

FINGRID
ANNUAL REPORT 2021

Corporate Responsibility and Sustainable Development

FINGRID

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CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

- > Fingrid's corporate responsibility management and targets
- > Environmental responsibility
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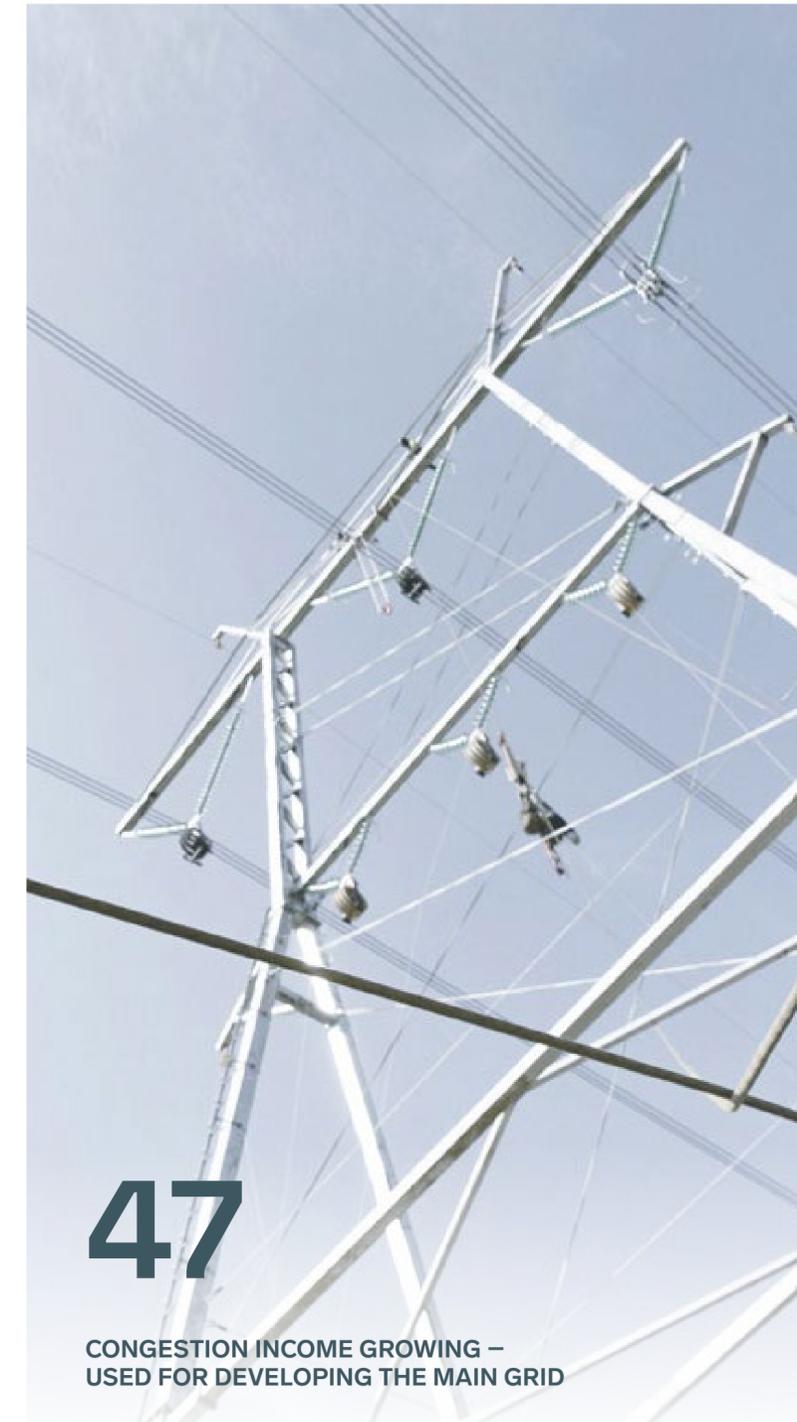
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01

Fingrid's corporate responsibility management and targets – Fingrid delivers. Responsibly.

Fingrid bears corporate responsibility in everything it does. Fingrid's basic task is to serve society and ensure that everyone in Finland gets their electricity, disturbance free. Society is increasingly dependent on electricity, and for this reason, ensuring system security is of the utmost importance. 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 an important indication of what it means for Fingrid to succeed in its basic task.

Fingrid promotes the transition towards a clean power system. The transformation of the energy system calls for major changes in the structures of electricity production, electricity networks and the electricity market. Fingrid will move forward with these changes and develop the main grid

together with its stakeholders so that Finland can achieve its goal of climate neutrality by 2035.

Fingrid's most significant sustainability action is its climate change mitigation efforts. Its task is to ensure, proactively, that the grid investments for connecting clean electricity production and consumption are carried out on schedule. Increasing strongly weather-dependent renewable power production also requires the renewal of the electricity market, the balancing between production and consumption and increasing demand-side management.

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 transmis-



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sion, and improving energy efficiency in the company's operations. In addition, the goal is to achieve the maximum possible recycling rate for materials being decommissioned at worksites and to protect nature values and biodiversity in transmission line right-of-ways.

Fingrid bears its social responsibility in many ways, taking into account the personnel and stakeholders. We are proud of the relevance of our work, which forms 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.

Transmission system operators have a far-reaching impact on society and different stakeholders, all of which have expectations of the companies' operations. Being responsive to the expectations of personnel, customers, 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.

Our special standing in society obligates us to operate very cost-effectively. Our goal is for grid service fees to be among the most affordable in Europe, both today and in the future. Fingrid is a responsible taxpayer 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.

STRATEGIC CORPORATE RESPONSIBILITY MANAGEMENT

Management at Fingrid is strongly based on the company's values: Fingrid is open, fair, efficient and responsible, which is reflected in our daily operations. Corporate responsibility is not an isolated function or topic, but a fixed part of the company's strategy. 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 promotion 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 process when making decisions concerning, for example, investments.

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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 impacts the remuneration of the President & CEO and the company executives. 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.

Fingrid's corporate responsibility management

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

We have described our administrative system in more detail in the Corporate Governance Statement for 2021, and in the Remuneration Statement for 2021 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 com-

mitted to its principles on human rights, labour, the environment and anti-corruption.

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. Through its business, Fingrid supports all in all nine of the sustainable development goals in particular, to which we ad-

ded during the year under review goal 16 'Peace, justice and strong institutions'.

Fingrid does not accept corruption or bribery and is a strong proponent of effective, responsible and transparent practices. Our updated insight into our concrete participation in the realisation of these SDGs is available in its entirety on our [website](#).

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UN Sustainable Development Goal

SDG-linked indicator or target monitored by Fingrid



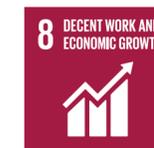
Transmission reliability in the grid, %
 Maintaining Finland as a single price area
 Connection of wind power to the grid, MW
 Development of costs in relation to the general price level



Grid projects' degree of completion, %
 Customer satisfaction, cNPS
 Affordable grid service fees, ENTSO-E price comparison



SF6 emissions, %
 Carbon dioxide emissions of transmission losses, tCO₂e
 Energy efficiency, energy savings, MWh



The table below shows how Fingrid's corporate responsibility ESG targets and indicators are linked to the UN's sustainable development goals. Further below in each section of this corporate responsibility report, the SDG goals are linked to each of Fingrid's ESG targets, i.e. environmental responsibility, social responsibility and good governance.

MATERIAL CORPORATE RESPONSIBILITY TOPICS AND FINGRID'S CORPORATE RESPONSIBILITY TARGETS

Fingrid has identified the material corporate responsibility topics in its strategy and core operations. The company has set for them corporate responsibility ESG targets, which cover environmental responsibility (E), social responsibility (S) and good governance (G). 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 assesses the operating environment, issues raised by stakeholders, legislation and industry

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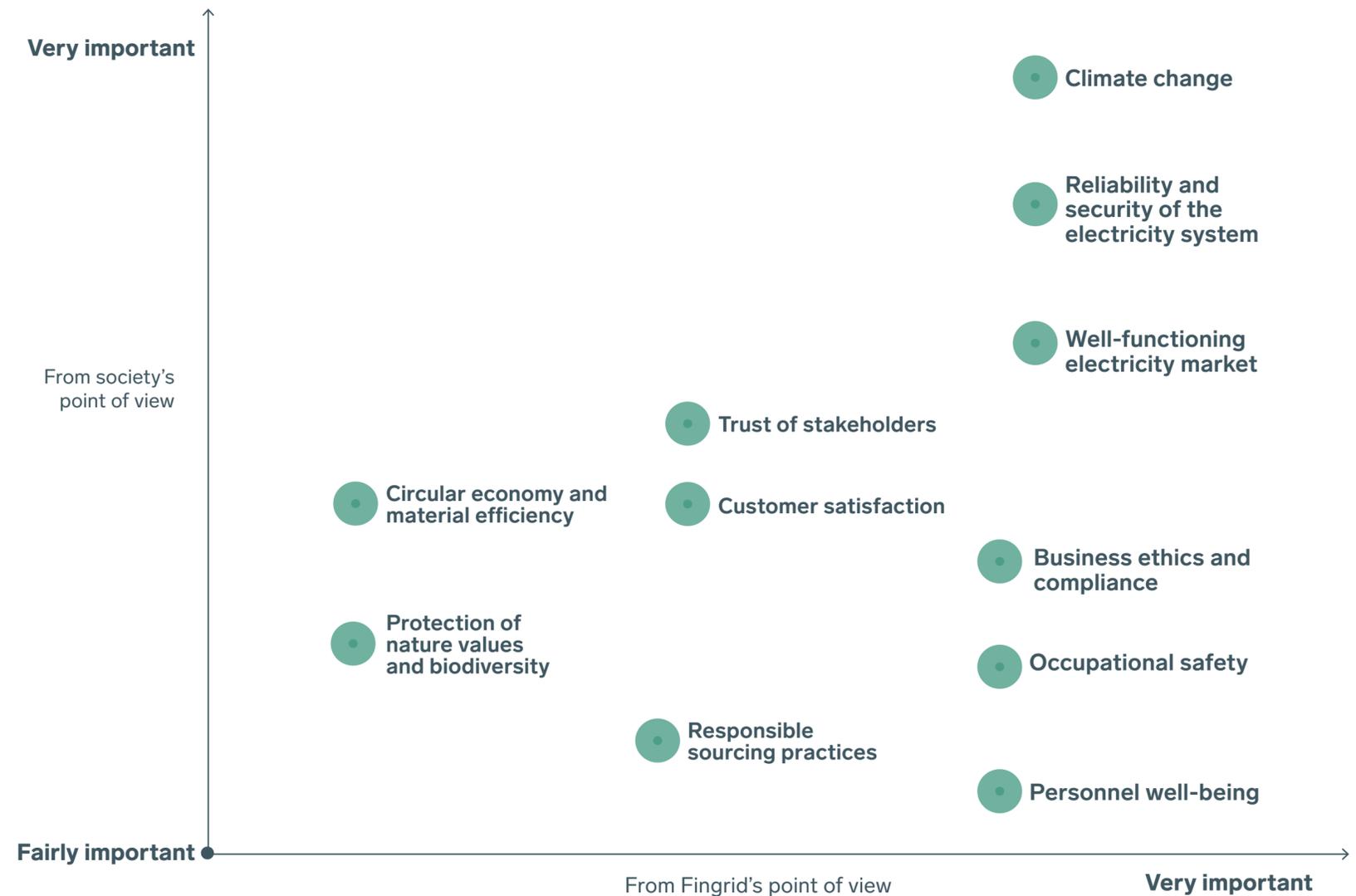
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trends. The identified corporate responsibility areas have been prioritised based on the significance of the impacts of Fingrid's operations and the views of stakeholders.

We annually monitor the stakeholders' views on our corporate responsibility by carrying out reputation surveys among the different stakeholders, also asking for the respondents' views on Fingrid's responsibility. In the reputation survey, the questions of the corporate responsibility section particularly emphasise how the company takes society and the environment into account.

The greatest societal impacts of Fingrid's operations are related to mitigating climate change, the security and safety of the power system and a well-functioning electricity market. All of these issues are material topics in terms of responsibility, and are also at the core of the company's strategy. We promote the transition towards a clean power system by reinforcing the main grid and by ensuring that renewable energy has access to the market.

Material impacts of Fingrid's operations



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For each material topic, short-term targets have been set that extend to 2025 and long-term targets that extend to 2035. The achievement of the targets is monitored and is reported on using indicators, each of which has its own appointed director. The targets and the related indicators are described using the ESG categories used in our corporate responsibility reporting.

The corporate responsibility targets and the indicators are described in this report in connection with each main theme (environmental responsibility, social responsibility and good governance).

SUMMARY OF ACHIEVED CORPORATE RESPONSIBILITY TARGETS IN 2021

Promoting corporate responsibility is above all about everyday actions, listening to stakeholders and embracing responsible practices and models.

From the customers' perspective, the cost of electrical disturbances to the national economy was significantly low in 2021. At

the same time, customer satisfaction remained high and Fingrid was able to keep its grid service fees at a low level by international standards. We met the financial targets well: we ensured cost-effectiveness, exceeded the minimum credit rating levels and paid the owners a dividend income in line with the targets. Grid construction and maintenance investments were implemented on schedule and on budget without any major environmental damage. The system security of the power system remained high, and no major deviations occurred in the procurement chain in terms of contractor obligations or employment relationships. Unfortunately, we failed to meet our occupational safety target. Despite the exceptional circumstances due to the pandemic, our personnel's well-being was very good, with few people falling ill. The personnel's job satisfaction was high.

The results of the corporate responsibility targets and indicators are described in more detail in this report in connection with each ESG theme.

CORPORATE RESPONSIBILITY HIGHLIGHTS 2021:

- Record number of substation projects underway, which will enable Fingrid to connect wind power to the main grid.
- 11 responsibility audits in goods sourcing and 13 audits to ensure responsible practices at worksites.
- Ninety-four per cent of our employees consider Fingrid as a whole to be a good place to work. Personnel's eNPS score 67.
- Customer survey cNPS score 41.
- A revolving credit facility of EUR 300 million has been tied to the company's sustainability targets.
- Fingrid was Finland's 19th largest corporate income tax payer in 2020.
- Despite the exceptional circumstances of the Covid-19 pandemic, no significant deviations are known to have occurred in the compliance with the company guidelines and good governance.
- Ninety-six per cent of our employees feel that Fingrid employees comply with responsible practices.

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Environmental responsibility

Fingrid's operations have a significant positive impact on the environment and climate as our carbon handprint is significantly larger than our carbon footprint. By reinforcing the grid for the needs of clean electricity production, we are enabling the transition to a clean power system. Our investments result in greenhouse gas emissions and negative environmental impacts, which we reduce in our business in line with Fingrid's land use and environmental policy. Key aspects include preparedness for environmental risks and a thorough environmental impact assessment (EIA), and mitigating the impacts already at the planning phase.



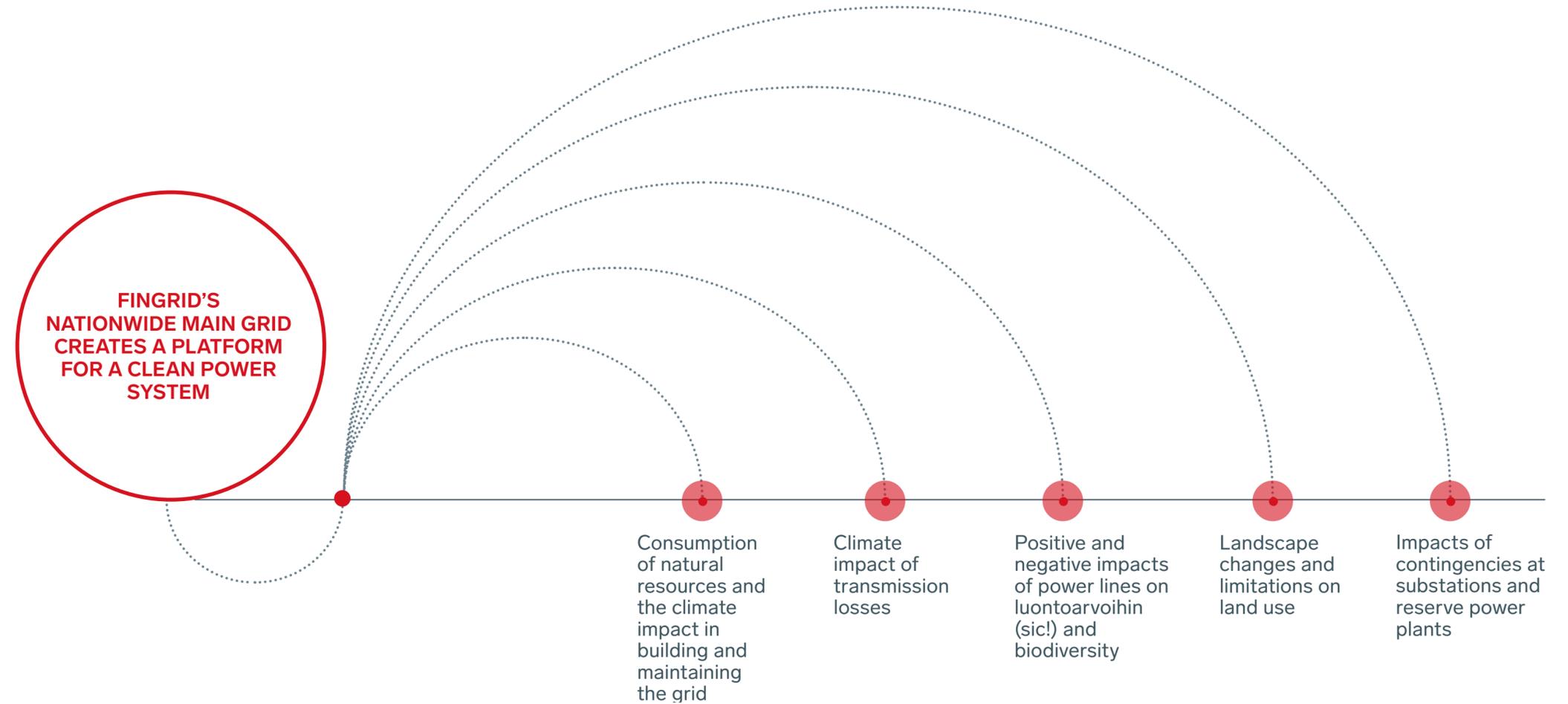
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Fingrid's main environmental impacts



