in its own operations and in its business relationships, in compliance with an appropriate due diligence obligation.

According to the preliminary assessment of the operations in 2022, a substantial proportion of Fingrid’s operations is eligible for the taxonomy and aligned with the taxonomy criteria and significantly mitigates the greenhouse gas emissions from other sectors. Fingrid’s taxonomy KPIs for climate change mitigation are as follows:

- Taxonomy-eligible turnover 99.6% and taxonomy-aligned turnover 99.2%
- Taxonomy-eligible proportion of capital expenditure (CapEx) 100% and taxonomy-aligned proportion of capital expenditure (CapEx) 98.2%
- Taxonomy-eligible proportion of operating expenditure (OpEx) 100% and taxonomy-aligned proportion of operating expenditure (OpEx) 83.5%

”

Substantial part of Fingrid’s operations mitigates the greenhouse gas emissions from other sectors.

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MATERIAL TOPICS FOR FINGRID	MANAGEMENT PERFORMANCE PROCEDURE AT FINGRID	FINGRID’S MANAGEMENT INDICATORS	MATERIAL TOPICS FOR FINGRID’S OPERATIONS
Reliability and security of the electricity system	Principles for managing system security Principles for crisis communications Reserve policy Contingency policy Reserve power plant management policy Company security policy	System security: Transmission reliability in the grid Lost-time injuries frequency	GRI 203: Indirect economic impacts Electricity availability and transmission reliability Demand-side management System efficiency Research and development GRI 403: Occupational health and safety GRI 416: Customer health and safety
Connecting renewable electricity production to the electricity system	Main grid development and maintenance management principles Grid planning, construction, maintenance management policies	Connecting emission-free production to the grid Project’s degree of completion: Third AC connection to Sweden, North–South transmission: Forest Line, North–South transmission: Lake Line II Transmission losses, CO2 emissions Energy efficiency, energy savings SF6 emissions	GRI 2: Strategy, policies and practises GRI 201: Economic performance GRI 302: Energy GRI 305: Emissions
Information security and data protection	Digital security policy Data management policy Data protection policy Document management policy	Protection of business critical and personal data (personal data, grid model)	GRI 418: Customer privacy
Well-functioning electricity market	Principles for promoting the electricity market Loss power procurement policy Transmission capacity allocation and congestion management policy	Well-functioning markets: Maintaining Finland as a single price area	GRI 2: Stakeholder engagement
Occupational health and safety	Fingrid Oyj’s occupational health and safety management Occupational safety handbook	LTIF: Combined lost time injury frequency (own personnel and service providers) Safety of the main grid: Number of accidents to the public	GRI 403: Occupational health and safety GRI 416: Customer health and safety

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MATERIAL TOPICS FOR FINGRID	MANAGEMENT PERFORMANCE PROCEDURE AT FINGRID	FINGRID’S MANAGEMENT INDICATORS	MATERIAL TOPICS FOR FINGRID’S OPERATIONS
Business ethics and compliance	Fingrid’s Code of Conduct Management principles Internal control and risk management principles Ensuring impartiality in preparing matters and decision-making Related party principles HR policy Insider guidelines Corporate finance principles Financing policy	Score for responsible operations in personnel survey Up-to-dateness of principles and policies steering operations Internal audits Risk management, continuity management Credit rating (S&P, Fitch) Dividend payout capacity: Moderate dividend income for owners that takes into account the company’s financing needs Green financing: Total amount in company’s financing arrangements Financial efficiency: Development of costs in relation to the general price level Effective tax rate: Paying taxes according to Finland’s corporate income tax rate	GRI 2: Strategy, policies and practises GRI 406: Non-discrimination GRI 205: Anti-corruption and anti-bribery GRI 415: Public policy GRI 206: Anti-competitive behaviour GRI 201: Economic performance GRI 207: Tax
Trust of stakeholders	Fingridin toimintaperiaatteet Fingrid’s Code of Conduct Land use and environment policy Communications policy	Satisfaction of landowners: Satisfaction with the management of investment projects Company’s reputation among different stakeholders: Stakeholder surveys Willingness of service providers to work with Fingrid: Functioning of service provider market	GRI 2: Stakeholder engagement Local communities
Customer satisfaction	Fingrid’s Code of Conduct Communications policy	Customer satisfaction: cNPS Affordable grid service fees: ENTSO-E price comparison	GRI 201: Economic performance GRI 2: Stakeholder engagement
Responsible sourcing practices	Fingrid’s Supplier Code of Conduct Procurement policy	Deviations or problems in contractor obligation or employment relationship matters	GRI 2: Strategy, policies and practises GRI 204: Procurement practices