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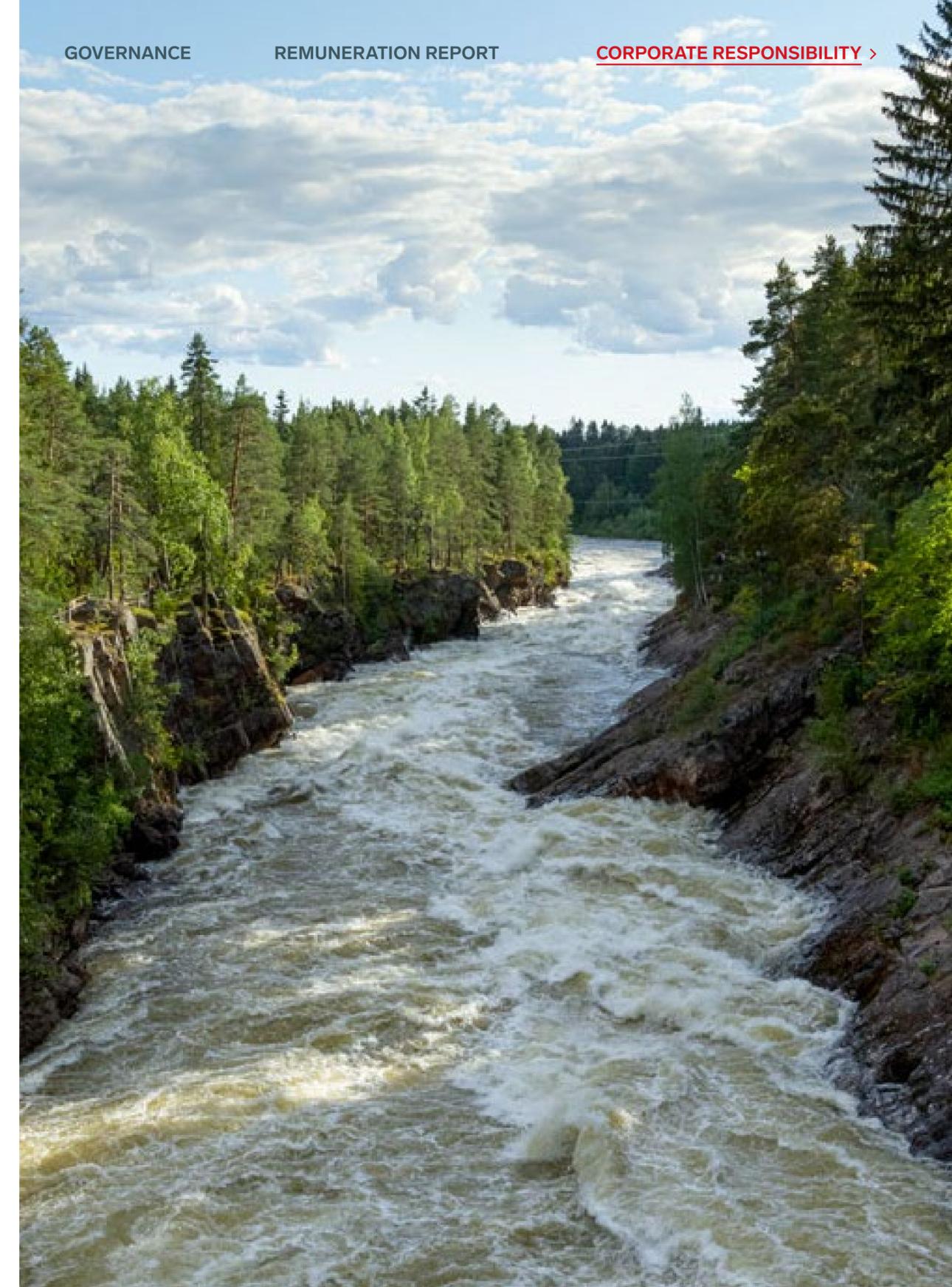
CLIMATE

Fingrid's most significant responsibility action is its climate change mitigation efforts: the main grid operates as a platform for a clean power system. By reinforcing the transmission grid for the needs of clean electricity production, we enable Finland to achieve its climate objectives.

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 produce electricity itself. It promotes the mitigation of climate change by ensuring that clean production can be connected to the power system, and that clean electricity is transferred from producers to consumers.

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 climate neutral by 2035	<p>Fingrid's investments and development projects enable the reduction of carbon dioxide emissions in electricity production.</p> <p>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.</p>	<p>Enabling the emission-free electricity production required for a climate neutral Finland and increased demand for electricity.</p> <p>The main grid does not restrict Finland's transition to climate neutrality, the markets balance out production and consumption, good system security.</p>	<p>Environment Climate – emission-free power system</p> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #2e7d32; color: white; padding: 5px; margin-bottom: 5px;">13 CLIMATE ACTION</div> <div style="background-color: #2e7d32; color: white; padding: 5px; margin-bottom: 5px;">7 AFFORDABLE AND CLEAN ENERGY</div> <div style="background-color: #2e7d32; color: white; padding: 5px;">9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> </div>



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Integrating new emission-free electricity production into the power system requires the strengthening of the main grid. We need more substations, transmission lines and enough transmission connections in order to integrate renewable energy production into the power system and to transmit the produced energy to electricity consumption.

Over the next decade, more than 3,000 kilometres of new transmission line will be built, typically in connection with existing transmission lines. A record number of projects are underway in the grid investment programme. With these investments, we can guarantee the sufficient transmission capability of the main grid for the needs of society and for maintaining a single price area, i.e. making sure that the wholesale market price of electricity will remain the same throughout Finland.

The most important and topical projects for mitigating climate change are:

- Forest Line transmission line from Petäjävesi to Muhos via Haapavesi
- Development of the Oulujoki grid
- Lake Line transmission link between Vaala and Joroinen

- Aurora Line, third AC connection to Sweden
- Transmission line project between Rovaniemi and Vaala
- Numerous substation projects to enable the connection of wind power

Construction of the grid uses up EUR 200–250 million annually. Altogether, investments in the grid will come to around two billion euros this decade. A record number of substation modernisations and refurbishments are still being carried out. Wind power from Northern Finland and imported electricity from Sweden will be transmitted for consumption in Southern Finland along the Forest Line and the Lake Line.

In 2021, around 140 kilometres of new transmission lines and 10 new or expanded substations were completed. More than 600 kilometres of transmission lines and 50 substations were under construction. Around 710 kilometres of new transmission lines were in pre-construction planning. The total length of the alternative transmission line routes considered in Fingrid's EIA procedures was almost 1,100 kilomet-

res, a new record. More information on grid investments in 2021 is available in the Annual Report's Business Review.

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Around 1,500 megawatts worth of connection agreements were concluded in 2021.

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

The share of wind power in Finland's electricity consumption has been low for quite some time. The energy system transformation will cause a significant growth in the volume of wind power, some 1,000 megawatts, i.e. corresponding to what a nuclear power plant produces in a year. This growth will boost Fingrid's grid investments and schedules. We require dozens of new subst-

ations and hundreds of kilometres of transmission line quickly in order to get the wind power on the markets. What makes this challenging is the long 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 with possible new connection and transmission needs in mind.

QUESTIONS AND ANSWERS

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Well-functioning electricity market

Fingrid promotes the functioning of the electricity market by taking active part in its maintenance and development, and by developing transmission connections proactively and in the long term. Development of the transmission 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. Weather-dependent energy production makes the market less predictable. So in order to guarantee the security of electricity supply, trading on the market will move closer to real time, towards the actual time of consumption. Fingrid has several electricity market development projects underway. Upcoming modernisations will take the electricity market in a more real-time and market-driven direction. In a clean power system, the flexibility of electricity consumption and production is essential.

More information on the electricity market's development projects in 2021, such as the 15-min imbalance settle-

ment project or projects to renew the reserve markets, is available in the Annual Report's Business Review.

Reliability of the power system

Climate change mitigation and the cleaning of the power system must be achieved without endangering the power system's security of supply. 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. The calculated cost of the disturbances (regulatory outage costs) to consumer customers was EUR 5.8 million in 2021. 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.

CASE

Electricity network adjusted to suit the needs of a growing Helsinki

The city of Helsinki is planning new residential areas around Vihdintie and Huopalahdentie, as part of Haaga, Munkkiniemi and Pitäjänmäki. Upcoming construction will require the high-voltage overhead lines of Helen Sähköverkko to be moved from the area and the relocation of the Pitäjänmäki substation operations. These arrangements are made possible by the new underground cable connection from Länsisalmi in Vantaa to the carbon neutral Viikinranta area in Helsinki, planned by the transmission system operator Fingrid. As part of its plan, Fingrid will build a sizable stretch of the main grid underground for the first time in Finland. However, also in the future, using underground cables in the grid 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.

According to the plan, Fingrid will build a high-capacity 400-kilowatt

underground cable from Länsisalmi in Vantaa to the carbon-neutral Viikinranta area in Helsinki, where a new grid substation will also be built. Once the connection is completed, Helen Sähköverkko's substation can be relocated from Pitäjänmäki, and the overhead cables can be exchanged for underground cables, so that land areas can be freed up for the city to build new residential and office areas.

These solutions support the achievement of the carbon neutrality targets of the city of Helsinki and the Helen Group when the transition to renewable energy takes place.



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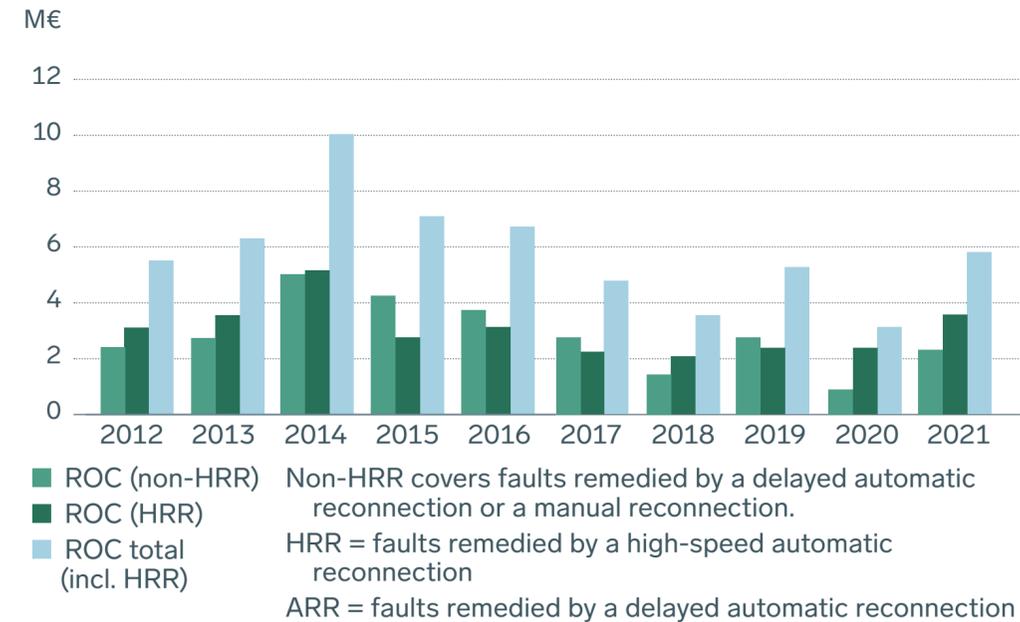
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The management of the power system becomes more difficult as the production of weather-dependent, emission-free electricity increases. That is why the electricity system's management is developed, automation is increased and sources of demand-side management are sought to help balance power production and consumption.

During the year under review, Fingrid made an investment decision to secure the power supply of four new substations that are key for the power system using backup power generators. This decision will make it easier to restore electricity in case of a major disturbance in the power system.

More information on power system management in 2021 is available in the Annual Report's Business Review.

Regulatory outage cost, ROC



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The transmission reliability on the grid was 99.99992% in 2021.

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CASE

Working for the power system of the future

Connecting renewable energy vectors to the grid comes with some challenges, for which Fingrid is preparing with R&D projects. New solutions will ensure the supply security and cost-effectiveness of electricity in the global energy transformation. Currently, several innovative development paths are underway, the impetus for which came from the *MIGRATE research project funded by the European Commission. The MIGRATE project has looked into how the main grid should prepare for new electricity production forms such as solar and wind power.

In practical terms, it is a question of how much renewable electricity production can be connected to the electricity system using the current technologies before problems begin to occur. MIGRATE is also looking into what kind of new technology should be developed in case of a scenario where the majority of or all electricity production comes from renewable sources.



The challenges posed by renewable energy are related to, for instance, the stability of converters, the management of outages and the functioning of grid protection. Traditional synchronous power generating models naturally support the power system, but wind and solar power represent so-called converter-connected production. It naturally does not have the same characteristics that support power systems and its operation is based on programmed algorithms. As the share of converter-connected production increases, new ways to secure the grid's ability to function are needed. Otherwise, we could be facing a restriction of renewable energy production.

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	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.	In a climate neutral Finland, transmission losses do not cause any CO ₂ emissions. Fingrid is energy efficient in all of its operations.	Environment Climate change – transmission loss emissions and energy efficiency   
	Improved energy efficiency based on commitments.		

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

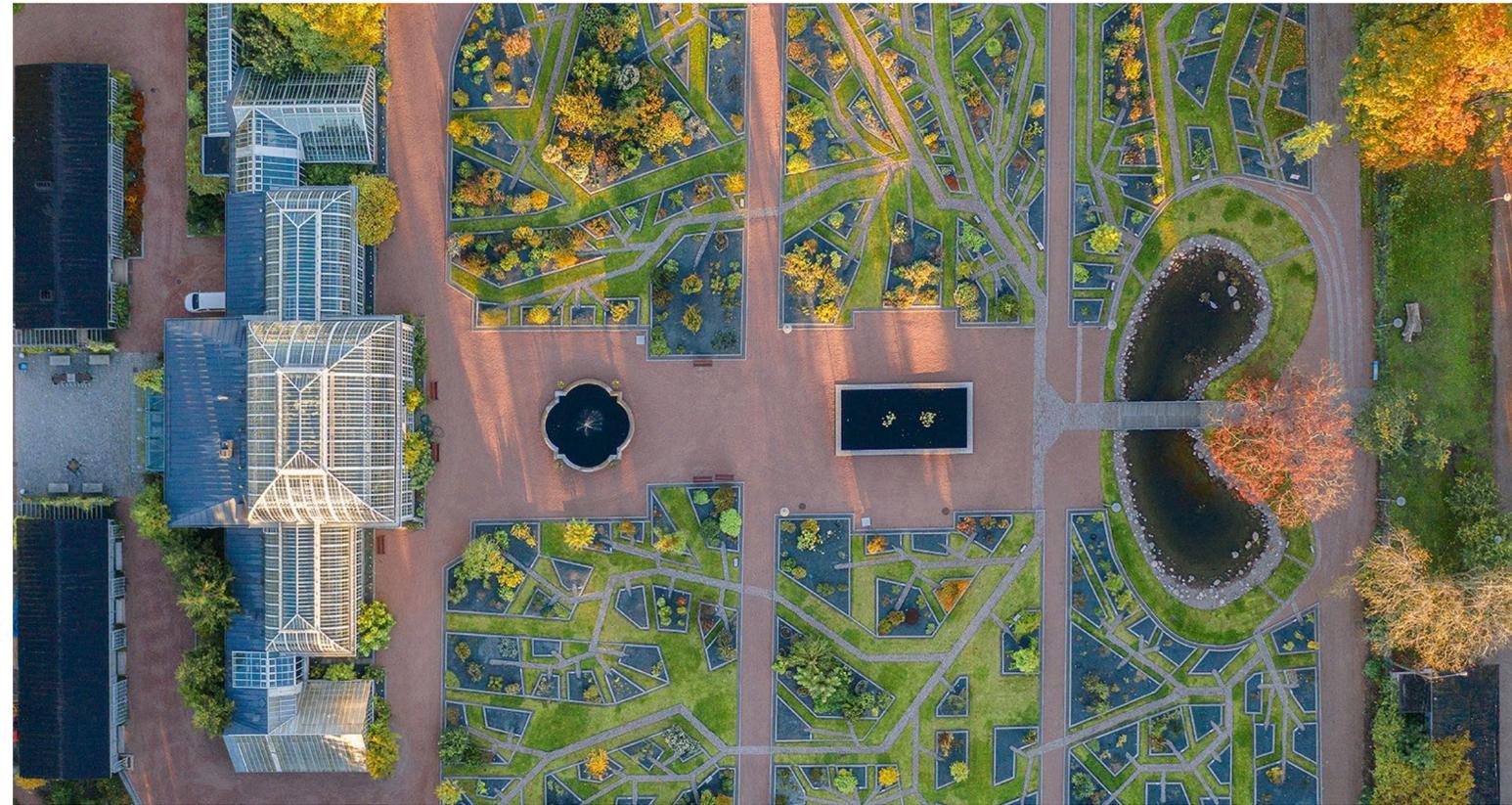
by the Nordic electricity production situation, such as the volume of hydropower. The majority of Fingrid's greenhouse gas emissions are caused by the production of the electricity acquired from the electricity market to replace power losses taking place during electricity transmission.

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The main method 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. The changes in the electricity production structure and the grid investments necessitated by the changes will result in a lower transmission loss carbon footprint. In 2021, the volume of transmission losses in the main grid remained at the level of the previous year, 1.5 terawatt hours. This was 2.0 per cent of Fingrid's transmission volume, which was 72.9 terawatt hours.

The greenhouse gas emissions due to transmission losses came to 132,000 carbon dioxide equivalent tonnes.

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 gigawatt-hours of energy savings.

The most significant upcoming energy saving measures are the upgrading of the North Karelia grid (1.7 gigawatt hours per year) and the completion of the Forest Line (90 gigawatt hours per year). Reinforcements to the main grid will reduce the resistance of the grid, reducing power losses.

In 2021, several larger and smaller measures were carried out to improve energy efficiency, with total savings in the region of three gigawatt hours. These include, for example, the completion of the Hikiä–Ori-

mattila transmission line and the swapping of the Vanaja reserve power plant's air pressure regulating valve for a magnetic valve, and the modernisation of the lighting in the plant's external area. Extensive energy efficiency renovations were carried out at the Konkapelto, Särkivaara and Lieksa substation control room buildings, the reactors of the Inkoo substation were replaced and the lighting of five stations was renewed. In addition, the substation building specifications were updated to reduce the brightness requirements for the external areas when building new stations or renovating old ones. At the same time, changes were made to the heating of distribution cabinets in order to reduce their temperature. Energy efficiency was also improved when Fingrid's Jyväskylä location transferred to new, smaller premises.

Additionally, losses are minimised by making energy-efficient grid investments and equipment procurements, and by developing the power system for the addition of renewable electricity generation to the main grid. In 2021, we decided to, for example, give more consideration to losses in future reactor procurement.

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Energy consumption		2021	2020	2019
Direct				
Light fuel oil	t	1,700	1,600	1,600
	GJ	71,900	67,800	68,800
Indirect				
Electricity transmission power losses	GWh	1,450	1,470	1,335
	GJ	5,218,000	5,290,000	4,810,000
Energy produced with the fuels consumed by leased reserve power plants	GWh	1.0	1.1	1.1
	GJ	3,600	3,900	4,000
Reserve power plants' auxiliary energy	GWh	13	12	10
	GJ	47,400	44,300	34,300
Reserve power plants' district heating	GWh	0.7	0.4	0.5
	GJ	2,500	1,300	1,700
Substation auxiliary energy	GWh	19.5	-	-
	GJ	70,200		
Electricity of Fingrid's own premises	GWh	2.6	2.6	2.8
	GJ	9,300	9,400	9,900
District heating of Fingrid's own premises	GWh	1.3	1.0	1.2
	GJ	4,600	3,500	4,200

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

Energy intensity		2021	2020	2019
Fingrid's total energy consumption divided by net sales	GJ/€1000	4.9	7.9	6.2

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. Always when electricity transmission increases, power losses also 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.

QUESTIONS AND ANSWERS

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CASE

Technical innovations effectively boost electricity transmission capacity

Fingrid's innovation work has resulted in a significant increase in the north-to-south electricity transmission capacity. The technology is known as shunt compensation, and it is a quick, cost-efficient and environmentally friendly way to increase the transmission capacity by hundreds of megawatts.

The electrification of society is increasing the need for electricity, especially in Southern Finland, while electricity generation is weighted towards the north. In recent years, wind power has accounted for a significantly larger share of the power system production. Wind power generation in Finland is weighted towards Northern Finland, so efficient north-to-south electricity transmission is required.

At present, four strong 400-kilovolt transmission lines pass through cross-section Central Finland in the electricity system of Finland, and

the transmission capacity of these lines is now being boosted with the help of shunt compensation connected to transformers, as well as series compensation. Technically, the electrical power that can be transmitted through cross-section Central Finland is constrained by an excessive decline in voltage. The outcome of the development work is that capacitors will be added to the substation transformers in the main grid to stabilise the voltage, thereby significantly increasing the transmission capacity through cross-section Central Finland.



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. 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.	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.	Environment Climate change – SF6 gas emissions   

Fingrid's transmission grid consists of more than a hundred substations, which contain 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 dielect-

ric gas in switching stations and components. Sulphur hexafluoride is a stronger greenhouse gas than carbon dioxide. It is not a problem, however, as long as the gas stays inside the devices and as little as possible is emitted into the atmosphere. The handling of SF6 gas is stee-

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red by the EU's F-gas Regulation, which sets limits for leak monitoring and gas handling competence requirements.

At the end of 2021, substations contained altogether some 50 tonnes of SF6 gas. In 2021, Fingrid's SF6 gas emissions came to around 400 carbon dioxide equivalent tonnes. This means 16 kilograms of gas and the leakage rate was 0.03%. The long-term annual leakage rate has been very low, less than 0.2 per cent on average, representing the top results of the international ITOMS comparison.

Despite its excellent technical properties, the SF6 gas is a powerful greenhouse gas. This is why Fingrid has decided to reduce its use as the equipment reaches the end of its service life and new technology enables it. 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.

In order to collect feedback from practical experience, Fingrid will carry out the first 110-kilovolt air-insulated switching station projects in Virkkala, Lohja between 2021 and 2022 and in Luukkala, Lappeenranta between 2022 and 2023. In addition, Fingrid will continue to monitor the development of new eco-friendly technologies and test new solutions entering the markets. The decision has also been made to build the Kauppila substation without SF6 gas, when the project is implemented between 2023 and 2024.

”

Fingrid sets the pace for the deployment of SF6-free technology

CASE

SF6-free technology at Virkkala substation

The substation in the Virkkala area of Lohja is pioneering Fingrid's substation renewal efforts – it is the first substation to operate without sulphur hexafluoride (SF6 dielectric gas) in its switchgear. The project is groundbreaking on an international scale, as it is Siemens Energy Europe's largest delivery of SF6-free technology to date.

The process of eradicating SF6 dielectric gas from the energy sector is still in its infancy. The sector has long been seeking substitutes for the gas, but it is only in recent years that new substitutes have been successfully developed. These solutions will enable switchgear containing SF6 gas to be phased out systematically.

The solution in use in Virkkala is the Siemens Blue GIS technology, which uses clean air as a dielectric substance. The contract covers GIS

switchgear consisting of ten bays with the new technology, making it Siemens Europe's largest Blue GIS delivery to date.

Fingrid has drawn up a roadmap for phasing out environmentally harmful SF6 dielectric gas whenever substations are modernised. The Virkkala substation is the first implementation on the roadmap.



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Greenhouse gas impacts of Fingrid's operations

The construction and operation of the main grid necessary for the achievement of the climate targets result in emissions. In 2019, we started a real-time assessment of the power system's carbon dioxide emissions. In 2020, we used the data to calculate a more real-time factor for electricity consumed in Finland (average in 2021: 91 g CO₂/kWh) and started to use that in our emissions reporting, instead of the emission factor published by Statistics Finland that we used earlier. The calculation of the emission factor is based on real-time production, import and export data, and emission factors for specific forms of production. The increase in the emission factor for electricity consumed in Finland from 2020 (72g CO₂/kWh) can be explained by changes in electricity import and export, and by the increase in electricity production and consumption between 2020 and 2021. From the perspective of the power system and electricity markets, 2020 and 2021 differed from a typical year. However, the emission factor for electricity produced in Finland fell further, which

indicates positive progress in achieving Finland's climate objectives.

Fingrid's greenhouse gas emissions in 2021 totalled approximately 165,000 carbon dioxide equivalent tonnes. The majority of the emissions (approx. 80%) 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.

In 2021, altogether 743 megawatts of wind power were connected to Fingrid's main grid, which will indirectly avoid emissions worth around 213,000 carbon dioxide equivalent tonnes in the coming years. In addition, during the year, Fingrid concluded agreements on connecting a total of approximately 1,500 megawatts of wind power production to the electricity grid. Once realised, this will lead to a substantial positive climate impact, indirectly avoiding emissions worth around 438,000 million carbon dioxide equivalent tonnes.



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Greenhouse gas emissions, tCO₂-eq

Transmission losses
132,000
tCO₂-eq

Substations' sulphur hexafluoride
400
tCO₂-eq

Electricity and heat of Fingrid's own premises
400
tCO₂-eq

Reserve power plants
7,600
tCO₂-eq

	2021	2020	2019
Transmission losses	132,000	106,000	135,000
Reserve power plants	7,600	7,100	7,200
Substations' sulphur hexafluoride	400	300	1,100
Electricity and heat of Fingrid's own premises	400	300	500

In its emissions reporting, Fingrid uses the real-time emission factor for consumed electricity (average of 91 g CO₂/kWh in 2021).

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Fingrid's carbon handprint

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

The wind power connected to the main grid in 2021 will create, in future, an annual emission reduction of

213,000

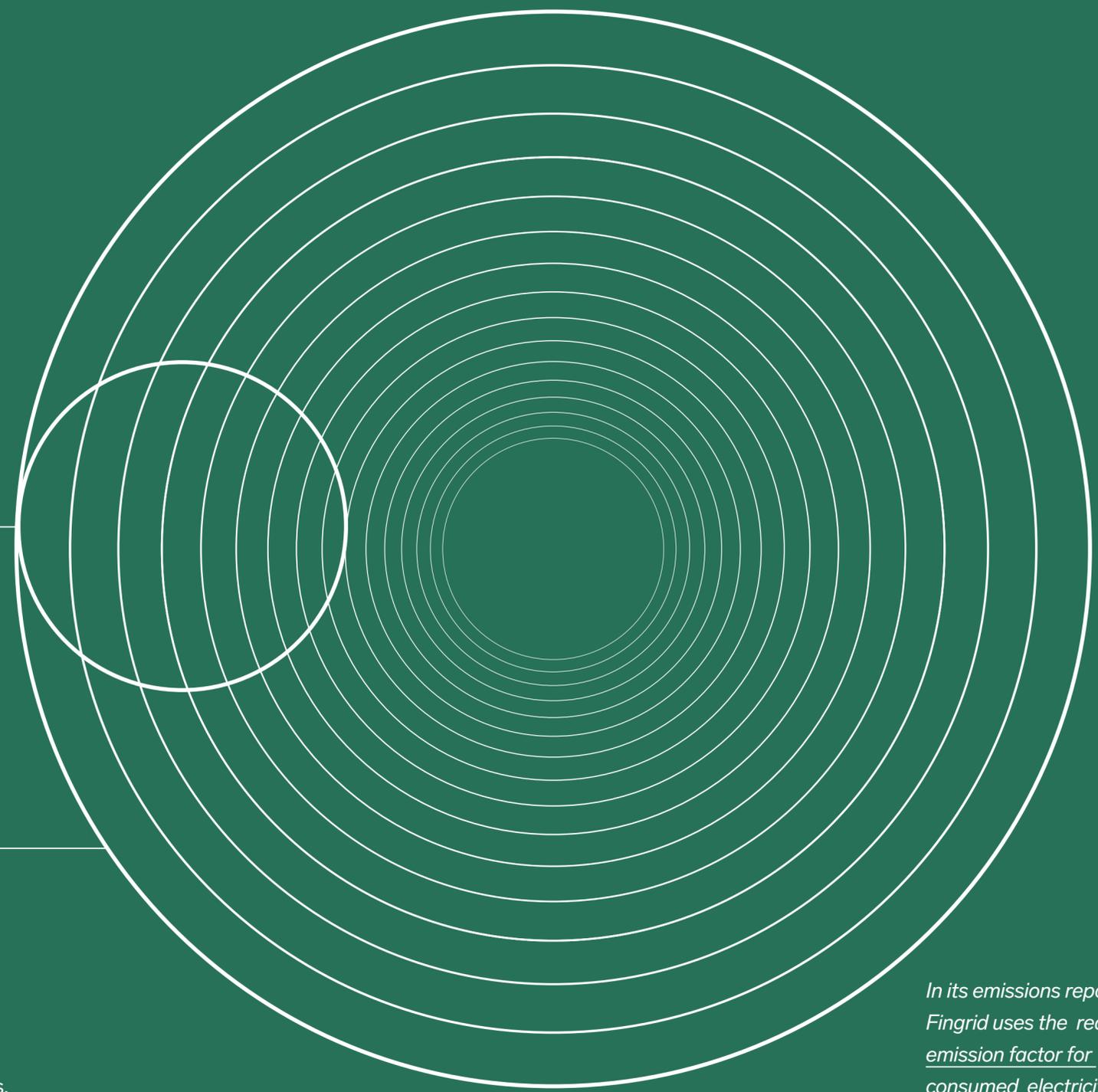
CO₂-equivalent tonnes

The agreements concluded in 2021 to connect wind power to the electricity grid will create, in future, an annual indirect emission reduction of

438,000

CO₂-equivalent tonnes

This equals the annual carbon footprint of some **44,000** 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 91 g CO₂/kWh in 2021).

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Fingrid has been reporting on its climate impacts according to the Global Reporting Initiative (GRI) and the Greenhouse Gas Protocol (GHGP) since 2011. In 2021, we developed emissions reporting by separating the substations' auxiliary energy, which is required for the substations' process equipment and the heating and lighting of the substation buildings. We disclosed the business risks and opportunities related to climate change also in accordance with the Task Force on Climate-related Financial Disclosures framework. 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 the construction and use of the grid. 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 proac-

tive environmental impact assessments, successful stakeholder engagement, fast project permit processes and effective project management.

Reserve power plants

In addition to the sulphur hexafluoride gas of 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 the trial operation of the plants to ensure their reliable operations, but not in commercial electricity production. Plant-specific use consists largely of test runs, in the region of just around ten hours per year, as disturbances in the power system are rare. The greenhouse gas emissions of reserve power plants came to some 7,600 carbon dioxide equivalent tonnes in 2021. Also the plants' impacts on air quality were minor.

Fingrid's reserve power plants are included in the EU'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 5,344 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. Purchased emission right units amounted to 5,105 in 2021. Emissions trading had minor financial significance for Fingrid.

Our reserve power plants have an ISO 14001 environmental certification. Du-

ring the year, emergency drills were held at three plants. The drills are important for maintaining the skills required for preparing for accidents.

Other indirect emissions

The material procurements (towers, conductors and foundations) for the approximately 140 new transmission line kilometres taken into use in 2021, resulted in emissions of some 24,100 carbon dioxide equivalent tonnes. Other indirect emissions resulted from business travel, which has decreased significantly due to the Covid-19 pandemic, however.

Reserve power plants' sulphur dioxide and nitrogen oxide emissions

	2021*	2020	2019
Sulphur dioxide, SO ₂ , tonnes	0.6	0.4	0.3
Nitrogen oxides, NO _x , tonnes	25	23	27

*Figures for 2021 are preliminary. Final figures will be confirmed in regulatory reporting.

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Greenhouse gas (GHG) emissions*		2021	2020	2019
Direct emissions (Scope 1), tCO ₂ e		6,000	5,000	6,000
Indirect emissions (Scope 2), tCO ₂ e		136,000	108,000	137,000
Total (Scope 1 and 2), tCO ₂ e		142,000	114,000	143,000
Other indirect emissions (Scope 3), tCO ₂ e*		24,000	4,000	41,000
Total (Scope 1, 2 and 3), tCO ₂ e		165,000	118,000	185,000
Direct emissions (Scope 1)				
	Reserve power plant fuels, tCO ₂ e**	5,000	5,000	5,000
	Substations' sulphur hexafluoride, tCO ₂ e	400	300	1,100
	Total, tCO₂e	5,000	5,000	6,000
Indirect emissions (Scope 2)				
	Transmission losses, tCO ₂ e	132,000	106,000	135,000
	Energy produced with the fuels consumed by leased reserve power plants, tCO ₂ e	1,000	1,100	1,100
	Reserve power plants' auxiliary energy, tCO ₂ e	1,200	900	1,000
	Reserve power plants' district heating, tCO ₂ e	100	100	100
	Substation auxiliary energy, tCO ₂ e***	1,800	-	-
	Electricity Fingrid's own premises, tCO ₂ e	200	200	300
	District heating of Fingrid's own premises, tCO ₂ e	200	100	200
	Total, tCO₂e	136,000	108,000	137,000
Other indirect emissions (Scope 3)				
	Business travel (flights and kilometre-reimbursed business trips), tCO ₂ e	300	300	800
	Purchased transmission line materials, tCO ₂ e	24,100	3,200	40,600
	Total, tCO₂e	24,000	4,000	41,000

*According to Statistics Finland, the total CO₂ equivalent emissions in Finland in 2020 were 48.1 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 2020. Fingrid's carbon dioxide 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 (2021: 91 kg CO₂/MWh, 2020: 72 kg CO₂/MWh and 2019: 101 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, 148 kg CO₂/MWh, as the emission factor.

**The figure for 2021 is preliminary, the final figure will be confirmed in the emissions trading verification.

***Transmission losses' carbon dioxide emissions earlier also included substations' auxiliary energy emissions, which are now reported separately.

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Greenhouse gas emissions intensity

Fingrid's direct (Scope 1) and indirect (Scope 2) GHG emissions divided by amount of electricity transmitted

	2021	2020	2019
gCO ₂ e/kWh	1.9	1.7	2.1

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.

GOs for electricity are certificates that can be used to verify 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.

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  

Fingrid has more than one hundred substations and when a new substation is built, its expected refurbishment age is not anticipated to occur until in approximately 40 years. Transmission line structures have a significantly longer life.

Each year a refurbishment is performed on two or three substations and some are replaced with entirely new ones. Decisions concerning repairs and replacing substations are based on a status report and old structures are re-used whenever

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possible. In basic refurbishments, chemical safety and material efficiency are ensured. The reduction of the carbon footprint is taken into account by reducing, for example, travel to the site.

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 substation foundations, 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.

Fingrid owns all of the decommissioned materials from substations, reserve power plants and transmission line work-sites 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 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 2021, we commissioned a thesis on the further development of concrete utilisation at substations and reserve power plants. The total volume of waste during the year was approximately 8,900 tonnes, of which hazardous waste made up roughly 900 tonnes. Of the resulting

material, 78 per cent was recycled and 99 per cent was utilised in some way. We additionally improved the efficiency of sorting and recycling at our locations by providing guidance, releasing an induction video and by modernising the recycling points. Circular economy and material efficiency were also on the agenda at the environmental event held for the entire personnel. The goal of the event was to support Fingrid employees' environmental expertise and to increase awareness of current environmental issues, in particular. New information presented at the environmental event included ways to reduce consumption and new practices with which we will ensure the life cycle sustainability of the computers and other ICT equipment purchased for Fingrid personnel.

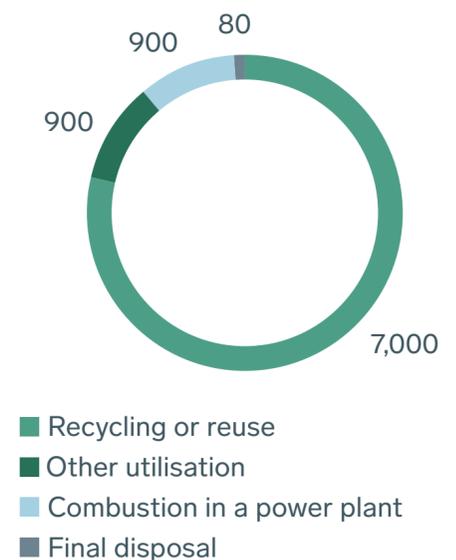
99%

UTILISATION RATE

78%

RECYCLING

Material volumes generated by Fingrid's operations in 2020, by tonnes



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Total weight of waste by type and disposal method	2021	2020	2019
total waste volume, tonnes	8,900	10,800	13,900
by type of waste:			
hazardous waste, tonnes	900	900	900
ordinary waste, tonnes	8,000	9,900	13,000
by disposal method:			
recycling and reuse, tonnes	7,000	6,700	12,400
other utilisation, tonnes	900	3,200	500
combustion in a power plant, tonnes	900	400	800
final disposal, tonnes	80	600	200
recycling rate, %	78	62	89
utilisation rate, %	99	95	98

Protection of nature values and biodiversity

Responsibility vision	Short-term target 2025	Long-term target 2035	Corporate responsibility viewpoint and UN's SDG
Reducing of negative impacts on nature and improving biodiversity	<p>Successful EIA processes which take into account natural diversity and heritage environments.</p> <p>Developing clearing practices and cooperation with landowners and environmental NGOs has improved biodiversity in transmission line right-of-ways.</p> <p>Technical solutions (such as DLR and dynamic shunt compensation) have increased the transmission capacity of the existing grid.</p>	<p>Fingrid's transmission line right-of-ways are utilised extensively for projects supporting biodiversity. Technical solutions have significantly improved the main grid's transmission capacity, which has reduced the need to construct new transmission lines.</p>	<p>Environment Protection of nature values and biodiversity</p> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="margin-bottom: 5px;">  </div> <div style="margin-bottom: 5px;">  </div> <div style="margin-bottom: 5px;">  </div> <div>  </div> </div>

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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 the old grid. We require commitments in landowner engagement, respect of site-specific environmental values and proper waste and chemical disposal 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 at the worksite 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 natural diversity. The right-of-ways are cleared regularly to be open and light and they can act as a replacement habi-

tat for species threatened by disappearing meadows or the drainage of peatlands.

In new transmission line projects, the ecological impacts and the possibility to mitigate them are assessed 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 the data from the assessments, we can mitigate impacts and ensure the preservation of the environmental sites during the further planning and construction of the project. We instruct service providers working on maintenance for existing transmission lines and on trimming vegetation to take known valuable flora, fauna or habitats into account and to take proper care of waste and chemicals. In 2021, a decision was made to do away with the use of creosote-impregnated wood in transmission line maintenance when repairing old wooden towers. Fingrid has already phased out this effective but toxic wood preservation chemical in new construction in its capex projects. The majority of creosote compounds are hazardous to the environment or health.