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MATERIAL TOPICS FOR FINGRID	MANAGEMENT PERFORMANCE PROCEDURE AT FINGRID	FINGRID’S MANAGEMENT INDICATORS	MATERIAL TOPICS FOR FINGRID’S OPERATIONS
Impacts of transmission lines on land use and scenic values	Land use and environment policy	Utilising existing transmission line routes Positive environmental impacts of technical solutions	GRI 304: Biodiversity
Competence and personnel well-being	Management principles HR policy Equal opportunity and non-discrimination plan	Finland’s best workplace: Result of personnel survey Healthy and happy personnel: Absences due to illness, Retired Diverse work community: Equal opportunity, non-discrimination and diversity	GRI 2: Activities and workers GRI 401: Employment GRI 404: Training and education GRI 405: Diversity and equal opportunity
Protection of nature values and biodiversity	Land use and environment policy	Completed biodiversity improving projects Environmental deviations	GRI 304: Biodiversity
Circular economy and material efficiency	Land use and environment policy	Recycling rate Utilisation rate Measures to reduce the environmental impact of office work	GRI 306: Waste

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Independent accountant’s assurance report

To the Management of Fingrid Oyj

Scope

We have been engaged by Fingrid Oyj (hereafter Fingrid) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements, and by AA1000AS v3 Standard (limited assurance according to the AA1000AS standard, moderate assurance), hereafter referred to as the engagement, to report on sustainability information in Fingrid’s Annual Report 2022 (the “Subject Matter”) for the period 1.1.-31.12.2022. The Subject Matter includes corporate responsibility information defined in more detail in the corporate responsibility and sustainable development sections of Fingrid’s annual report, and in the GRI and SASB indices, as well as Global Compact reporting information. The Subject Matter excludes taxonomy reporting and its indicators. The assignment corresponds to the type 2 assignment of the AA1000AS standard, where the assurance assignment includes not only the AA Principles but also the verification of the reliability and quality of the information.

Criteria applied by Fingrid

In preparing the sustainability information in the Annual Report 2022, Fingrid applied the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Communication on Progress (COP) reporting guidelines of the UN Global Compact initiative, Sustainability Accounting Standards Board’s (SASB) industry-specific Electric Utilities & Power Generators guidelines and Fingrid’s own internal reporting principles (the “Criteria”). As a result, the Subject Matter information may not be suitable for another purpose.

Fingrid’s responsibilities

Fingrid’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (‘ISAE 3000’), and in accordance with AccountAbility’s assurance standard (AA1000AS v3), and the terms of reference for this engagement as agreed with Fingrid on 22.8.2022. ISAE 3000 standard require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The AA1000AS standard requires the planning and execution of the assurance engagement performed in a way that it provides limited assurance as to whether the corporate responsibility information complies with AccountAbility’s reporting principles (AA1000) and whether the information is reliable and of high quality. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

Ernst & Young also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the as-

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surance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the Subject Matter, and applying analytical and other appropriate procedures.

Our procedures included:

- a. To develop the knowledge and understanding of Fingrid’s material sustainability topics, organization and activities,
- b. Interviews with senior management to understand Fingrid’s sustainability management,
- c. Interviews with personnel responsible for gathering and consolidation of the Subject Matter to understand the systems, processes and controls related to gathering and consolidating the information,
- d. Assessing sustainability data from internal and external sources and checking the data to reporting information on a sample basis to check the accuracy of the data,
- e. Performing recalculation of reported information and evaluating the correctness of underlying data and narrative disclosures,
- f. Reviewing AccountAbility (AA1000) Principles (participation of stakeholders, determination of relevant topics of corporate responsibility, meeting the expectations of stakeholders and impact assessment) as part of the evaluation of the implementation of the aforementioned measures.

We also performed such other procedures as we considered necessary in the circumstances.

Limitation of the Assignment

In a limited assurance assignment, the methods of obtaining evidence are more limited than in a reasonable assurance assignment, which is why more limited assurance is obtained than in a reasonable assurance assignment.

We have designed and performed the engagement in such a way that we obtain enough evidence for limited assurance on which to base our conclusions, and thus it does not provide all of the evidence required to obtain reasonable assurance.

The scope of the assignment covers corporate responsibility information for the reporting period 1 January 2022 – 31 December 2022 and does not include corporate responsibility information from previous reporting periods. The assurance covers the Subject Matter previously defined in the section Scope, and the assurance does not apply to other information published in the annual report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of

any material modifications that should be made to the Subject Matter for the period 1.1-31.12.2022, in order for it to be in accordance with the Criteria.

Applying AccountAbility (AA1000) principles of corporate responsibility:

- **Involvement of stakeholders:** Based on the assurance work done and the evidence we have obtained, we have not come across any facts, based on which it would be reasonable to assume that essential stakeholders were not taken into account in the measures related to the participation of stakeholders or that the principle of the participation of stakeholders was not taken into account in the development of corporate responsibility procedures. In its annual report, Fingrid has identified its key stakeholders, set goals related to the involvement of stakeholders and reported on measures to involve stakeholders. Stakeholder group work is monitored regularly at the management team and board level.
- **Determining the essential topics of corporate responsibility:** Based on the assurance work done and the evidence we have obtained, we have not come across any facts,

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based on which there is reason to assume that the determination of Fingrid’s materiality topics of corporate responsibility does not give a fair picture of the material topics regarding corporate responsibility. Fingrid has carried out a materiality analysis to identify key impacts and published its results in its annual report. The materiality analysis has been carried out in accordance with the GRI standard and the topics have been prioritized based on the significance of the effects of Fingrid’s operations and the views of stakeholders. Fingrid regularly monitors stakeholders’ views by conducting stakeholder surveys. The results are also used to identify key responsibility themes. Both short-term and long-term goals have been set for each relevant topic, which are monitored and reported on using appropriate metrics.

- **Responding to stakeholders’ expectations:** Based on the assurance work done and the evidence we have obtained, we have not come across any facts that would give a reason to assume that Fingrid has not applied the principle of responding to stakeholders’ expectations with regard to the topics

to be reported. In its annual report, Fingrid has identified the expectations of various stakeholders and described the measures taken to meet them.

- **Assessment of impacts:** Based on the assurance work done and the evidence we have obtained, we have not come across any facts that would make it reasonable to assume that Fingrid has not measured, monitored and evaluated its impacts on the ecosystems surrounding the company. Fingrid’s essential effects, indicators and goal monitoring are described in the annual report for each area of corporate responsibility.

Quality and reliability of corporate responsibility data

Based on the assurance work done and the evidence we have obtained, we have not come across any facts that would give a reason to assume that the presented corporate responsibility information is not reliable and high-quality in essential parts based on the reporting criteria, or does not give an adequate and correct picture of Fingrid’s corporate responsibility in essential parts.

Recommendations

Based on the assurance work we have done and the evidence we have obtained, we are not aware of any significant changes or additions that should be made to the Subject Matter in order for it to meet the requirements of the Criteria.

- Fingrid’s responsibility reporting processes are structured and systematic, and data producers have clear internal reporting guidelines. The internal data review processes are partially carried out. However, we recommend a clearer process for reviewing the data and a breakdown of responsibility between the data producer and the reviewer in order to identify possible errors especially with Scope 3 emissions, waste, personnel and renewable energy production data.
- Fingrid transparently informs about the estimation methods and emission factors used in the calculation of CO2e emissions and carbon handprint. However, we recommend developing and expanding the calculation to better cover Scope 3 category emissions.

- The calculation and consolidation of the produced corporate responsibility data includes manual work. We recommend considering the development of tools to reduce manual work and to include, for example, automatic data validations to improve data quality and reliability.

Helsinki, 7 March 2023

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Rytilahti
Authorized Public Accountant

Nathalie Clément
Leader of Climate Change & Sustainability Services



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Corporate responsibility GRI disclosures

Standard	GRI content	Location	Additional information and omissions
The organization and its reporting practices			
GRI 2-1	Organizational details	Report of the Board of Directors	Fingrid is a public limited company operating in Finland. Fingrid's headquarters is located in Helsinki
GRI 2-2	Entities included in the organization’s sustainability reporting		The Corporate Responsibility and Sustainable Development Report covers information on the Fingrid Group. The Group has two subsidiary companies, Finextra Oy and Fingrid Datahub Oy, which are 100% owned by Fingrid Oyj
GRI 2-3	Reporting period, frequency and contact point		The reporting period covers the financial period, from 1 January to 31 December 2022. The Corporate Responsibility and Sustainable Development Report is published every year. Additional information: viestinta@fingrid.fi
GRI 2-4	Restatements of information		Any changes to information from previous reports are stated in connection with the relevant information.
GRI 2-5	External assurance	Independent assurance statement	Independent third-party assurance of the Corporate Responsibility and Sustainable Development Report is conducted by Ernst & Young Oy. A limited assurance engagement covers all information presented in the Report.
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	Fingrid’s corporate responsibility management and targets Report of the Board of Directors Supply chain	
	Length of above and underground transmission and distribution lines	Business Review 2022: Main grid	The main grid owned by Fingrid encompasses approximately 14,500 kilometres of 400-, 220- and 110-kilovolt transmission lines, plus 121 substations, and 3 HVDC stations.
	Allocation of CO2e emissions allowances or equivalent, broken down by emissions trading scheme	Greenhouse gas impacts of Fingrid’s operations Report of the Board of Directors	Fingrid’s reserve power plants are included in the European Union’s emissions trading system. The accuracy of the measuring and reporting systems for fuel consumption is verified by an accredited emissions trading verifier. A total of 6,006 (5,494) units (tCO2) of emission allowances were returned, 100% of which consisted of purchased emission right units. Fingrid has not been granted free-of charge emission rights for the emissions trade period 2021–2030. Purchased emission right units amounted to 4,000 in 2022. Emissions trading had minor financial significance for Fingrid.
GRI 2-7	Employees	Business Review 2022: Personnel	Fingrid has very rarely working contracts with non-guaranteed working hours. They can be used for students working occasionally or retired employees who may assist the company in specific projects. Fingrid does not keep non-guaranteed working hours contracts separately, but they are included in the group of part-time employees.