Fingrid's objective is to increase and restore heritage environments and to encourage landowners to maintain and protect the landscape and nature values of transmission line right-of-ways. Through active management, transmission line right-of-ways can be developed into valuable heritage environments in terms of biodiversity and the landscape. 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 heritage biotopes created through reaping and grazing. Due to changes in agriculture, heritage environments have fallen into disuse, which is why they are disappearing. Overgrowth, eutrophication and afforestation are the greatest threat to these areas. The company offers financial support for maintaining transmission line right-of-ways as heritage environments 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 2021, we made heritage environment studies part of our transmission line project EIA procedures. We also installed around sixty insect hotels on our transmission line towers and offered Fingrid's own property for the collection of natural products. There is a shortage of organic natural products like berries, birch leaves, spruce sprouts, chaga mushrooms and birch sap in Finland. A transmission line right-of-way landowner can apply for organic certification for their area and sell the natural products at a higher profit than normal. This was tested in a joint experiment organised by the Finnish Forest Centre and Fingrid, looking into new solutions serving landowners. Birch leaves were collected for the needs of organic cosmetics from Fingrid's transmission line right-of-way with organic certification.

We piloted a plan for fighting invasive species at the substations. The spread of invasive species is a global threat to local biodiversity. Fingrid is aware of its responsibility in stopping the spread of invasive species in its operations. In 2021, practices for controlling invasive species were developed at the company's substation properties. Material on invasive species was created for the use of

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experts and service providers, targeted specialist training was arranged, and the identification and control of invasive species was piloted at selected substations. Our operating model and guidelines will be supplemented based on this.

EIAs and environmental reports

The massive grid investment programme is directly reflected in the number of necessary environmental studies. Several grid projects designed to strengthen the main grid were in the planning stage at Fingrid in 2021. In order to take into account environmental impacts, environmental studies were drawn up on transmission line projects with minor impacts from Pyhäranta to Uusikaupunki and from Siikajoki to Liminka. Environmental issues were also incorporated into the investment planning for numerous new substations.

The environmental impacts of transmission line projects with significant impacts are studied using a statutory environmental impact assessment (EIA procedure). 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. Key main grid transmission line projects are, usually, significant in terms of climate change mitigation, and also EIAs have 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 security of supply, Fingrid ensures the continuity of its operations through good risk management, which also includes adaptation to a changing climate.

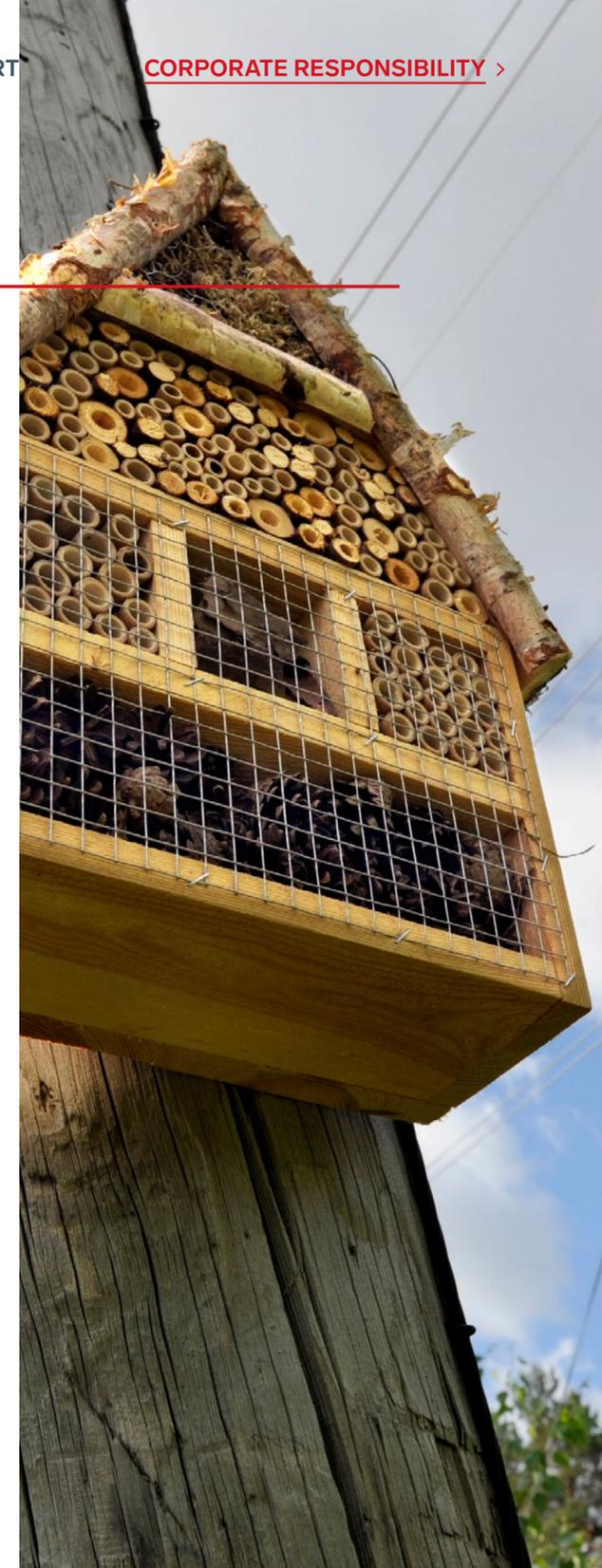
In 2021, an EIA report was completed for the transmission line project from Rovaniemi to Vaala. The EIA authority provided a reasoned conclusion for the Lake Line between Vaala and Joroinen. In addition, the company launched a new long transmission line project EIA procedu-

CASE

Fingrid installed insect hotels on transmission line towers

One of Fingrid's corporate responsibility targets is to improve biodiversity in its transmission line right-of-ways. This goal was furthered by installing artificial nests for pollinators, such as bumblebees and bees, on wooden transmission line towers. In 2021, around sixty insect hotels were installed within a ten-kilometre area in the Kouvola region.

The purpose of the artificial nests is to increase pollinator insect numbers. Approximately 75 per cent of the world's farmed plants require pollinators, and the decline in pollinating insects is a critical threat to food security. The artificial nests were put to good use as, based on inspections carried out by the company, pollinators had taken up residence in the hotels.



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re from Jylkkä in Kalajoki to Alajärvi. In each EIA procedure, we continued to inform local residents beyond statutory practices through numerous local newspaper ads and hundreds of landowner letters. The EIA briefings presenting the projects reached many people and they were held remotely this year due to the Covid-19 pandemic.

Fingrid's goal is to use old transmission line routes in its transmission line projects, with the objective of reducing the land required by the transmission lines and the environmental impacts. Of the approximately 140 new transmission line kilometres taken into use in 2021, some 99% utilised current transmission line routes, while some 1% were located in entirely new terrain. Nevertheless, this goal also involves challenges and, for example, it was necessary to apply, for the implementation of the Lake Line transmission line project that relies on current transmission line routes, for three exemptions based on nature conservation legislation from the obligation to protect flying squirrels and an amendment to the decree on nature conservation on state-owned land and to nature conser-

vation on private land. A change to nature conservation on private land was granted for the transmission line arrangements between Espoo and Tammisto. In maintenance, we were issued with a national special permit for the removal of birds' nests from the main grid's structures to ensure system security and a permit to shoot ravens at one substation. Additionally, a special permit concerning flying squirrels was issued for the trimming of tree stock at the edges of transmission line right-of-ways in Jyväskylä.

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Through the EIA procedure, landowners and other stakeholders receive information and can impact the project.



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FINGRID'S ENVIRONMENTAL RESPONSIBILITY INDICATORS

Environmental responsibility: target indicators and target levels

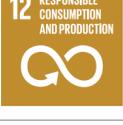
Indicator	Description		2021-2025	Target monitoring: how we did in 2021
Climate target indicators and target levels		UN's SDG		
System security	Transmission reliability in the grid, %		99.9995	99.99992% transmission reliability on the grid
Well-functioning markets	Maintaining Finland as a single price 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 1,500 megawatts worth of connection agreements were concluded in 2021.
Third AC connection to Sweden	Project's degree of completion, %		100 in 2025	During the year under review, a cross-border transmission permit was issued by the government and an application was made to the EU concerning a grant. Target for completion unchanged.
North-South transmission: Forest Line	Project's degree of completion, %		100 in 2022	Construction ahead of schedule
North-South transmission: Lake Line II	Project's degree of completion, %		60 in 2025	General planning at an intense stage and target for completion unchanged.

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Indicator	Description		2021-2025	Target monitoring: how we did in 2021
Climate target indicators and target levels		UN's SDG		
All markets in 15-min periods	Project's degree of completion, %		100 in 2025	The go-live of 5/2023 will be postponed due to reasons independent of Fingrid, but the 15-min imbalance settlement period will be adopted according to schedule.
SF6 emissions	%, emissions/volume		0.1	SF6 emission leakage rate was 0.03%
Transmission losses, CO₂ emissions	tCO ₂ e		According to Finland's goals	Transmission loss emissions were 132,000 tCO ₂ e. The 2025 target is 84,000 tCO ₂ e.
Energy efficiency	Energy savings, MWh		181,000	Measures carried out in 2021 saved 3,000 megawatt hours and altogether 92,000 megawatt hours have been saved during the entire agreement period.
Recycling of materials	Recycling rate, %		90	The recycling rate was 78%
Utilisation rate of materials	Utilisation rate, %		98	The utilisation rate was 99%.
Office waste to final disposal	kg		0	New recycling points and instructions for improving sorting and recycling. No waste to final disposal.

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Indicator	Description		2021-2025	Target monitoring: how we did in 2021
Climate target indicators and target levels		UN's SDG		
Completed biodiversity improving projects	qty		5	Installation of insect hotels on transmission line towers, using Fingrid's transmission line right-of-way for collecting natural products, and making heritage environment studies part of the EIA procedure for transmission line projects.
Utilising old transmission line routes	Utilisation rate (for new transmission line kilometres)		90	Utilisation rate was approx. 99%. Of the approximately 140 new transmission line kilometres taken into use in 2021, some 1% were located in entirely new terrain.
Positive environmental impacts of technical solutions	Number of adopted solutions increasing the transmission capacity of the existing grid		5	Investment decisions made for four series capacitors and 11 shunt capacitors, which increased the main grid's transmission capacity. Pilot of equipment for monitoring and forecasting the real-time, weather-dependent capacity of the transmission line.
Environmental deviations	Significant deviations, qty		0	No significant deviations detected

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Social responsibility

The operations of transmission system operators impact many stakeholders and society. The aim is to maintain affordable transmission tariffs, thus boosting Finland's competitiveness. The operations are based on the values of openness, fairness, efficiency and responsibility. Through our close and long-term customer and stakeholder collaboration, we promote the goal of a climate neutral Finland. Our operations are based on skilled personnel who recognise the importance of their work for customers, the company and the whole of society.



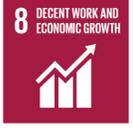
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Personnel

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.	We are a well-known and attractive workplace, whose supervisory work and leadership practices are second to none.	
	Healthy and happy personnel: low absences due to illness, no premature retirement		
	Diverse work community: different educational and ethnic backgrounds, more even gender distribution, even age distribution.		

Fingrid's core mission is to secure reliable 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.

During 2021, Fingrid was involved in the Finnish company Oikotie's Responsible

Employer and Responsible Summer Job campaigns. The results of both campaigns are based on the scores given to their workplaces by the employees. Fingrid was chosen as the most responsible employer for the second time running. We placed 20th in the summer job campaign in the large companies series.

The Responsible Employer survey was conducted in March and April, with altogether 227 Fingrid employees providing responses. Our responsibility index was 4.25 in the large companies category, which is the best result among employers taking part in the study. The 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 relevance of work was highlighted in Fingrid's results, just like last year. This results at least partly from the responsibility inherent in the company's core mission. All in all, 97% of respondents feel that Fingrid has a positive impact on society. A similar proportion of respon-

dents feel that their own values are well aligned with Fingrid's values and they know what role they play in achieving the shared goals. The results also showed Fingrid's excellent opportunities for development: respondents felt that the employer enables professional development in their work. Of Fingrid's respondents, 93% said that they were proud of their employer because we solve sustainable development issues through our work.

Other areas that were highlighted in addition to the relevance of work were a good applicant experience and investing in managerial work. The respondents feel that the employer requires responsible leadership from supervisors and good managerial work. The respondents also saw that supervisors treat team members fairly and impartially. According to the survey, Fingrid employees feel that the employer encourages them to have a good work-life balance and that the employer is flexible in different life situations. According to the employees, it was easy to talk to supervisors or HR about combining work and private life.

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Based on summer employees' feedback, Fingrid values a good atmosphere and flexible practices. This is why summer employees were prepared to recommend us as an employer. Forty-four of our summer employees responded to the survey and our overall score was 3.64 (2020 3.75). The development areas were related to the meaningfulness of tasks, induction and guidance. Fingrid hired as many as 50 summer employees in the midst of the pandemic restrictions, which is more than ever before.

99

94% of personnel see Fingrid as a good place to work.

Healthy and happy personnel

Fingrid updated its employer promise to its employees during 2021. We carry out meaningful work by securing reliable electricity for Finland and enabling the clean electricity system of the future. We maintain a social and open work atmosphere that encourages development, where everyone can be CEOs of their own work. 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 the 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 management, we take into account the needs of individuals and support personnel's recreational activities.

The work atmosphere and success of leadership are monitored through annual personnel surveys. Every other year, we take part in the Great Place to Work Finland survey, most recently in 2021. Fingrid once again received the Great Place to Work© certification. The recognition is

granted to organisations whose Trust Index total score is at least 65%. Fingrid's score of 87% clearly exceeded this limit. Based on the results, employees consider Fingrid to be a good place to work overall. Especially the workplace's good cooperation, engagement and experiences of impacting and participation in decision-making influenced this experience. In the open-ended answers, Fingrid was valued for the freedom and responsibility given for work, its community spirit, a good atmosphere and the opportunity to impact things. Identified development areas included curbing the sense of urgency, the better targeting of resources and putting aside time for both the actual work and development.

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 responsibility for their work and their development.

Our management system and HR policy are described in more detail in the company's 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 the personnel's well-being and ability to cope at work through comprehensive well-being at work 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.

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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 appointments, appointments with specialists 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-working hours, which also covers accidents occurring during leisure.

Occupational healthcare costs before the reimbursements from the public health system (Kela) were EUR 303,491 (261,210) 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 one in 2021, which was calculated for the entire personnel. The high age of retirement (65 in 2021 and 65 in 2020) and the lowest possible pension contribution category bear further testimony to the well-being of our employees.

Fingrid supports its employees' use of public transport by issuing a commuting benefit worth 300 euros. In order to promote the electrification of traffic, the company converted the parking spaces at its locations to enable low-power charging and heating. Employees can charge their electric cars for free.

CASE

Fingrid is again the Most Responsible Employer of the year! Fingrid has been selected as the Most Responsible Employer of 2021 in Oikotie's 'Great working-life responsibility' survey. Fingrid received the Most Responsible Employer of the year award for the second time, as we ranked first also in 2020. The survey included a total of 35 organisations of different sizes, with a total of 6,058 respondents.

At Fingrid, responsibility is an integral part of the working day – after all, our basic task itself is responsible. We are responsible for ensuring that Finns have access to electricity at all times. A reliable transmission system is essential for society. We also play an important role in building a platform for a clean electricity system as Finland aims for climate neutrality by 2035.

In addition to our responsible basic task, Fingrid, as an employer, has for years invested resolutely in the

well-being and development opportunities of personnel, bold managerial work, and an open, communal and efficient work community. The results of long-term and determined work are also reflected in the responses to the Responsible Employer survey, which highlighted e.g. the relevance of work, good applicant experience, impartiality and equal treatment, and encouragement of work-life balance. According to the study, almost all of the Fingrid employees who responded to the survey would also recommend Fingrid as a workplace to their acquaintances and relatives.



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Diverse work community

Fingrid is committed to promoting diversity 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 employer promise, we have a collaborative atmosphere where the organisational culture and management practices are respectful, fair and tolerant to all.

Fingrid treats its employees and all cooperation partners in a non-discriminatory way regardless of their age, gen-

der, nationality, ethnic origin, language, beliefs, religion, health, sexual orientation, political background, socioeconomic status or marital status.

Our personnel includes both recent graduates and long-standing industry veterans. Our age range is from 21 to 69. In terms of education, our personnel mostly hold tertiary education degrees, but the degrees vary all the way from vocational degrees to PhDs. Women make up a regrettably small proportion of personnel, which is typical of our industry, however. We hope to att-

ract more women to the technology sector, which is why we have been involved in the Women-in-Tech campaign for several years. Of the executive management group, 3/9 are women and of the Board of Directors 2/5 are women.

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.

Gender distribution* by employee group	2021	Men	Women	2020	Men	Women	2019	Men	Women
Board of Directors		3	2		3	2		2	3
Management		6	3		6	3		6	3
Senior salaried employees		294	87		274	70		254	64
Salaried employees		1	9		1	9		1	10

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



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Age distribution of permanent personnel*	2021	2020	2019
Under 29 yrs.	43	30	29
30 – 39 yrs.	119	106	98
40 – 49 yrs.	117	109	101
50 – 59 yrs.	83	83	75
60 – 69 yrs.	38	35	35
Average age	44	44	44

Types of employment	2021	2020	2019
New permanent employment contracts	40	27	20
Number of expired employment contracts, incl. retired employees	13	10	19
Retired	3	4	3
Average retirement age	65	65	63
Average length of employment in years*	10	11	11
Number of persons made redundant	0	0	0
Incoming turnover rate	10%	7.4%	5.9%
Outgoing turnover rate	3.25%	2.8%	5.6%

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.

New, permanent employment contracts, by age group	2021	2020	2019
Under 29 yrs.	12	8	5
30 – 39 yrs.	16	9	8
40 – 49 yrs.	8	8	6
50 – 59 yrs.	4	2	1
60 – 69 yrs.	0	0	0

Expired permanent employment contracts, by age group	2021	2020	2019
Under 29 yrs.	0	0	3
30 – 39 yrs.	5	4	8
40 – 49 yrs.	3	1	4
50 – 59 yrs.	1	0	1
60 – 69 yrs.	4	5	3
Percentage of employees retiring within the next 5 years, %:	10		
Percentage of employees retiring within the next 10 years, %:	22		

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	2021	2020	2019
Man-years, Fingrid's personnel*	391	355	336
Man-years, service providers**	703	492	444
Man-years total	1,094	847	780

*Man-years do not include Fingrid Datahub Oy.

**Reporting covers the service providers' working hours included in Fingrid's internal monitoring. In 2021, grid building and maintenance operations amounted to roughly 1,194,000 work hours, equalling 703 man-years. Service providers' man-years for 2020 restated based on the more accurate information.

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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 company's statutory cooperation bodies are the joint meeting and occupational health and safety committee. Fingrid respects its personnel's freedom of association and right to collective bargaining.

The joint meeting discusses personnel issues extensively. In the joint meeting, personnel are represented 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 three times during the year under review. Issues discussed included pay studies and the company's equal opportunity and non-discrimination plan.

Statutory OHS matters are handled by the company's OHS committee, to which personnel representatives are elected. 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 improved 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. During the year under review, the Personnel & Expertise steering group convened six times.

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, remunera-

tion and other employment terms are fair, non-discriminatory and sufficiently transparent in their justifications.

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 2021, 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 2021 was 7:1, and the female-to-male annual median income ratio was 0.9:1.

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Personnel are involved in decision-making and their opinions are heard.