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Standard	GRI content	Location	Additional information and omissions
Activities and workers			
	Working hours of the personnel and service providers	Diverse work community	Reporting covers the service providers’ working hours included in Fingrid’s internal monitoring. In 2022, grid building, and maintenance operations amounted to roughly 1 092,000 work hours, equaling 642 man-years In addition, in Fingrid’s premises external workforce of different service providers are working in the reception services, guarding, cleaning and IT-support on a daily basis. Occasionally external service providers’ employees work in facility maintenance and project-based consulting tasks. The amount of these service providers’ employees is not significant and working hours are not reported.
GRI 2-8	Workers who are not employees	Diverse work community Supply chain	
Governance			
GRI 2-9	Governance structure and composition	Corporate Governance Statement	
GRI 2-10	Nomination and selection of the highest governance body	Corporate Governance Statement	
GRI 2-11	Chair of the highest governance body	Corporate Governance Statement	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement Strategic corporate responsibility management	
GRI 2-13	Delegation of responsibility for managing impacts	Corporate Governance Statement Strategic corporate responsibility management	
GRI 2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Statement	Fingrid’s responsibility reporting is based on the materiality assessment. It is evaluated annually, as a part of the strategy process, to ensure that it is up to date and the Executive Management Group confirms the most important issues concerning Fingrid’s operations as well as the adequacy of the management approach for these issues. Board of Directors reviews the materiality assessment and approves it as a part of the strategy. The Executive Management Group reviews and approves the Corporate Responsibility and Sustainable Development Report before its publication. In the Review of Board of Directors relevant non-financial information is disclosed based on the materiality assessment.
GRI 2-15	Conflicts of interest	Corporate Governance Statement	
GRI 2-16	Communication of critical concerns	Corporate Governance Statement Feedback channels and reporting breaches	

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Standard	GRI content	Location	Additional information and omissions
Governance			
GRI 2-17	Collective knowledge of the highest governance body	Corporate Governance Statement	Members of the Board of Directors have the adequate knowledge on the material sustainable development in the sector and the Board of Directors regularly monitors sustainable development topics.
GRI 2-18	Evaluation of the performance of the highest governance body	Corporate Governance Statement	The Board of Directors evaluates the activities annually and the process is described in the Corporate Governance Statement. The evaluation includes corporate responsibility and sustainable development related topics.
GRI 2-19	Remuneration policies	Remuneration Report	The reports account for the principles of remuneration policies and systems for the Board of Directors and senior executives.
GRI 2-20	Process to determine remuneration	Fair remuneration	In remuneration Fingrid complies with the principles set forth by the state’s and other owners’ policies. Remuneration principles are described in the Remuneration Policy which is approved in the Annual General Meeting in 2020. Remuneration principles of the State are defined in the Government Resolution on the State Ownership Policy 8 April 2020. Other owners’ views on remuneration are confirmed annually when making decisions on remuneration first in the Board’s Remuneration Committee and after that in the Board of Directors. In the Annual General Meeting the actual remuneration and remuneration principles are reviewed. In order to support decision-making, the Board of Directors commissions annually an independent consulting company (during last years EVLI Alexander Incentives) to conduct a remuneration survey of management, where Fingrid’s management compensations are compared to respective companies.
GRI 2-21	Annual total compensation ratio	Remuneration Report	
Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	Business Review 2022: Review by the President & CEO	
GRI2-23	Policy commitments	Compliance of the business operations Managing risks and continuity Code of Conduct	Human rights and environmental due diligence has for long been a part of applying Fingrid’s Code of Conduct. The precautionary principle is included in Fingrid’s Code of Conduct and the UN’s Global Compact initiative, which Fingrid has committed to. The environmental impacts of new transmission lines are determined according to an environmental impact assessment procedure as required under the legislation on the EIA procedure or, for projects with minor impacts, by means of an environmental study. Fingrid’s reserve power plants are subject to an environmental permit. Fingrid’s Code of Conduct includes a commitment to respect human rights.