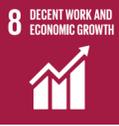
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Economy – society

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.	Social responsibility Economy – 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. Paying taxes without special arrangements.	Increasing the amount of green financing in the company's financing arrangements. Paying taxes without special arrangements.	
A responsible taxpayer.	Fingrid continuously improves its efficiency and productivity, and promotes Finland's competitiveness.	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. Fingrid's financial steering goals inclu-

de good cost-effectiveness, responsible operations, continuous improvement of productivity, creation of shareholder value, in addition to a high credit rating.

One of the company's key financial goals is to be among the most cost-effective TSOs in Europe and maintain its grid pricing among the three most affordable in its peer group (companies with a similar grid). Based on the most recent comparison of transmission system operators, Fingrid's grid prices are the second lowest in Europe. The affordable level of grid pricing keeps Finland competitive and helps attract investments to Finland. Fingrid's goal is to maintain a strong grid so that Finland can remain a single price area. This means that the wholesale price of electricity is the same throughout Finland, which makes it possible to make electricity production and consumption investments everywhere in the country.

The starting points for Fingrid's capital expenditure 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 capex projects and commitments for the

year in question. 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.

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 capital expenditure 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 2021, we paid approximately EUR 136 million in dividends.

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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, in the form of dividends to the Finnish owners.

Fingrid is a major investor in Finland. Over the next decade, we will invest some two 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 shift towards a clean power system.

Fingrid operates on a national scale and invests throughout Finland, buying grid network 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 parties (including start-up companies), in order 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.

According to the study carried out by Gaia Consulting for Finnish Energy in 2021, the energy sector's biggest impact on employment comes from energy production and transmission, which employ around 80 per cent of the industry's personnel. The energy industry gives rise to a significant proportion of Finland's income tax and corporate tax revenues. The taxes collected from the sector are approximately one billion euros annually, including income, corporate and real estate tax. The total employment impact of the energy sector is some 42,000 man-years in Finland. The direct employment impact accounts for 23,300 and the indirect impact for 19,000 man-years. According to the study, Fingrid's employment impact is a total of 2,280 man-years.



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Direct economic value generated and distributed, €1,000	2021	2020	2019
Income from customers			
Turnover	1,090,924	682,456	789,356
Other operating income	64,936	5,219	4,221
Profit from changes in the fair value of derivatives	-62,267	-2,830	4,221
Contributions received	-224	-547	-290
Dividend income	2,904	8,357	881
Income from investments and loans	381	150	169
Total	1,096,655	692,806	794,337
Payments to service and equipment suppliers and electricity market parties			
Purchases, materials and services	773,553	404,330	490,861
Other costs	37,990	35,304	63,007
Changes in fair value	-66	175	-26,585
Voluntary additional personnel expenses and compensation for expenses (excl. training)	-1,552	-1,477	-1,469
Real estate taxes	260	-453	-421
Contributions	-11	-10	-10

Direct economic value generated and distributed, €1,000	2021	2020	2019
Total	810,173	437,869	525,383
Remuneration to personnel			
Salaries, remunerations, social security contributions	37,810	34,094	31,129
Voluntary additional personnel expenses and compensation for expenses (excl. training)	1,552	1,477	1,469
Total	39,363	35,571	32,598
Payments to providers of capital			
Dividend*	133,037	135,614	148,249
Finance cost	13,972	13,348	16,149
Total	147,009	148,962	164,398
Payments to government and community investment			
Income tax for the financial year	33,522	29,722	34,957
Real estate tax	-260	453	421
Contributions and sponsoring	11	10	10
Total	33,273	30,185	35,389
Economic value retained for developing operations	66,837	40,219	36,569

*The dividend for 2021 is the Board of Directors' proposal to the Annual General Meeting.

The reporting on economic impacts does not include Fingrid's capital expenditure, which has been accounted for elsewhere in the annual reporting.

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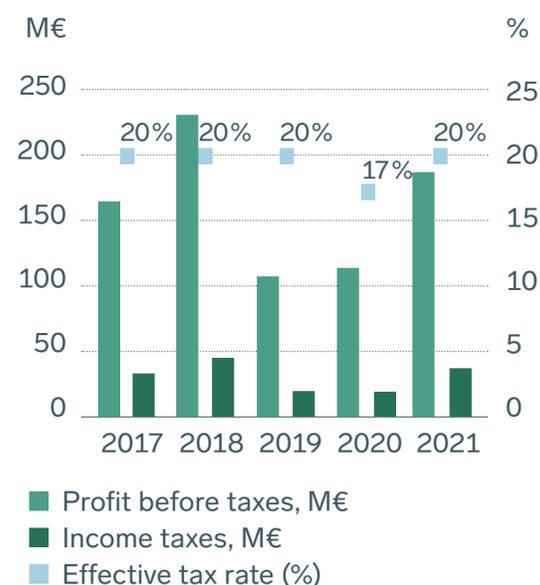
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Contributions received, €1,000	2021	2020	2019
EU: Horizon 2020 Framework Program	79	402	149
National Emergency Supply Agency	145	145	141
EU: Connecting Europe Facility (CEF Energy) grant	0	0	610
Total	224	547	900

Tax footprint

Fingrid is a responsible taxpayer. In 2021, we paid EUR 34 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 2020, Fingrid was Finland's 19th largest corporate income tax payer, paying EUR 30 million in income tax. Fingrid annually reports on its tax footprint and refrains from any special arrangements to minimise its taxes.

Taxes 2017–2021



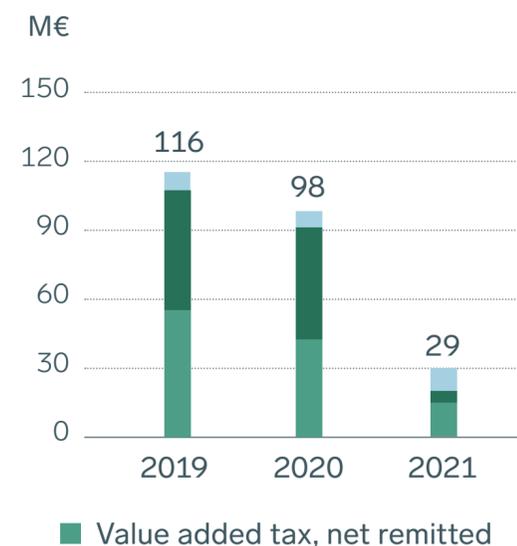
Fingrid's tax footprint

Taxes payable



- Income taxes
- Unemployment insurance contributions
- Social security contributions
- Real estate taxes

Taxes to be collected and remitted



- Value added tax, net remitted

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The table below describes Fingrid's tax footprint for 2019–2021. 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. The Group has had insignificant business operations in Denmark since 2018, due to the Regional Security Coordinator (RSC) established in accordance with the EU's 'Establishing a guideline on electricity transmission system operation' directive. As a consequence, a low amount of

income tax has been paid to Denmark and a low amount of tax prepayments on the salaries paid to personnel in Denmark have been remitted.

Fingrid's tax foot print, MEUR	2021	2020	2019
Taxes payable			
income tax	33.52	29.72	34.96
unemployment insurance contributions	0.53	0.42	0.47
social security contributions	0.46	0.42	0.20
Real estate taxes	-0.26	0.45	0.42
taxes payable total	34.25	31.02	36.04
taxes to be collected and remitted			
value added tax, net remitted	15.58	41.66	55.29
electricity tax (incl. emergency-preparedness contribution)	4.81	48.50	52.13
tax prepayments	9.01	8.25	8.10
taxes to be remitted total	29.40	98.41	115.51

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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 an 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 Green Bond financing. The company can finance these projects with Green Bonds in the future.

In 2021, Fingrid significantly increased the share of green financing in the company's total financing. On 30 November 2021, Fingrid signed a revolving credit facility agreement of EUR 300 million tied to the company's sustainability goals. The loan period for the revolving credit facility is five years, in addition to which Fingrid has two one-year extension options. The revolving credit facility agreement replaces the EUR 300 million revolving credit facility signed in 2015 and is available for use in the company's general financing needs.

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Amount of green financing up dramatically

Fingrid may benefit from the credit facility agreement's lower interest rate margin based on achieving the company's three material responsibility targets:

- Target 1: Connection of wind power to the grid (MW)
- Target 2: Reducing greenhouse gas emissions in electricity transmission losses (tCO₂e)
- Target 3: Reduction in combined lost time injury frequency (own personnel and service providers), (LTIF)

These sustainability targets of the company are described in more detail in the sections on environmental responsibility (targets 1 and 2) and social responsibility (target 3).

During 2021, the Nordic Investment Bank (NIB) awarded Fingrid a 15-year green investment loan for financing the company's investment plan for 2021–2022. The granted EUR 70 million loan can be financed using NIB's green bonds. Green financing supports Fingrid's investments that increase the general reliability of the transmission grid in order to supply electricity to the whole of society and industry.

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.

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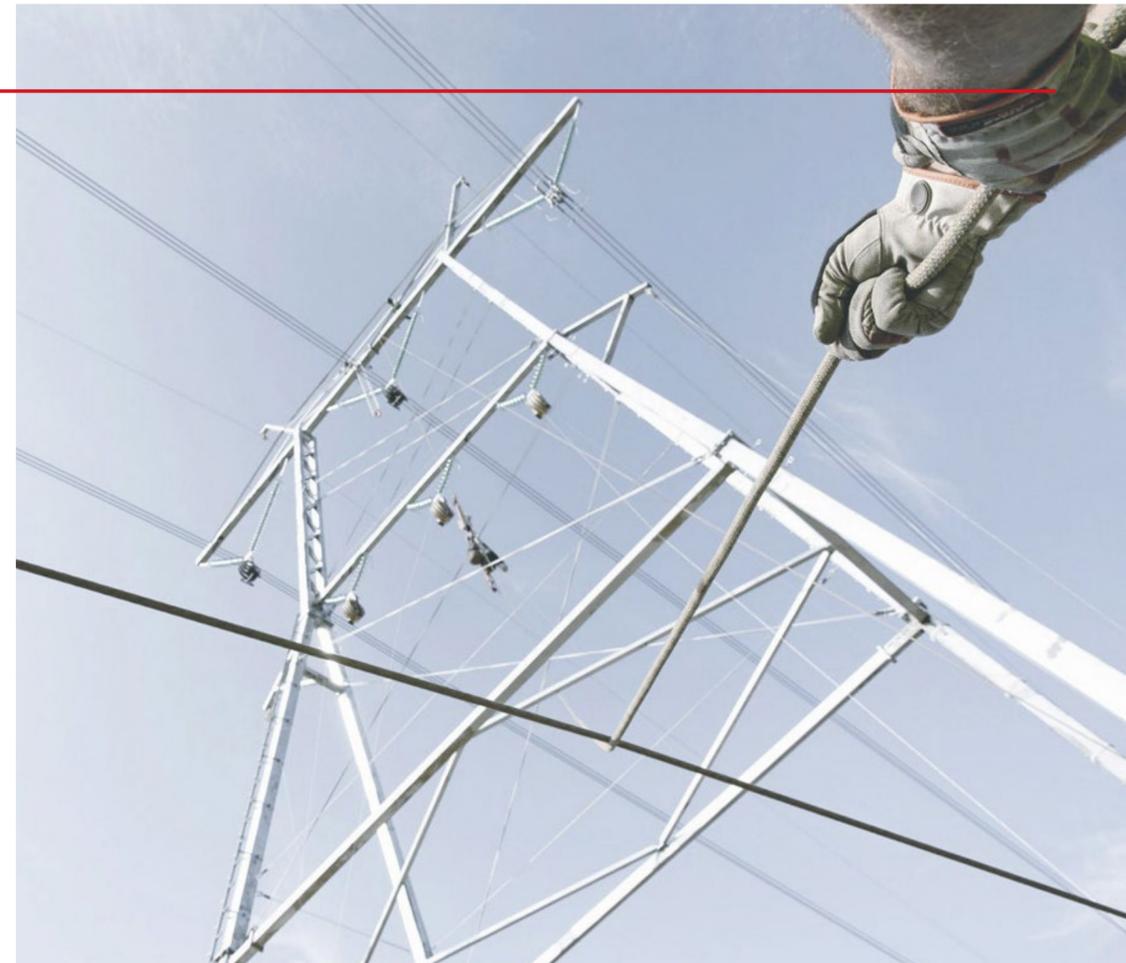
Congestion income growing – used for developing the main grid

When the prices of different bidding areas differ on the electricity markets, this results in congestion income. Due to the electricity market transformation, the congestion income of the electricity transmission system is growing. In Finland, the resulting income must be used for maintaining and developing cross-border transmission capacity.

Congestion income is created when the transmission capacity between two bidding areas is not sufficient for the transmission need and the areas' prices diverge. In this case, electricity suppliers operating in a lower priced area receive less for their power than what an electricity buyer pays for it in a higher priced area. Congestion income is allocated equally between the TSOs in whose cross-border connections the electricity transmission congestion has formed.

According to EU legislation, congestion income must primarily be used for maintaining and developing cross-border transmission capacity. If this is not fully possible, it can also be used to reduce tariffs, thus compensating grid users for electricity market disturbances caused by congestion.

As a rule, Fingrid uses, under the supervision of the Energy Authority, all of its congestion income for grid investments that maintain or increase the cross-border transmission capacity. The purpose of this is to reduce electricity market disturbances caused by congestion.



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 2021, the company supported, for example, child and youth work, children's sports and electrotechnical studies with approximately EUR 20,000.

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.

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Giving back

Petteri Pakalén and Antti Hyttinen from Fingrid participated in 2021 in the international Team Rynkeby – God Morgon charity cycling event as part of Helsinki's team. The teams raise money for the treatment and support of treatment for Finnish children and youth with cancer. The young men decided to give their all for a good cause and convinced Fingrid to support the team.

Both Pakalén and Hyttinen are fairly enthusiastic cyclists.

Participating in the TRGM team combines sports, social activities and charity work. The majority of the money raised by TRGM comes from sponsors. All of the raised funds go to charity and the team members pay for their own cycling gear, travel costs, bikes and other expenses. In 2021, Fingrid took part in the fund-raising as a gold sponsor.

The cycling teams' season culminates each year in July with a week-long 1,200-km trip. The journey normally takes them from northern Germany to Paris, but this time, due to the Covid-19 pandemic, the trip took place in Finland.



Stakeholders and customers

Stakeholders and stakeholder cooperation

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, which 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 an exemplar

ry transmission system operator and a highly esteemed energy influencer. This entails the continuous development of our operations.

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We are also 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.

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 2021.

	Stakeholders expectations	Fingrid's measures 2021
Owners and financiers	<ul style="list-style-type: none"> Responsible business and good governance Improvement in profitability Preservation of shareholder value and stable return development Debt service consistent with agreements Transparent reporting 	<p>The company was successful in creating shareholder value and paid owners the planned dividends.</p> <p>We continued systematic dialogue with the financiers and transparent financial communications on the company's strategy, finances and business.</p>
Customers	<ul style="list-style-type: none"> Reliable electricity and a well-functioning electricity market Services that meet customers' needs Affordable pricing Predictable operations 	<p>Two large Fingrid Current events organised for customers and several webinars on projects to develop the electricity market and grid visions. Face-to-face meetings with different customer groups. Meetings with wind power facility owners and many new customer groups: 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. Specified Fingrid's services and collected development ideas for them from customers. Customer communication took place through a newsletter and the customer magazine.</p>

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	Stakeholders expectations	Fingrid's measures 2021
Personnel	<ul style="list-style-type: none"> • 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 III, O365, project management, language training, presentation skills coaching, supervisor coaching). Employees' well-being during the pandemic was supported with the FitGrid campaign, together with the Finnish Institute of Occupational Health. Induction programme for new employees updated. A training event was arranged on assessing the difficulty of employees' tasks.
Policymakers	<ul style="list-style-type: none"> • Reliable electricity • Shaping the clean and market-oriented power system of the future • Well-functioning electricity market • Participation in the electricity market 	Key energy policy policymakers were sent Fingrid's newsletter. A few concise energy sector newsletters were created together with MustRead for policymakers. We engaged in discussions on the electricity price situation, the proposed Act on guarantee of origin, peak load capacity, planned amendments to the Electricity Market Act, legislation concerning Datahub and the general outline of energy infrastructure with the Parliament's Committee of Economics?
Authorities and NGOs	<ul style="list-style-type: none"> • Promotion of common interests • Clear, reliable and timely communication • Expertise 	Meetings with national and local authorities related to the grid investment programme, the implementation of the Datahub project, the amendment of the Finnish Electricity Market Act, and construction of additional wind power. Security of supply issues also on the table.
Contractors and service providers	<ul style="list-style-type: none"> • Occupational safety • Responsible treatment of suppliers • Predictability and continuity 	Meetings with all major service providers. Future, increased investment needs explained. Quality comparison scoring was renewed to increase the fairness of competitive tenders and promote the market entry of new suppliers. Study on the carbon footprint of steel production. The 'Think before you act' campaign in occupational safety.
Landowners and neighbours	<ul style="list-style-type: none"> • 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. Feedback surveys for completed transmission line projects. Also electronic feedback system available.
Other partners	<ul style="list-style-type: none"> • Expertise • Promotion of common interests 	The cooperation between Nordic TSOs was particularly active. Several multi-year development projects are underway. We prepared the Regional Coordination Centre (RCC) to be established in Copenhagen and the Nordic Balancing Model. Numerous webinars were organised collaboratively on ongoing projects.

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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	<p>Customers are happy with Fingrid's services.</p> <p>Among the most affordable TSOs in Europe.</p> <p>Well-functioning electricity market and system security at a good level.</p>	<p>Customers are happy with Fingrid's services. Among the most affordable TSOs in Europe.</p> <p>We secure reliable transmission of electricity in the main grid, capable of meeting the needs of utility companies and energy intensive industry.</p> <p>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.</p>	<p>Social responsibility Customers</p>   

Transmission system operators have quite similar basic tasks in different countries, but these tasks can be managed in very different ways. Fingrid stands out from other transmission system operators (TSOs) through its customer focus. One of Fingrid's most important strategic choices is a focus on customers, which is ensured through a successful customer service operating 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 affordable prices. We work in close cooperation with customers and we listen closely to their needs.

We also design the main grid together with our customers. The aim is to ensure sufficient regional transmission capacity to meet customers' needs. 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

At Fingrid, responsibility means doing the right thing and saving in costs. 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 is very secure. Each year, the company ranks among the best in international comparison surveys that measure the cost-effectiveness and quality of our transmission system operations. Furthermore, the company has been granted international certification for the manage-

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ment of physical assets (ISO 55001). This is proof of the effective management of costs and other risks related to grid assets (such as expense risks).

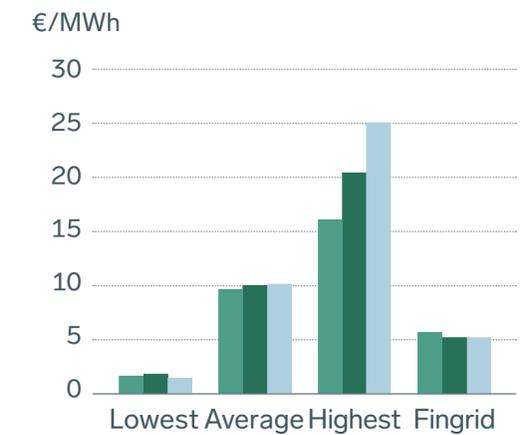
In its benchmark group, Finland's main grid offers the second-lowest prices for electricity transmission in Europe. The European Network of Transmis-

sion 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 are Slovenia, Finland and Norway.