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Standard	GRI content	Location	Additional information and omissions
Strategy, policies and practices			
GRI 2-24	Embedding policy commitments	Fingrid’s corporate responsibility management and targets Good governance	
GRI 2-25	Processes to remediate negative impacts	Fingrid’s corporate responsibility management and targets Supply chain Good governance	Fingrid’s personnel has access to several feedback and reporting channels. The personnel have been provided instructions for their use. Fingrid also has a confidential and independent reporting channel open for external stakeholders, who can make reports anonymously. Fingrid requires its suppliers to commit responsible and ethical business conduct through Supplier Code of Conduct, which realization is monitored using a risk-based approach.
GRI 2-26	Mechanisms for seeking advice and raising concerns	Feedback channels and reporting breaches	
GRI 2-27	Compliance with laws and regulations		No significant fines or sanctions during the reporting period.
GRI 2-28	Membership associations		ENTSO-E (European Network of Transmission System Operators – Electricity), Finnish Energy Industries, Cigré (International Council on Large Electric Systems), FIBS Corporate Responsibility Network
Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	Stakeholders and customers	
GRI 2-30	Collective bargaining agreements		Fingrid complies with the collective labour agreement for salaried employees and senior professional employees in the energy industry. These agreements cover the entire personnel excluding top management
	Company’s contractors’ personnel covered by the collective labour agreements by country		According to the Act on the Contractor’s Obligations and Liability when Work is Contracted Out, the entire chain of contractors at Fingrid’s work sites is obligated to operate in compliance with applicable Finnish collective labour agreements both regarding Finnish and non-Finnish workforce

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Standard	GRI content	Location	Additional information and omissions
Material topics			
GRI 3-1	Process to determine material topics	Material corporate responsibility topics and Fingrid’s corporate responsibility targets	Fingrid’s materiality analysis is evaluated annually, as a part of the strategy process, to ensure that it is up to date and the Executive Management Group confirms the most important issues concerning Fingrid’s operations as well as the adequacy of the management approach for these issues. The assessment of the economic, social and environmental impacts of Fingrid’s operations, as well as the impacts on stakeholders’ decision-making, takes into account the strong connection between sustainability, strategy and business and its impact on Fingrid’s ability to create value, as well as the value-chain-wide requirements of the GRI reporting guidelines. A thorough materiality assessment was conducted in 2014, which included a broad background analysis, meetings attended by dozens of experts from Fingrid, and a stakeholder survey sent out to roughly 700 individuals. In 2022, a separate corporate responsibility survey was again conducted for key stakeholders
GRI 3-2	List of material topics	Material corporate responsibility topics and Fingrid’s corporate responsibility targets	The matters prioritized as material for Fingrid and their corresponding GRI reporting aspects are presented in the Corporate Responsibility and Sustainable Development Report.
GRI 3-3	Management of material topics	Material corporate responsibility topics and Fingrid’s corporate responsibility targets Fingrid’s environmental responsibility indicators Fingrid’s social responsibility indicators Fingrid’s indicators related to good governance Strategic corporate responsibility management	

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Economic responsibility standards

Standard	GRI content	Location	Additional information and omissions
Economic performance			
GRI 201-1	Direct economic value generated and distributed, €1,000	Generation of economic value	
GRI 201-4	Financial assistance received from government, €1,000	Generation of economic value	
Indirect economic impacts			
GRI 203-2	Significant indirect economic impacts	Reliability and security of the electricity system Economy – society Customers	
Procurement practices			
GRI 3-3	Management of material topics	Supply chain	
Anti-corruption			
GRI 205-1	Operations assessed for risks related to corruption	Anti-corruption and anti-terrorism measures Managing risks and continuity	At the company level several internal control and risk management models are in place to prevent corruption, bribery and other financial irregularities. Anti-corruption is a part of Fingrid’s Code of conduct and Fingrid’s Supplier Code of Conduct. One of the risks annually reported to the Board of Directors is risk for biased corporate culture covering actions against the company’s Code of Conduct and values.
GRI 205-2	Communication and training about anti-corruption policies and procedures	Code of Conduct Supply chain	Our managers and the entire work community ensure that behaviour is in line with the Code of Conduct. One tool used for this is our online induction course. We require all our employees to regularly complete the induction course.
GRI 205-3	Confirmed incidents of corruption and actions taken	Feedback channels and reporting breaches	No incidents of corruption during the reporting period.