Fingrid will raise the electricity transmission fees in the main grid by an average of two per cent in 2022. This increase is based especially on the surge in market-based reserve costs. Reserves ensure the power system's balance of electricity production and consumption. Thanks to its cost-effective operations, Fingrid has succeeded in keeping its pricing at an affordable level even though the transformation of the power system has significantly increased the capex needs of the main grid.

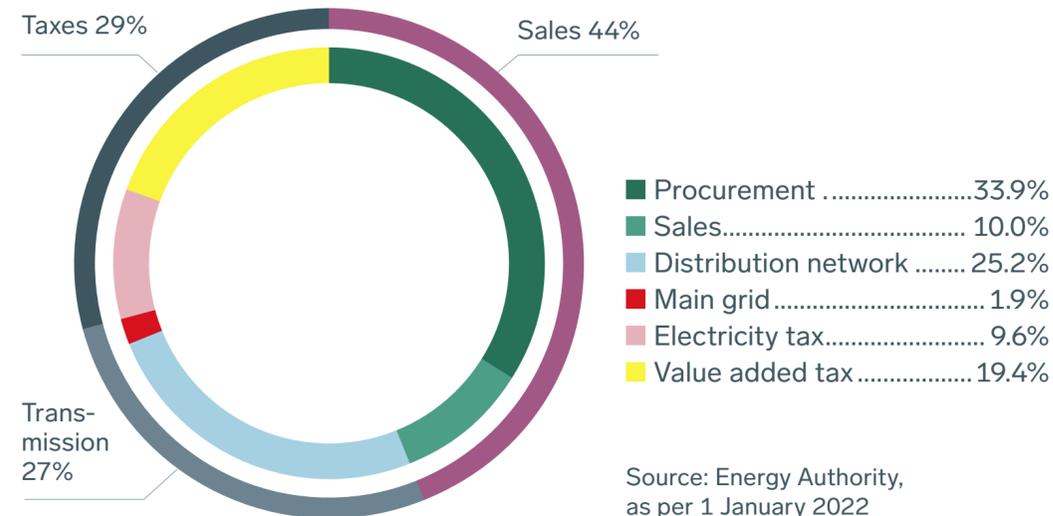
ENTSO-E transmission tariff comparison

European system operators



Household consumer's electricity price

Consumption 5,000 kWh/year



Source: Energy Authority, as per 1 January 2022

The number of new wind power producers grew, as in previous years. During the year, around 1,500 megawatts worth of connection agreements were concluded. The challenge is to build the new connections and to simultaneously develop the main grid to meet new transmission needs. Market development projects, such as the Datahub and the 15-min imbalance settlement period, required a lot of discussions with our customers, as they will have large impacts on their metering and information systems.

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Customer satisfaction

Understanding customers' needs and challenges is important to Fingrid. A good measure and trend indicator is the annual customer satisfaction survey, the results of which have been very encouraging for many years now. Customers are happy to recommend Fingrid's way of working. Customer satisfaction is one of the key indicators in the personnel's merit bonus system.

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. Based on the survey, our customers are satisfied with Fingrid's operations, and the majority of the results remained almost identical to last year's. Customers' trust in Fingrid has

remained strong. Our work for the benefit of society at large is considered a particular strength. A lowering of the score could be seen in the question concerning cost-effective solutions, where criticism was levelled in particular at the timeframe and costs of the Datahub project. The experience of working with Fingrid employees was considered a strength, and we received praise for our expertise in particular 4.5/5 (2020 4.5). Our score for service-mindedness was the same as in the previous year, i.e. 4.3/5 (2020 4.2). We had the most to improve in understanding customer needs, in which we scored 3.7/5. We also asked customers whether they would recommend Fingrid's way of working with customers (Net Promoter Score, NPS). The NPS was +41, which is four units down from the previous survey.

More on our customer operations can be found in the Business Review included in the Annual Report.

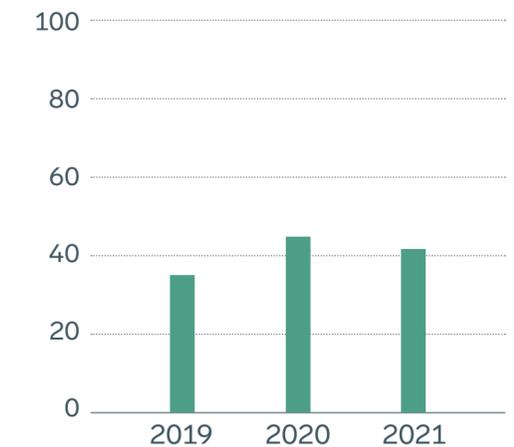
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Customer satisfaction is one of the key indicators in the personnel's merit bonus system.

+41 NPS

NET PROMOTER SCORE 2021

Net Promoter Score from customers (cNPS)



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Landowners

Cooperation with landowners and neighbours living near our transmission lines is important to us. When planning new transmission lines, the cooperation starts with the assessment of environmental impacts and the possibility to mitigate them already at the preliminary planning stage. 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. We communicate actively with landowners, and we constantly develop our ways of operating based on the feedback we receive.

In accordance with our land use and environment policy, our goal is successful interaction with landowners and neighbours of transmission line

right-of-ways. We conducted a landowner survey on the Pamilo–Uimaharju transmission line project that ended in 2021, for which we received a score of 3.4 (on a scale of 1–5). The score was below our target (>4). The expectations for improvement expressed by the landowners focused on communications and the tracks left by work machinery.

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 2021, an expropriation permit decision was given for the following transmission lines: Pyhänselkä–Raahe/Pyhänselkä–Leväsuo, Hämeenlahti–Kauppila and Isohaara–Simojoki/Simojoki–Raasakka. An expropriation permit application was drawn up for the Viitajärvi–Pyhänselkä, Torna–Lautakari, Kauppila–Hännilä and Leväsuo–Isokangas transmission line projects. The compensation process for compulsory purchase was concluded in the Pamilo–Uimaharju and Kontiolahti–Uimaharju

projects. No construction sites with existing buildings were bought.

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 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 strengthen the main grid in order to achieve Finland's climate neutrality goal and maintain the balance of the electricity system.

Financers, credit rating agencies and shareholders expect us to plan the

company's finances, capital expenditure, 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 efficient, profitable and responsible.

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 roughly 50 different 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

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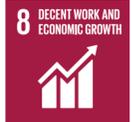
intended to bring in feedback on the company's operations and to help us take stakeholders' wishes and insights on the company into account in our operations. We measure customer satisfaction and the development of the company's reputation, and its success in various projects. We use the results of

the stakeholder survey to identify 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 earlier responsibility target tables.

Our stakeholder surveys	Target group	Scope
Reputation survey/ customer survey	Customers	customer survey once a year, reputation survey spring 2021
	Policy makers	every 2–3 years, 2021 most recent
	Technology professionals The general public	once a year once a year
Stakeholder survey	Customers Authorities	once a year every 2–3 years, 2019 most recent
Personnel survey	Personnel	once a year
Completed projects	Landowners	always at the end of a project

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. No significant deviations or problems in contractor obligation or employment relationship matters. Supplier audits cover 95% of the value of ex works deliveries in 2025.	Extensive and comprehensive responsibility requirements included in all of the company's procurements. No significant deviations or problems in contractor obligation or employment relationship matters. Comprehensive and continuous auditing in the service provider field further down the supply chain.	Social responsibility Supply chain   

Responsible procurement practices are impactful in Fingrid's outsourcing-based business model. Fingrid uses many different service providers in its business. Fingrid requires that its service and goods suppliers 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.

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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. Fulfilment of the requirements is monitored on a risk basis. 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. Good operations impact 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; the contractual partner 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.

Of Fingrid's direct contractual partners in the construction and maintenance of main grid transmission lines, the 15 biggest account for roughly 90 per cent of the contractual volume. Twenty-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 2021, non-Finnish personnel was used in the clearing of transmission line right-of-ways (around half from Baltic countries, Poland and Ukraine) and in some specialist fields. Both the contractors' and subcontractors' use mostly Finnish workforce for grid building work. In 2021, a substantial number of non-Finnish workers worked mainly on transmission lines (from the Baltics, Poland and Spain), but to some extent also at substations, including from the Baltic countries.

We verified compliance with the responsibility requirements through several risk-based audits. As part of the procurement process, we checked regularly that elected suppliers are not subject to mandatory exclusion criteria based on procurement legislation for special sectors or international sanctions.

During 2021, 13 sites were audited, from capex project worksites to mainten-

ce operations. Responsibility audits are used to verify service providers' management of contractor obligations, occupational safety and environmental issues. The goal is to support the service provider in even safer and more eco-friendly ways of working. Despite the pandemic, we were able to carry out a record number of audits safely, which was partly enabled by the introduction of a helmet camera and using remote connections. The most typical deviations uncovered in the audits had to do with qualifications and work risk management, the processes for the hand-over inspections of machines and equipment, and fall protection plans. The auditing method was made more conversational and development-oriented in order to achieve the shared goal.

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 2021, third-party supplier audits were carried out at 10 production plants in altogether six countries, such as Turkey and Italy. The

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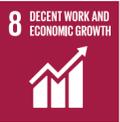
audited plants included insulator plants, transformer and instrument transformer plants, steel tower factories and GIS device plants. The total number of audits was 11 as follow-up audits can be conducted at the same plant in order to rectify non-compliance. There were altogether four of these follow-up audits. The audited companies included both Fingrid's di-

rect contractual partners and their suppliers, but also possible future material and equipment suppliers. In the audits at contractual partners, deviations were typically related to occupational health and safety. Audits were also carried out at possible future material and equipment suppliers. These audits also revealed deviations in working hours.

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



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). No serious occupational safety deviations. Fingrid is known for exceptional occupational safety.	Zero workplace accidents. No serious occupational safety deviations. Fingrid is known for exceptional occupational safety.	Social responsibility Occupational safety and the safety of the main grid 
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. We comply with regulatory requirements in Fingrid's operations, 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.

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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 everyone working at our worksites. We require a high level of occupational safety in capex activities 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 through, among other things, regular worksite visits, the management's occupational safety rounds and sustainability audits. In

our global sourcing, we use a third-party verifier on a risk-based approach to ensure that occupational safety and human rights are complied with at the workplaces of our equipment and material suppliers.

Identifying hazards, risk assessment and investigation

We continuously improve our occupational health and safety performance. We develop and renew our work environment based on risk assessments and workplace assessments. We study occupational accidents, near misses and safety observations, and learn from them.

Occupational safety deviations are classified in three classes based on the severity and risk of potential outcomes. The occupational safety deviations of Fingrid's personnel are investigated collaboratively with the occupational safety organisation and the line organisation. Occupational safety deviations that have happened at suppliers are investigated together with the suppliers. The extent of the investigation and responsibility for it are based on the seve-

riety 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 through sufficient training. We handle the internal audit results for OHS annually in the Management Review and in the required scope 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 occupa-

tional 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 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 conve-

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nes 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. We release the Safety on the lines magazine twice a year. 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 the 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.

During the year under review, we organised the 'Think before you act' campaign, which included several occupational safety videos and a video competition for service providers and Fingrid's personnel. We held several occupational safety briefings and webinars for Fingrid's personnel and service providers. We implemented a project on safe work at height at substations, which involved an inspection of the climbable structures by a consultant. We also performed testing using a video link in worksite responsibility audits.

Occupational safety 2021

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 (2) lost-time workplace accidents were recorded among Fingrid's own personnel. A total of 17 (14) absences due to accidents at the workplace were recorded among the service providers. Among the lost-time accidents, 1 (5) 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 9.1 (11.1) absences due to accidents at the workplace per million worked hours.

Slipping and tripping caused a significant share of workplace accidents in 2021. Additionally, several workplace accidents that occurred last year still have in common the fact that they could have been prevented through relatively small measures such as by deciding on a safe way of working before starting the work. This is why the goal of Fingrid's 2021 campaign 'Think before you act' was to make the 'think before you act' mentality a permanent practice at Fingrid's worksites. Fingrid's own

personnel experienced 4 (2) recordable workplace accidents and the service providers 27 (26) recordable workplace accidents. The service providers' and Fingrid's combined TRIF rate was 16.6 (19.4) 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. Fingrid's personnel made 26 (17) and the service providers made 508 (460) safety observations. In 2021, we reported for the first time on near misses as part of the SASB standard-compliant reporting.

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Workplace accidents, own personnel	2021		2020		2019	
	Workplace	Business travel	Workplace	Business travel	Workplace	Business travel
Absences due to illness	1%/2.1 days/person		1%/1.5 days/person		1%/2.6 days/person	
No. of accidents leading to absences	0	0	2	1	0	1
of which serious accidents (No. of absences of more than 30 days and/or permanent injury)	0	0	0	0	0	0
No. recordable workplace accidents, no absence	4	5	0	0	2	2
No. of recordable workplace accidents	4	5	2	1	2	3
Lost-time injuries frequency, workplace accidents resulting in absence (LTIF)*	0	0	3.3	1.6	0	1.7
Total recordable injury frequency (TRIF)	5.9		3.3		3.5	
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	26		17		23	

*LTIF in line with Zero Accidents. LTIF does not include Fingrid Datahub Oy.

Workplace accidents, service providers	2021	2020	2019
No. of workplace accidents leading to absences	17	14	7
of which serious (No. of absences of more than 30 days and/or permanent injury)	1	5	2
No. recordable workplace accidents, no absence	10	12	
Total no. of recordable workplace accidents	27	26	
Lost-time injuries frequency, workplace accidents resulting in absence (LTIF)	14.2	16.8	9.3
Total recordable injury frequency (TRIF)	22.6	31.2	
No. of safety observations	508	460	567

Combined workplace accidents (own personnel and service providers)	2021	2020	2019
Combined lost time injury frequency (own personnel and service providers), workplace accidents resulting in absence (LTIF)*	9.1	11.1	5.3
Combined total recordable injury frequency (TRIF, own personnel and service providers)	16.6	19.4	

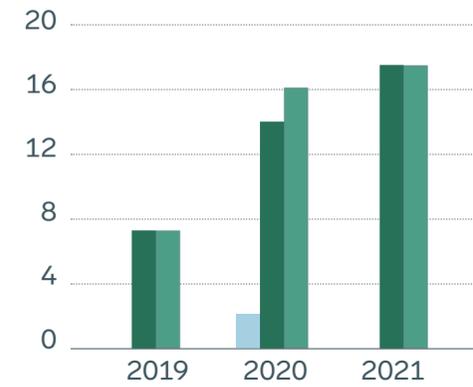
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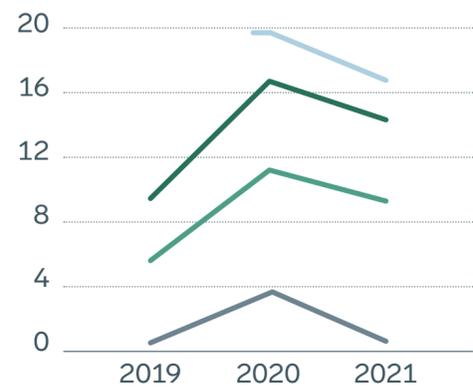
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Lost Time Injury Frequency (LTIF) and workplace accidents



- No. of own personnel's workplace accidents leading to absences
- No. of service providers' workplace accidents leading to absences
- Total no. of workplace accidents leading to absences



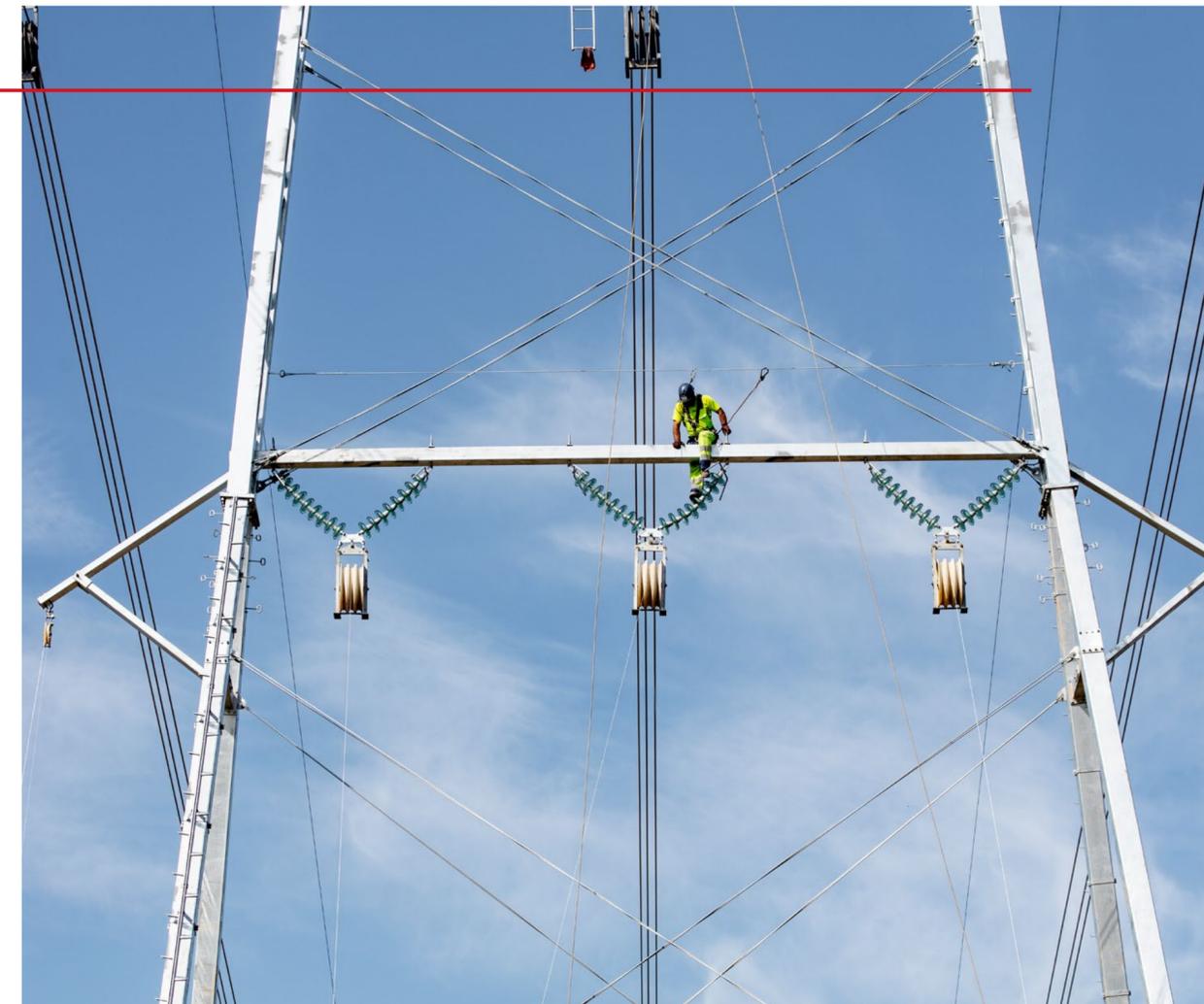
- LTIF, Fingrid's personnel
- LTIF, service providers
- Combined LTIF (Fingrid's personnel & service providers)
- Combined total recordable injury frequency (TRIF, own personnel and service providers)

CASE

Extra safety for work at height at substations

In spring 2021, Fingrid initiated a project aiming to improve the safety of employees working at height at substations. The objective is to find areas for improvement in structures that can be climbed for trials and identify good practices for working at height. The first step was to conduct trial climbs, which took place at a total of six substations during the year. Among these are an air-insulated switchgear, a GIS station and an HVDC station. The aim is to analyse the various climbable structures in as much depth as possible.

The trial climbs involve activities such as climbing onto the top of a main transformer using a ladder and identifying safe ways of using existing structures. At the same time, the needs for improvements to the structures are analysed to determine if there are enough anchorage points for fall protection and whether they are in the correct places. It is not necessary to climb



onto every structure because certain installations can be inspected from the ground or by using a personnel lift.

When the structures are climbed, the project team studies various solutions for anchoring fall protectors as effectively as possible. The

aim is to ensure easy use of the Always Attached method for safe and ergonomic work and movement at height. In addition, the project team identifies the best method for helping an injured person down in the event of an emergency.

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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 2021, 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 the trees do not come in contact with the transmission lines when they fall over. 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 2021, inspections were performed on some 4,700 kilometres of transmission line. Around 5,700 hectares of clearings were cleared, and roughly 60,000 cubic metres of wood was felled in the bordering forests. More

than 8,000 landowners were contacted with regard to the measures. With these measures, the transmission lines remain secure and above all are safe for their environment.

We participate actively in land-use planning together with municipalities and associations of local authorities to ensure safety and land-use reservations for the grid. In 2021, Fingrid issued about 240 statements on land-use plans and environmental impact assessments. In addition, we directed the construction and operations taking place near grid ins-

tallations by issuing roughly 510 statements that included safety instructions and land-use restrictions. We implemented several reviews related to these and offered training. We were still involved in the reform of the Land Use and Building Act into the planning and building act. In our statement, 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.

People are concerned about the electromagnetic fields in the vicinity of our 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 2021, 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.

We provide regular guidelines for working and other activity near the electricity network.

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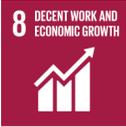
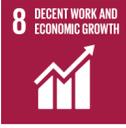
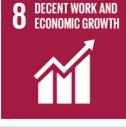
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FINGRID'S SOCIAL RESPONSIBILITY INDICATORS

Social target indicators and target

Indicator	Description		2025	Target monitoring: how we did in 2021
Personnel		UN's SDG		
Finland's best workplaces	Result of personnel survey		Among Finland's best workplaces	Great Place to Work study: Trust Index 87 and 'As a whole this is a good workplace' 94% Most Responsible Employer 2021 in the Oikotie survey
Healthy and happy personnel	Absences due to illness Retired		<2% no premature retirement	Absences from work 1% and one premature retirement
Diverse work community	Equal opportunity, non-discrimination and diversity		No incidents of discrimination More diverse personnel structure	No incidents of discrimination. Broad age structure. Small pay gap between women and men, and insignificant in many competence categories. Women still make up just one quarter of the entire personnel, one third of management and one quarter of the Board of Directors.
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	In 2021, the company significantly grew the volume of green financing in its total financing. A EUR 300 million revolving credit facility tied to the responsibility targets and EUR 70 million in a green investment loan.
Financial efficiency	Development of costs in relation to the general price level.		Rise in costs slower than the general development in the industry.	In 2021, the company's operational cost development exceeded the long-term average due to the general rise in the cost level in the operating environment, but was among the industry's best.
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 33.5 mill. in taxes in 2021. In 2020, 19th largest corporate income tax payer.

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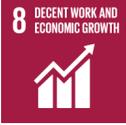
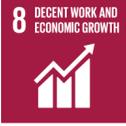
Indicator	Description		2025	Target monitoring: how we did in 2021
Customers		UN's SDG		
System security Well-functioning markets				defined under climate targets
Customer satisfaction	cNPS		>50	cNPS was 41. The 2021 target was >35.
Affordability of grid service fees	ENTSO-E price comparison		among 3 most affordable	2021 result not yet known. Ranked 2nd in 2020.
Other key stakeholders				
Satisfaction of landowners	Satisfaction with the management of investment projects (1–5)		>4	The result was 3.4.
Company's reputation among different stakeholders	Stakeholder surveys		Fingrid is a well-known company and sought-after partner among all stakeholders	The employer image among technology professionals remained almost unchanged. The employer image among the general public rose. Awareness of the company still needs to be increased.
Willingness of service providers to work with Fingrid	Functioning of service provider market		Competitive, well-functioning and high-quality service provider markets	We renewed the supplier register approval procedures in 2020. The service provider market is liquid.

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Indicator	Description		2025	Target monitoring: how we did in 2021
Occupational safety		UN's SDG		
Lost-time injuries frequency	Combined lost time injury frequency (own personnel and service providers), (LTIF)		<5	LTIF was 9.1.
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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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 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 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
<p>We commit to and require others to commit to responsibility and listed companies' good governance in line with our values.</p> <p>Balanced risk-return ratio for the owners and financiers.</p> <p>The continuity and profitability of our operations through good risk management.</p> <p>Open and comprehensive external reporting and communications.</p> <p>High-level information security and responsibility for data.</p>	<p>Our entire work community is committed to a responsible way of working and open communications.</p> <p>The company's guidelines are in line with legislation and the company's personnel has received training in the rules and know the guidelines.</p> <p>Dividend income in line with shareholders' targets.</p> <p>High credit rating.</p> <p>No significant information security and data protection breaches resulting in adverse business impacts.</p>	<p>Fingrid is known for its exemplary responsibility work and open external reporting.</p> <p>From the owners' and financiers' point of view, Fingrid is an open, stable and productive company.</p> <p>Fingrid is known for its high-quality information security and ability to protect personal data and business critical data.</p>	<p>Good governance</p> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #800000; color: white; padding: 5px; margin-bottom: 5px;"> 8 DECENT WORK AND ECONOMIC GROWTH </div> <div style="background-color: #FFD700; color: white; padding: 5px; margin-bottom: 5px;"> 7 AFFORDABLE AND CLEAN ENERGY </div> <div style="background-color: #000080; color: white; padding: 5px;"> 16 PEACE, JUSTICE AND STRONG INSTITUTIONS </div> </div>

Fingrid's management has opted for a policy of openness. Encouraging the sharing of information and promoting a culture of openness are seen to improve the company's productivity. First-class and deliberate sharing of information boosts the learning of both individuals and the organisation, which serves to improve the company's evolution and performance of its task. Sharing information can help merge the competence of different professionals across borders and bolster the organisation's practices. 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 fo-

ums that are open to everyone. These are freely accessible and give people the opportunity 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.

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. The personnel want to have a strong culture of experimentation and for the company

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to break down silos better and to increase collaboration. The personnel are strongly committed to the company's values. The company's values were updated in 2020 in collaboration with the entire personnel.

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. 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.

Our website contains a continuously updated power system status page that shows a real-time view of the power production and consumption situation in Finland. In February 2020, the page was updated to offer a more comprehensive overview of the situation in Finland's main grid and electricity market.

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 under one 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.

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.

Feedback channels and reporting breaches

Fingrid's personnel and external stakeholders have access to several feed-

”

By request of the personnel, the company has developed, for instance, remote work and working hour flexibility in recent years.

back 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 [whistleblowing 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 reports are reported on to the company's Board of Directors, taking into account privacy protection. In 2021, Fingrid received one report through the whistleblowing channel concerning a suspicion of overcharging. An inspection of the invoicing and approval chains did not yield any suspicious results and no more information was forthcoming from the reporter.

In 2021, no breaches of anti-competition laws, incidents of bribery or other corruption, human rights violations or discrimination incidents occurred in Fingrid's operations. One complaint was directed at the company concerning the privacy of private individuals, which resulted in corrective actions.

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Information security and data protection

During 2021, 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. Info sessions were held for personnel using remote connection solutions. A continuous investment in the personnel has brought about clear improvements in Fingrid's information security level. The information security management model was made compliant with the ISO 27001 standard and the company decided to apply for certification.

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 online 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.

During the year under review, a key part was played in personal data management by the continued preparations for the centralised information exchange system, the Datahub, taking into account the legal requirements concerning the processing of personal data. Datahub's data protection capabilities were the object of an internal audit towards the end of 2021.

Code of Conduct

Fingrid makes a commitment and expects its contractual partners to make a commitment to responsibility and good governance in line with the company's values. Even during the exceptional circumstances of the Covid-19 pandemic in 2021 the company was not made aware of any significant deviations having occurred in the compliance with the company guidelines and good governance. 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.



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The Code of Conduct includes our 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. In 2021, we looked into incorporating our corporate responsibility requirements into our public procurements. With a few individual exceptions, the Supplier Code of Conduct was part of our contracts pertaining to public procurements.

Our managers and the entire work community ensure that behaviour is in line with the Code of Conduct. To support this we use an online induction course, which we updated in 2021. We require all of our employees to take part in the induction course. In the 2021 personnel survey, 96 per cent of the respondents felt that Fingrid employees comply with responsible practices. We have drawn up ethical principles for the use of artificial intelligence. To ensure our understanding of human rights, we have carried out an assessment in compliance with the due diligence process recommended in the UN's Guiding Principles on Business and Human Rights, and we

also updated our action plan in 2021. Fingrid's result in the Status of Human Rights Performance of Finnish Companies (SIHTI) project was 42.3 (average of all companies 23.9). We continued to monitor corporate responsibility regulation and, as a result, the progress made in the new requirements for reporting and business.

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.

We comply 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 remains in line with regulations applying to the company. Business is planned and managed according to guidelines so that we can demonstrate that the requirements have been met. This applies to the company's internal operations, but also the service that the company sources externally. Our goal is to not be content with simply meeting the minimum level of the requirements in areas that are critical to our operations, such as occupational safety and information security.

The main aspects of the goals and requirements of responsible 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.

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

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

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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 management, and internal control and au-

dit 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 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 auditor who reports directly to the Board's audit committee.

Anti-corruption and anti-terrorism measures

Fingrid combats the grey economy, and does not engage in 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 irre-

gularities. 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 ability to operate. 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 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 profitability 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 auditor 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 capex 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.

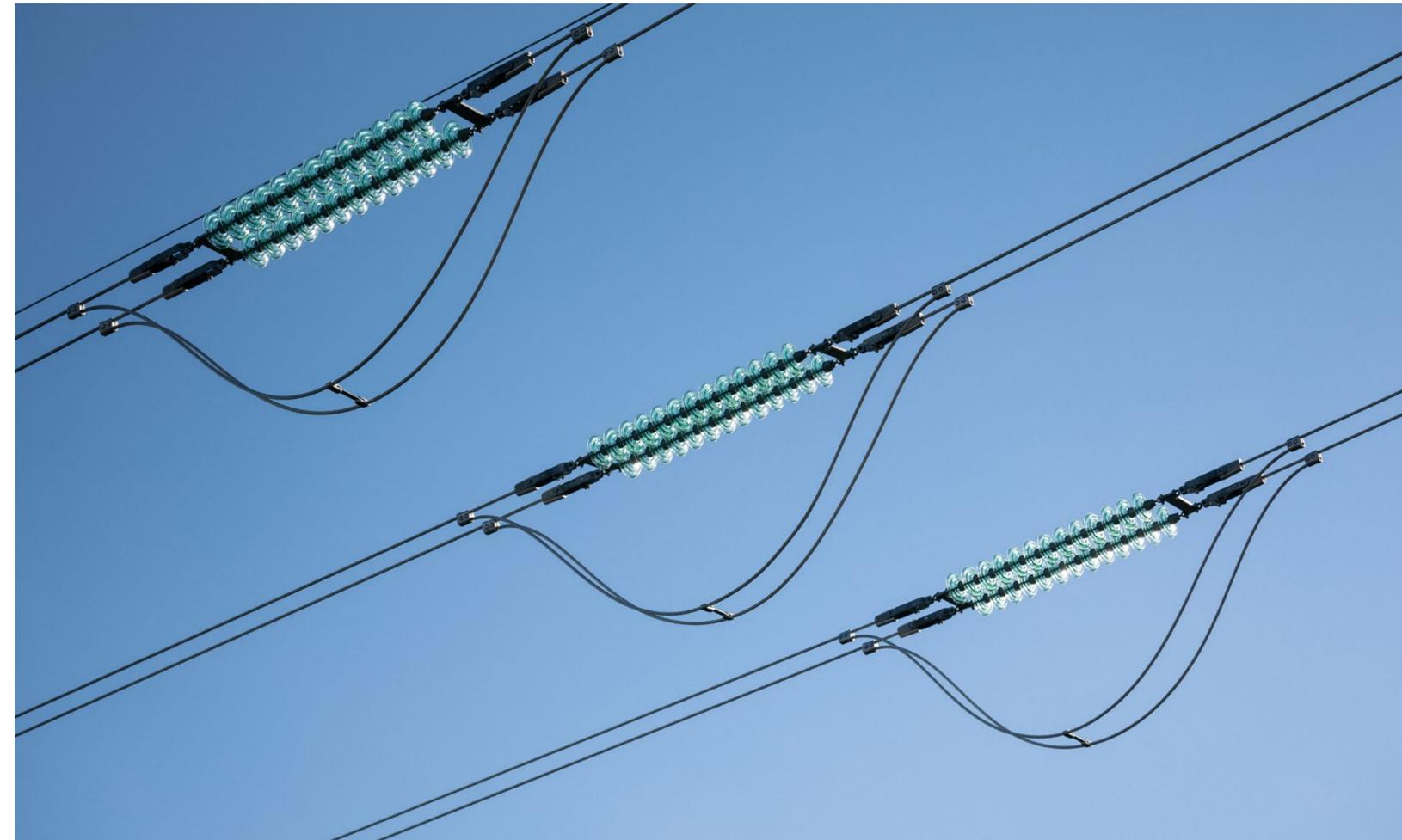
More on internal audits can be found in the [Corporate Governance Statement](#). The internal audit reports for 2021 concerned the company's reserve power plants' asset management, archiving principles, information management and contract archive, and the overall assessment of the capacity of Fingrid Datahub Oy's data protection practices.

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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, value retention and rapid recovery 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-'. 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 capital expenditure 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, together with the National Emergency Supply Agency, governs the authorities' and Finnish industries' joint Power and District Heat Pool, which coordinates emergency preparedness. In recent years, the Pool has invested in extensive preparedness rehearsals, called 'Jäätävä', for municipal, rescue and law enforcement authorities, the Finnish defence forces, and energy companies.

In the year under review, the security of supply has been tested due to the pandemic. With the support of the pools, clear situational awareness has been created concerning the security of supply impacts of the pandemic and the required measures.

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FINGRID'S INDICATORS RELATED TO GOOD GOVERNANCE

Indicators and target levels related to good governance

Indicator	Description		2025	Target monitoring: how we did in 2021
Code of Conduct		UN's SDG		
Personnel's view on responsibility of ways of working	Personnel surveys: score for responsible operations (1–5)		>4	In the personnel survey, 96 per cent of the respondents felt that Fingrid employees comply with responsible practices. In Oikotie's Responsible Employer survey, Fingrid employees' view on the responsibility of practices was 4.25/5.
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.	All principles and policies are updated at least according to the annual cycle.
Internal audits			No critical shortcomings identified in internal audits	No critical shortcomings identified in internal audits
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

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Indicator	Description		2025	Target monitoring: how we did in 2021
Finance – owners and financiers		UN's SDG		
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 (Core requirements). 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. 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. The Annual Report stands for a Communication on Progress (COP) report in compliance with the UN's Global Compact initiative. Fingrid discloses the business risks and opportunities related to climate change also in accordance with the Task Force on Climate-related Financial Disclosures framework on its website.

In 2021, we prepared for the global standardisation of corporate responsibility reporting by adding the contents of the industry-specific SASB standard to our reporting. SASB, or the Sustainability Accounting Standards Board, has published the sustainability reporting topics and indicators that are material for the Electric Utilities & Power Generators sector.

The Report of the Board of Directors also includes non-financial information. In 2021, we looked into developing reporting in accordance with the EU's Taxonomy Regulation. The reporting obligation under this regulation concerning the financing of climate and eco-friendly projects is not, so far, obligatory for Fingrid, but the company reports in compliance with the regulation on a voluntary basis. The taxonomy's classification system defines electricity transmission to be part of sustainable economic acti-

vity (eligible), with technical assessment criteria in place for assessing compliance with the taxonomy. 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.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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Material topics for Fingrid	Management performance procedure at Fingrid	Fingrid's management indicators	Material topics for Fingrid's operations
Climate change	Principles for managing system security Main grid development and maintenance management principles Contingency policy Company security policy Grid design policy Grid construction policy Grid maintenance policy	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 SF6 emissions Transmission losses, CO2 emissions Energy efficiency, energy savings	GRI: Economic performance GRI: Environmental Compliance GRI: Energy GRI: Emissions
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 Safety of the main grid: Number of accidents to the public	GRI: Indirect economic impacts Electricity availability and transmission reliability Demand-side management System efficiency Research and development GRI: Occupational health and safety GRI: Customer health and safety
Well-functioning electricity market	Principles for promoting the electricity market Loss power policy Transmission capacity allocation and congestion management policy	Well-functioning markets: Maintaining Finland as a single price area Project's degree of completion: All markets in 15-min periods	GRI: Stakeholder engagement
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 Digital security policy Data policy ICT 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 Protection of business critical and personal data (personal data, grid model) 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: Ethics and integrity GRI: Non-discrimination GRI: Anti-corruption and anti-bribery GRI: Public policy GRI: Anti-competitive behaviour GRI: Customer privacy GRI: Socioeconomic compliance GRI: Economic performance

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Material topics for Fingrid	Management performance procedure at Fingrid	Fingrid's management indicators	Material topics for Fingrid's operations
Occupational safety	Fingrid's occupational health and safety management Occupational safety handbook	LTIF: Combined lost time injury frequency (own personnel and service providers), (LTIF)	GRI: Occupational health and safety GRI: Customer health and safety
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: Employment GRI: Education GRI: Diversity and equal opportunities
Responsible sourcing practices	Fingrid's Supplier Code of Conduct Procurement policy	Deviations or problems in contractor obligation or employment relationship matters	GRI: Procurement practices
Trust of stakeholders	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: 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: Economic performance GRI: Stakeholder engagement
Circular economy and material efficiency	Land use and environment policy	Recycling rate Utilisation rate Office waste to final disposal	GRI: Waste
Protection of nature values and biodiversity	Land use and environment policy	Completed biodiversity improving projects Utilising old transmission line routes Positive environmental impacts of technical solutions Environmental deviations	GRI: Biodiversity

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INDEPENDENT ASSURANCE STATEMENT

To the Management and Stakeholders of Fingrid *Scope and Objectives*

The Management of Fingrid Oyj commissioned us to perform a limited assurance engagement over the responsibility information presented in the Responsibility and Sustainability section of Fingrid's Annual Report 2021 and specified in the GRI- and SASB- indices ("the Report") for the reporting period 1st January to 31st December 2021. The assurance engagement was conducted in accordance with the AA1000 Assurance Standard (AA1000 AS v3, 2020) as a type 2 engagement and the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information'.