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Standard	GRI content	Location	Additional information and omissions
Anti-competitive behaviour			
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Feedback channels and reporting breaches	Teollisuuden Voima Oyj (“TVO”) has lodged a request for an investigation with the Energy Authority on 25 May 2022 related to the claims by TVO that Fingrid has neglected its obligation to develop the main grid as stated in the Finnish Electricity Market Act and/or other applicable legislation, and that, as a result, it has placed unlawful restrictions on connecting the Olkiluoto 3 nuclear power plant to the grid. Fingrid’s view is that the claims made by TVO are unfounded.
Tax			
GRI 207-4	Country-by-country reporting	Tax footprint	
Electricity availability and transmission reliability			
GRI 3-3	Management of material topics	Reliability and security of the electricity system	
Demand-side management			
GRI 3-3	Management of material topics	Business Review 2022: Power system	
Research and development			
GRI 3-3	Management of material topics	Business Review 2022: Research and development	
System efficiency			
GRI 3-3	Management of material topics	Electricity transmission losses and energy efficiency	

Environmental responsibility standards

Standard	GRI content	Location	Additional information and omissions
Energy			
GRI 302-1 GRI 302-2	Energy consumption within the organisation Energy consumption outside of the organisation	Electricity transmission losses and energy efficiency	
GRI 302-3	Energy intensity	Electricity transmission losses and energy efficiency	

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Standard	GRI content	Location	Additional information and omissions
Water			
GRI 303-5	Water consumption		Water consumption and wastewater are not essential factors in electricity transmission or in the operation of substations and reserve power plants. Household water is consumed at our facilities, substations and reserve power plants.
Biodiversity			
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protection of nature values and biodiversity and impacts on land use and scenic values	
Emissions			
	Greenhouse gas emissions	Greenhouse gas impacts of Fingrid’s operations	
GRI 305-1	Direct (Scope 1) GHG emissions	Greenhouse gas impacts of Fingrid’s operations Substations’ SF6 gases	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse gas impacts of Fingrid’s operations	
GRI 305-3	Other indirect (Scope 3) GHG emissions	Greenhouse gas impacts of Fingrid’s operations	
GRI 305-4	GHG emissions intensity	Greenhouse gas impacts of Fingrid’s operations	
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Greenhouse gas impacts of Fingrid’s operations	
Waste			
GRI 306-1	Waste generation and significant waste-related impacts	Circular economy and material efficiency	
GRI 306-2	Management of significant waste-related impacts	Circular economy and material efficiency	
GRI 306-3	Waste generated	Circular economy and material efficiency	
GRI 306-4	Waste diverted from disposal	Circular economy and material efficiency	
GRI 306-5	Waste directed to disposal	Circular economy and material efficiency	

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Social responsibility standards

Standard	GRI content	Location	Additional information and omissions
Employment			
GRI 401-1	New employee hires and employee turnover; total numbers, by age group, gender and region	Diverse work community	
	Percentage of employees retiring within the next 5 and 10 years	Diverse work community	
	Number of workdays of contractors’ and contractors' employees working in construction, operation and maintenance duties	Diverse work community	The report accounts for the total working hours of service providers see GRI 2-7.
	Proportion of suppliers’ and contractors’ employees who have taken part in occupational safety training	Promoting occupational health and safety	The report accounts for the OHS development project.
Occupational health and safety			
GRI 403-1	Occupational health and safety management system	Promoting occupational health and safety	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Promoting occupational health and safety	
GRI 403-3	Occupational health services	Knowhow and healthy, happy personnel	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Promoting occupational health and safety	
GRI 403-5	Worker training on occupational health and safety	Promoting occupational health and safety	
GRI 403-6	Promotion of worker health	Promoting occupational health and safety Knowhow and healthy, happy personnel Promoting occupational health and safety	

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Standard	GRI content	Location	Additional information and omissions
Occupational health and safety			
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Promoting occupational health and safety	
GRI 403-8	Workers covered by an occupational health and safety management system	Promoting occupational health and safety	
GRI 403-9	Work-related injuries; types and rates of injuries (LTIF), occupational diseases, lost days, absenteeism, and number of work-related fatalities, by region and by gender	Promoting occupational health and safety	
	Contractors’ and suppliers’ OHS-related performance	Promoting occupational health and safety	A number of injuries, injuries frequency and fatalities reported
GRI 403-10	Work-related ill health	Promoting occupational health and safety	
Training and education			
GRI 404-1	Average hours of training per year per employee; by gender and by employee category	Business Review 2022: Personnel	
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes; to facilitate continued employability and the management of career endings	Business Review 2022: Personnel	

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Standard	GRI content	Location	Additional information and omissions
Diversity and equal opportunities			
GRI 405-1	Diversity of governance bodies; composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group, and other indicators of diversity	Diverse work community	
GRI 405-2	Ratio of basic salary and remuneration of women to men	Fair remuneration	
Non-discrimination			
GRI 406-1	Incidents of discrimination and corrective actions taken	Feedback channels and reporting breaches	No incidents of discrimination during the reporting period.
Local communities			
	Result of landowner survey	Landowners	
Public policy			
GRI 415-1	Political contributions; total value by country and recipient/beneficiary		Fingrid does not provide any direct or indirect support, including non-monetary support, to political activities.
Customer health and safety			
	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	Safety of the main grid	No cases of personal injury to the public during the reporting period caused by Fingrid’s electricity equipment or their use in 2022. No claims related to incidents of this kind were presented to the company during the reporting period.
Availability			
	Power outage frequency	Report of the Board of Directors Reliability and security of the electricity system	
	Average power outage duration	Report of the Board of Directors Reliability and security of the electricity system	

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Standard	GRI content	Location	Additional information and omissions
Customer privacy			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information security and data protection Feedback channels and reporting breaches	One breach was detected in connection with the privacy of landowners. The case concerned two attached documents handed over to municipalities during an expropriation permit process; some of the personal data contained in the documents had been missed when blocking it out. The data was also temporarily visible on the municipalities’ websites, until it was removed at Fingrid’s request. According to Fingrid’s assessment, the case did not cause high risk for the registered persons’ rights, and it also did not result in any major impact on Fingrid’s business operations. Fingrid modified the practices concerning expropriation permit processes to prevent any similar incidents in the future.

Disclosures based on the SASB standard

Code	SASB Accounting Metric	Fingrid Disclosures	2022	Unit of measure	More information
Greenhouse Gas Emissions & Energy Resource Planning					
IF-EU-110a.1	1) Gross global Scope 1 emissions, percentage covered under:	Greenhouse gas emissions, scope 1	7 000	Metric tons (t) CO ₂ -e	
	(2) emissions-limiting regulations	Percentage of scope 1 emissions covered by the EU emission trading system	89 %	Percentage (%)	
	(3) emissions-reporting regulations	Percentage of scope 1 emissions covered by the the reporting obligation of the EU emission trading system	89 %	Percentage (%)	
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Greenhouse gas emissions, scope 2 from transmission losses (location-based)	96 000	Metric tons (t) CO ₂ -e	Fingrid uses a real-time factor for electricity consumed (average in 2022 60 g CO ₂ /kWh)

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Code	SASB Accounting Metric	Fingrid Disclosures	2022	Unit of measure	More information
Greenhouse Gas Emissions & Energy Resource Planning					
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	Short-term targets 2025: Finland climate neutral by 2035 - Fingrid’s investments and development projects enable the reduction of carbon dioxide emissions in electricity production. - Grid investments to be carried out to integrate emission-free electricity production to the grid were completed on schedule, the market’s development projects were finished and the grid’s system security remained good. Emission-free transmission losses: - Finland’s grid investments have enabled the integration of new emission-free production into the grid, which has reduced the carbon dioxide emissions of transmission losses without emission compensation. - Improved energy efficiency based on commitments Main grid does not cause SF6 emissions: - Reducing SF6 gas emissions using modern technologies and preparing for adoption of new technologies. - The roadmap for new technologies has been drawn up and a pilot project is underway. - The grid’s SF6 emissions are low compared with other TSOs			Fingrid Corporate Responsibility and Sustainable Development Report 2022, p. 14,18 & 21

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Code	SASB Accounting Metric	Fingrid Disclosures	2022	Unit of measure	More information
Greenhouse Gas Emissions & Energy Resource Planning					
IF-EU-110a.3		Long-term targets 2035: Finland climate neutral by 2035 - Enabling the emission-free electricity production required for a climate neutral Finland and increased demand for electricity. - The main grid does not restrict Finland’s transition to climate neutrality, the markets balance out production and consumption, good system security Emission-free transmission losses: - In a climate neutral Finland, transmission losses do not cause any CO2 emissions. - Fingrid is energy efficient in all of its operations Main grid does not cause SF6 emissions: - SF6 gas emissions at a minimum, all new gas-insulated switching substations comply with the selected new technology and are SF6-free. - The lowest SF6 gas emissions caused by a main grid in the world, when compared with other TSOs.			Fingrid Corporate Responsibility and Sustainable Development Report 2022, p. 14,18 & 21
IF-EU-110a.4	1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Not applicable to Fingrid operations			