We have duly performed an independent external assurance, the objective of which was to evaluate:

- Fingrid's adherence to the AA1000 Accountability Principles (2018) of inclusivity, materiality, responsiveness and impact;
- the reliability of the Responsibility information presented in the Report according to the Principles for defining report quality in the GRI Standard 101 Foundation (2016); and
- the compliance with the GRI Standards in accordance criteria at the Core option.

Responsibilities

Fingrid's Management is responsible for the preparation of the Report and the performance data and statements presented therein, which the Executive Management Group of Fingrid has approved. Our responsibility as assurance providers is to express a conclusion based on our work performed. The criteria used for our assessment include the GRI Standards, SASB Utilities and

Power Generators Sustainability Accounting Standard and Fingrid's own internal reporting guidelines.

Assurance Provider's Independence and Competence

We have conducted our assessment as independent and impartial from the reporting organisation. We were not committed to any assignments for Fingrid that would conflict with our independence, nor were we involved in the preparation of the Report. Our team consists of competent and experienced corporate responsibility reporting experts, who have the necessary skills to perform an assurance process.

Basis of Our Opinion

Assurance providers are obliged to plan and perform the assurance process to ensure that they collect adequate evidence for the necessary conclusions to be drawn. The procedures selected depend on the assurance provider's judgement, including their assessment of the risk of material misstatement adhering to the reporting criteria.

Our opinion is based, among other things, on the following procedures performed:

- Interviews with senior management representatives to gain an understanding of the major impacts, risks and opportunities related to Fingrid's corporate responsibility agenda;
- Assessment of the procedures Fingrid has in place to ensure the inclusivity of stakeholder engagement processes, the identification of material stakeholder expectations, the responsiveness to stakeholder concerns and the assessment of impacts;
- Interviews with Fingrid's specialists responsible for corporate responsibility performance data collection and calculations;
- Review of systems and procedures to generate, collect and report corporate responsibility performance data for the Report;

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- Reviewing data at source and following this through to the corporate responsibility information presented in the Report;
- Reviewing whether the evidence, measurements, and scope of the corporate responsibility information is prepared in accordance with the Criteria; and
- Reviewing the Report and narrative accompanying the corporate responsibility information in the Report with regard to the Criteria.

Inherent Limitations

Our assurance relies on the premise that the data and information provided by Fingrid to us as part of our review procedures have been provided in good faith. Because of the selective nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities may not have been detected. For instance, greenhouse gas (GHG) emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such

data. Finally, the selection of different but acceptable measurement techniques may result in materially different measurements.

Conclusions

Adherence to AA1000 Accountability Principles

- **Inclusivity:** Fingrid has a stakeholder engagement process in place in order to understand stakeholder expectations, and it has committed to active stakeholder dialogue.
- **Materiality:** Fingrid has defined material corporate responsibility reporting topics as a part of the strategy process.
- **Responsiveness:** Fingrid has policies and procedures in place to respond to stakeholder's expectations.
- **Impact:** Fingrid has identified impacts related to the material corporate responsibility topics and has committed to manage and disclose comprehensive and balanced information on these impacts.

Corporate responsibility performance data

We have reviewed the basis of the corporate responsibility information provided in the Report. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Report is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria.

GRI Standards in accordance criteria
The Report complies with the GRI Standards: Core option.

Observations and Recommendations

Based on our limited level assurance engagement, we present the following observations and recommendations, which do not affect the conclusions presented above.

- Fingrid advances the transition towards climate change mitigating power system. The reduction of greenhouse gas emissions requires significant changes in structures of power production, transmission grid and electricity market.

Fingrid brings forward these changes and develops the grid in cooperation with stakeholders. In 2021 Fingrid has progresses in the line with targets set in the grid investments needed in connecting renewable power generation and development projects related to electricity market. We recommend that Fingrid continues to focus on enabling climate change mitigation actions in the line with company's basic task, and reports progress against the long-term climate commitments.

- Fingrid has further developed target-driven management of corporate responsibility. The results in different areas of corporate responsibility have mainly been in the line with the targets set for 2021. The safety performance of contractors and service providers did not fully develop as targeted. When the company's investment program continues the amount of working sites and external workforce will increase. We recommend that Fingrid continues to invest in the development of the safety culture of

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contractors and services providers and preventive safety work.

- Fingrid aims to act as a responsible procurer and to advance responsible business practices in global supply chains together with its business partners. Fingrid has established the responsibility requirements for its suppliers and business partners. In 2021 Fingrid has continued procedures to monitor compliance with the requirements through risk-based audits. We recommend that Fingrid further develops activities to ensure transparency and responsibility in the whole value chain.

Helsinki, Finland, 3rd February 2022

Mitopro Oy

Mikael Niskala

Independent Sustainability Practitioner

Tomi Pajunen

Independent Sustainability Practitioner



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CORPORATE RESPONSIBILITY GRI DISCLOSURES

The GRI Content Index compiles our reported responsibility data and shows the data's location.

Standard	GRI content	Location	Additional information	Global Compact
Organisational profile				
GRI 102-1	Name of the organisation		Fingrid	
	Activities, brands, products and services	Fingrid's corporate responsibility management and targets – Fingrid delivers. Responsibly. Business Review 2021: Strategy		
GRI 102-2				
GRI 102-3	Location of headquarters		Fingrid's headquarters are located in Helsinki.	
	Location of operations; number and names of countries where the organisation has operations or that are relevant to the topics covered in the report	Report of the Board of Directors		
GRI 102-4				
GRI 102-5	Ownership and legal form	Report of the Board of Directors		
GRI 102-6	Markets served	Report of the Board of Directors		
GRI 102-7	Scale of the organisation	Report of the Board of Directors		
	Information on employees and other workers; number of employees by employment type and contract, by region and by gender	Business Review 2021: Personnel		6
GRI 102-8	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 2021, grid building and maintenance operations amounted to roughly 1 194,000 work hours, equalling 703 man-years.	6
GRI 102-9	Supply chain	Supply chain		
GRI 102-10	Significant changes to the organisation and its supply chain; size, structure, ownership	Report of the Board of Directors	No significant changes	
	Length of above and underground transmission and distribution lines	Business Review 2021: Main grid	The main grid owned by Fingrid encompasses approximately 14,000 kilometres of 400-, 220- and 110-kilovolt transmission lines, plus 116 substations, and 3 HVDC stations.	

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Standard	GRI content	Location	Additional information	Global Compact
	Allocation of CO ₂ e 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 5,344 (5,000) units (tCO ₂) 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 5,105 in 2021. Emissions trading had minor financial significance for Fingrid.	
GRI 102-11	Precautionary Principle or approach	Managing risks and continuity	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.	
GRI 102-12	External initiatives; externally-developed principles or other initiatives to which the organisation subscribes, or which it endorses	Report of the Board of Directors	Global Compact initiative Energy efficiency agreement of Finnish industries 2017–2025	
GRI 102-13	Memberships of associations; incl. advocacy organisations		ENTSO-E (European Network of Transmission System Operators – Electricity), Finnish Energy Industries, Cigré (International Council on Large Electric Systems), FIBS Corporate Responsibility Network	
Strategy and analysis				
GRI 102-14	Statement from senior decision-maker	Business Review 2021: Review by the President & CEO		

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Standard	GRI content	Location	Additional information	Global Compact
GRI 102-15	Key impacts, risks, and opportunities	Fingrid's corporate responsibility management and targets – Fingrid delivers. Responsibly. Material corporate responsibility topics and Fingrid's corporate responsibility targets		
Ethics and integrity				1-10
GRI 102-16	Values, principles, standards, and norms of behaviour	Code of Conduct		
GRI 102-17	Mechanisms for advice and concerns about ethics; incl. reporting concerns about unethical or unlawful behaviour	Code of Conduct Feedback channels and reporting breaches		
Governance				
GRI 102-18	Governance structure; incl. committees	Corporate Governance		
GRI 102-19	Delegating authority	Corporate Governance Strategic corporate responsibility management		
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Strategic corporate responsibility management		
GRI 102-22	Composition of the highest governance body and its committees	Corporate Governance	The report includes the composition of the Board of Directors and a statement on the independence of Board members.	
GRI 102-23	Chair of the highest governance body	Corporate Governance		
GRI 102-24	Nominating and selecting the highest governance body	Corporate Governance	The report accounts for the selection of Board members and the related criteria.	
GRI 102-25	Conflicts of interest	Corporate Governance		
GRI 102-26	Role of highest governance body in setting purpose, values and strategy	Corporate Governance Strategic corporate responsibility management		
GRI 102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance Report of the Board of Directors	The reports account for the Board of Directors' responsibilities in the organisation of risk management.	
GRI 102-30	Effectiveness of risk management processes	Corporate Governance Report of the Board of Directors		

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Standard	GRI content	Location	Additional information	Global Compact
GRI 102-31	Review of economic, environmental, and social topics; frequency of risk reviews	Corporate Governance Report of the Board of Directors	The reports account for the Board of Directors' role in the approval of risk management principles and in the definition of risks and their management measures as well as implementation	
GRI 102-32	Highest governance body's role in sustainability reporting	Report of the Board of Directors	The Executive Management Group approves the Corporate Responsibility and Sustainable Development Report.	
GRI 102-35	Remuneration policies; for the highest governance body and senior executives	Remuneration Report Fair remuneration	The reports account for the principles of remuneration policies and systems for the Board of Directors and senior executives.	
GRI 102-36	Process for determining remuneration	Remuneration Report Fair remuneration	The report describes the approval process of remuneration systems and forms of remuneration.	
Stakeholder engagement				
GRI 102-40	List of stakeholder groups	Stakeholders and customers		
GRI 102-41	Collective bargaining agreements; percentage of total employees covered		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.	3
	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.	
GRI 102-42	Identifying and selecting stakeholders	Stakeholders and customers		
GRI 102-43	Approach to stakeholder engagement	Stakeholders and customers		
GRI 102-44	Key topics and concerns raised; through stakeholder engagement	Stakeholders and customers Landowners		
Report profile				
GRI 102-45	Entities included in the consolidated financial statements	Business Review 2021		

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Standard	GRI content	Location	Additional information	Global Compact
GRI 102-46	Defining report content and topic Boundaries	Fingrid's corporate responsibility management and targets – Fingrid delivers. Responsibly.	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.	
GRI 102-47	List of material topics	Fingrid's corporate responsibility management and targets – Fingrid delivers. Responsibly.	The matters prioritised as material for Fingrid and their corresponding GRI reporting aspects are presented in the Corporate Responsibility and Sustainable Development Report.	
GRI 102-48	Restatements of information		Any changes to information from previous reports are stated in connection with the relevant information.	
GRI 102-49	Changes in reporting		There were no significant changes in the material topics and topic boundaries from previous reporting periods.	
GRI 102-50	Reporting period		The reporting period covers the financial period, from 1 January to 31 December 2021.	
GRI 102-51	Date of most recent report		The previous annual report was published on 31st March 2021.	
GRI 102-52	Reporting cycle		The annual report is published every year.	

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Standard	GRI content	Location	Additional information	Global Compact
GRI 102-53	Contact point for questions regarding the report		Feedback and questions about the annual report and Fingrid's corporate responsibility can be sent to viestinta@fingrid.fi .	
GRI 102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core option.	
GRI 102-55	GRI content index	Corporate responsibility GRI disclosures		
GRI 102-56	External assurance		The Corporate Responsibility and Sustainable Development Report is assured externally.	
Management Approach				
GRI 103	Disclosures on Management Approach	Fingrid's corporate responsibility management and targets – Fingrid delivers. Responsibly. Fingrid's environmental responsibility indicators Fingrid's social responsibility indicators Fingrid's indicators related to good governance Strategic corporate responsibility management		
ECONOMIC RESPONSIBILITY STANDARDS				
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	Fingrid's corporate responsibility management and targets – Fingrid delivers. Responsibly. Reliability of the electricity system Economy – society Stakeholders and customers		

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Standard	GRI content	Location	Additional information	Global Compact
Procurement practices				
GRI 103	Management Approach	Supply chain		
Anti-corruption				
GRI 205-3	Confirmed incidents of corruption and actions taken	Feedback channels and reporting breaches	No incidents of corruption during the reporting period.	10
Anti-competitive behaviour				
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Feedback channels and reporting breaches	No legal actions during the reporting period.	
Taxation				
GRI 207-4	Country-by-country reporting	Tax footprint	Reported based on the tax reporting guidelines of the Ownership Steering Department of the Finnish Government	
Electricity availability and transmission reliability				
GRI 103	Management Approach	Reliability of the electricity system		
Demand-side management				
GRI 103	Management Approach	Business Review 2021: Power system		
Research and development				
GRI 103	Management Approach	Business Review 2021: Research and development		
System efficiency				
GRI 103	Transmission and distribution losses	Electricity transmission losses and energy efficiency		

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Standard	GRI content	Location	Additional information	Global Compact
ENVIRONMENTAL RESPONSIBILITY STANDARDS				
Energy				7, 8
GRI 302-1	Energy consumption within the organisation	Electricity transmission losses and energy efficiency		
GRI 302-2	Energy consumption outside of the organisation	Electricity transmission losses and energy efficiency		
GRI 302-3	Energy intensity	Electricity transmission losses and energy efficiency		
Water				7, 8
GRI 303-5	Water consumption		Water consumption and waste water 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				8
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		
Emissions				7, 8
	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		

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Standard	GRI content	Location	Additional information	Global Compact
GRI 305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Greenhouse gas impacts of Fingrid's operations		
Effluents and waste				8
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		
Environmental Compliance				8
GRI 307-1	Non-compliance with environmental laws and regulations; monetary value of significant fines and total number of non-monetary sanctions		No fines or sanctions during the reporting period.	
SOCIAL RESPONSIBILITY STANDARDS				
Employment				6
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.	
	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				6
GRI 403-1	Occupational health and safety management system	Promoting occupational health and safety		

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Standard	GRI content	Location	Additional information	Global Compact
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Promoting occupational health and safety		
GRI 403-3	Occupational health services	Healthy and happy personnel Promoting occupational health and safety		
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	Healthy and happy personnel Promoting 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		
GRI 403-10	Work-related ill health	Promoting occupational health and safety		
Training and education				6
GRI 404-1	Average hours of training per year per employee; by gender and by employee category	Business Review 2021: 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 2021: Personnel		
Diversity and equal opportunities				6
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		

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Standard	GRI content	Location	Additional information	Global Compact
Non-discrimination				6
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				1
	Result of landowner survey	Landowners		
Public policy				10
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. 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 Business Review 2021: Business operations		
	Average power outage duration	Report of the Board of Directors Business Review 2021: Business operations		
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	No incidents during the reporting period.	
Socioeconomic compliance				
GRI 419-1	Non-compliance with laws and regulations in the social and economic area; significant fines and non-monetary sanctions	Compliance of the business operations	No significant fines or sanctions during the reporting period.	

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REPORTING BASED ON THE SASB STANDARD

Code	SASB Accounting Metric	Fingrid Disclosures	2021	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	5 300	Metric tons (t) CO ₂ -e	
	(2) emissions-limiting regulations	Percentage of scope 1 emissions covered by the EU emission trading system	94	Percentage (%)	
	(3) emissions-reporting regulations	Percentage of scope 1 emissions covered by the the reporting obligation of the EU emission trading system	94	Percentage (%)	
IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Greenhouse gas emissions, scope 2 from transmission losses (location-based)	132 000	Metric tons (t) CO ₂ -e	Fingrid uses a real-time factor for electricity consumed (average in 2021 91 g CO ₂ /kWh) https://www.fingrid.fi/en/electricity-market/electricity-market-information/real-time-co2-emissions-estimate/

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Code	SASB Accounting Metric	Fingrid Disclosures	2021	Unit of measure	More information
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.	<p>Short-term targets 2025:</p> <p><i>Finland climate neutral by 2035</i></p> <ul style="list-style-type: none"> 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. <p><i>Emission-free transmission losses:</i></p> <ul style="list-style-type: none"> 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 <p><i>Main grid does not cause SF6 emissions:</i></p> <ul style="list-style-type: none"> 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 2021, p. 11 , 15 and 18

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Code	SASB Accounting Metric	Fingrid Disclosures	2021	Unit of measure	More information
		<p>Long-term targets 2035:</p> <p>Finland climate neutral by 2035</p> <ul style="list-style-type: none"> 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 <p>Emission-free transmission losses:</p> <ul style="list-style-type: none"> In a climate neutral Finland, transmission losses do not cause any CO2 emissions. Fingrid is energy efficient in all of its operations <p>Main grid does not cause SF6 emissions:</p> <ul style="list-style-type: none"> 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 2021, p. 11 , 15 and 18
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			
Air Quality					
IF-EU-120a.1	Air emissions of the following pollutants:				
	(1) NOx (excluding N2O)	Nitrogen oxides, Nox	24.8	Metric tons (t)	
	(2) Sox	Sulphur dioxide, SO2	0.6	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 (%)	

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Code	SASB Accounting Metric	Fingrid Disclosures	2021	Unit of measure	More information
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			
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.			

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Code	SASB Accounting Metric	Fingrid Disclosures	2021	Unit of measure	More information
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 2020, 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 2021 Fingrid announced that the company is raising the fees for electricity transmission in the main grid by an average of two per cent in 2022. One of the key reasons for the increase is the rising cost of market-based reserves. Reserves ensure that generation and consumption are in balance in the power system.			Fingrid Corporate Responsibility and Sustainable Development Report 2021, p. 52
Workforce Health & Safety					
IF-EU-320a.1	(1) Total recordable incident rate (TRIR)	Combined total recordable injury frequency (TRIF, own personnel and service providers)	16.6	Rate	
	(2) fatality rate	Number of work-related fatalities	0	Rate	
	(3) near miss frequency rate (NMFR)	Near miss frequency rate	68.7	Rate	Fingrid Corporate Responsibility and Sustainable Development Report 2021, p. 58-59
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.			

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Code	SASB Accounting Metric	Fingrid Disclosures	2021	Unit of measure	More information
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			
Grid Resiliency					
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	No incidents in 2021	0	Number of incidents	
IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI)	System Average Interruption Duration Index per connection point (CP)	0.88	minutes/CP	
	(2) System Average Interruption Frequency Index (SAIFI)	System Average Interruption Frequency Index (SAIFI)	0.19	Quantity/CP	
	(3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Customer Average Interruption Duration Index (CAIDI)	4.6	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.	120	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	72.9	Terawatt hours (TWh)	

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Code	SASB Accounting Metric	Fingrid Disclosures	2021	Unit of measure	More information
IF-EU-000.C	Length of transmission and distribution lines	The main grid owned by Fingrid encompasses approximately 14,000 kilometres of 400-, 220- and 110-kilovolt transmission lines, plus 116 substations, and 3 HVDC stations.	14,000	Kilometres (km)	
IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets	Electricity is generated with the fuels consumed by Fingrid's own reserve power plants and leased reserve power plants. Electricity is generated in the trial operations of the plants to ensure their reliable operation, and when electricity produced on market terms is not sufficient to maintain the balance of the power system. Fingrid's own power plants and leased power plants are not used for commercial electricity production.			
		Own reserve power plants	5.0	Gigawatt hours (GWh)	
		Leased reserve power plants	1.4	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	35.3	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

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