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Code	SASB Accounting Metric	Fingrid Disclosures	2022	Unit of measure	More information
Air Quality					
IF-EU-120a.1	Air emissions of the following pollutants:				
	(1) NOx (excluding N2O)	Nitrogen oxides, Nox	40	Metric tons (t)	
	(2) Sox	Sulphur dioxide, SO2	0,5	Metric tons (t)	
	(3) particulate matter (PM10)	Not relevant in Fingrid's operations			
	(4) lead (Pb)	Not relevant in Fingrid's operations			
	(5) mercury (Hg)	Not relevant in Fingrid's operations			
	percentage of each in or near areas of dense population	Fingrid's reserve power plants are not located in areas of dense population.		Percentage (%)	
Water Management					
IF-EU-140a.1	(1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Not relevant in Fingrid’s operations Water consumption and waste water are not significant factors in electricity transmission or in the operation of substations and reserve power plants. Household water is consumed at our facilities, substations and reserve power plants.			
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Not relevant in Fingrid’s operations			
IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Not relevant in Fingrid’s operations			
Coal Ash Management					
IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	Not applicable to Fingrid operations No coal combustion in Fingrid’s operations			
IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Not applicable to Fingrid operations No coal combustion in Fingrid’s operations			

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Energy Affordability					
IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Not applicable to Fingrid operations. Fingrid is Finland’s national transmission system operator (TSO). Fingrid does not set retail electric rates.			
IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Not applicable to Fingrid operations. Fingrid is Finland’s national transmission system operator (TSO). Fingrid does not have residential customers.			
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Not applicable to Fingrid operations. Fingrid is Finland’s national transmission system operator (TSO). Fingrid does not have residential customers.			
IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	According to a study carried out by the European Network of Transmission System Operators for Electricity (ENTSO-E) in 2021, the transmission tariffs for electricity in the Finnish main grid are the second lowest in Europe, when compared with transmission systems of a similar size. In 2022 Fingrid decided to use its congestion income to cover the increase in operating cost, and not to collect grid service fees for December 2022 and for January, February and June 2023. The company plans to waive grid service fees for three additional months in 2023. This would reduce main grid customers’ current payments by some 300 million.			Fingrid Corporate Responsibility and Sustainable Development Report 2022, p. 53

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Code	SASB Accounting Metric	Fingrid Disclosures	2022	Unit of measure	More information
Workforce Health & Safety					
IF-EU-320a.1	(1) Total recordable incident rate (TRIR)	Combined total recordable injury frequency (TRIF, own personnel and service providers)	13,5	Rate	Fingrid Corporate Responsibility and Sustainable Development Report 2022, p. 59–60
IF-EU-240a.2	(2) fatality rate	Number of work-related fatalities	0	Rate	
IF-EU-240a.3	(3) near miss frequency rate (NMFR)	Near miss frequency rate	62,3	Rate	
End-Use Efficiency & Demand					
IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Not applicable to Fingrid operations.			
IF-EU-420a.2	Percentage of electric load served by smart grid technology	Not applicable to Fingrid operations.			
IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Not applicable to Fingrid operations.			
Nuclear Safety & Emergency Management					
IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Not applicable to Fingrid operations. No nuclear power in Fingrid’s operations			
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	Not applicable to Fingrid operations. No nuclear power in Fingrid’s operations			

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Code	SASB Accounting Metric	Fingrid Disclosures	2022	Unit of measure	More information
Grid Resiliency					
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	No incidents in 2022	0	Number of incidents	
IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI)	System Average Interruption Duration Index per connection point (CP)	4,65	minutes/CP	
	(2) System Average Interruption Frequency Index (SAIFI)	(2) System Average Interruption Frequency Index (SAIFI)	0,15	Quantity/CP	
	(3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Customer Average Interruption Duration Index (CAIDI)	31,0	minutes/event	
Activity Metrics					
IF-EU-000.A	Number of: (1) residential, (2) commercial customers and (3) industrial customers served	Customers connected to the Fingrid’s grid.	130	Number	
IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Fingrid’s transmission volume, TWh	70,1	Terawatt hours (TWh)	
IF-EU-000.C	Length of transmission and distribution lines	The main grid owned by Fingrid encompasses approximately 14,500 kilometres of 400-, 220- and 110-kilovolt transmission lines, plus 121 substations, and 3 HVDC stations.	14 500	Kilometres (km)	
IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets	Energy produced with the fuels consumed by reserve power plants and leased reserve power plants. 100% of electricity generated in regulated markets in Finland. Fingrid’s own power plants and leasing power plants are not used for commercial electricity production.			

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Activity Metrics					
		Own reserve power plants	6,0	Gigawatt hours (GWh)	
		Leased reserve power plants	1,0	Gigawatt hours (GWh)	
		Percentage in regulated markets	100	Percentage (%)	
IF-EU-000.E	Total wholesale electricity purchased	Reserve power plants’ auxiliary energy and Electricity of Fingrid’s own premises	32,8	Gigawatt hours (GWh)	

Fingrid delivers. Responsibly.

For more detailed information on Fingrid and the contact persons for various functions, see the company's website at www.fingrid.fi/en

Fingrid Oyj

Läkkisepäntie 21, 00620 Helsinki
PL 530, 00101 Helsinki
Telephone 030 395 5000

Feedback and more information: viestinta@fingrid.fi



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