

#### ELENIA AND SUSTAINABILITY

## 

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In addition to this sustainability report, Elenia's reporting includes also the Annual Review 2021.



### Elenia today

Elenia Group consists of Elenia Oy, which focuses on customer service in the energy industry, and its wholly-owned subsidiary Elenia Verkko Oyj, which is a distribution system operator. Elenia group's headquarters are in Tampere.

**Elenia Verkko Oyj** distributes electricity to 435,000 customers in the regions of Kanta-Häme, Päijät-Häme, Pirkanmaa, Central Finland, South Ostrobothnia and North Ostrobothnia. The total length of Elenia's electricity network is 76,000 kilometers. Elenia has invested over EUR 1 billion in ensuring the continuity of electricity distribution over the past decade, which has created over 10,000 person-years of work for Elenia and its partners.

**Elenia Oy** offers energy companies comprehensive customer service, including conventional customer service, as well as service processes and information systems for producing customer service. Customers include Alva, Suomen Kaasuenergia, Etelä-Savon Energia, Järvi-Suomen Energia, Lahti Energia, Loimua, Tampereen Sähkölaitos and Suur-Savon Sähkö.

Elenia is owned by the State Pension Fund of Finland, Allianz Capital Partners on behalf of the Allianz Group, and the Macquarie Super Core Infrastructure Fund.

#### Elenia Verkko Oyj

**REVENUE** 

320.2M€

**PERSONNEL** 

83

**MARKET SHARE** 

12%

**CUSTOMERS** 

435,000

**ELECTRICITY NETWORK** 

76,000 km

UNDERGROUND CABLING RATE

58.5%

GLOBAL GRESB SUSTAINABILITY ASSESSMENT RATING



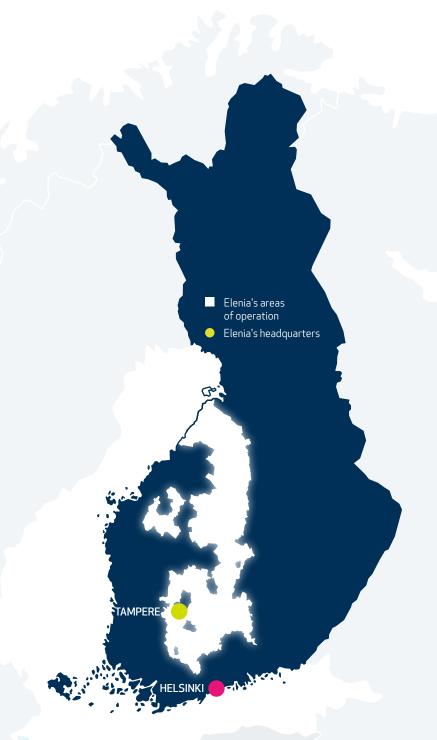
#### Elenia Oy

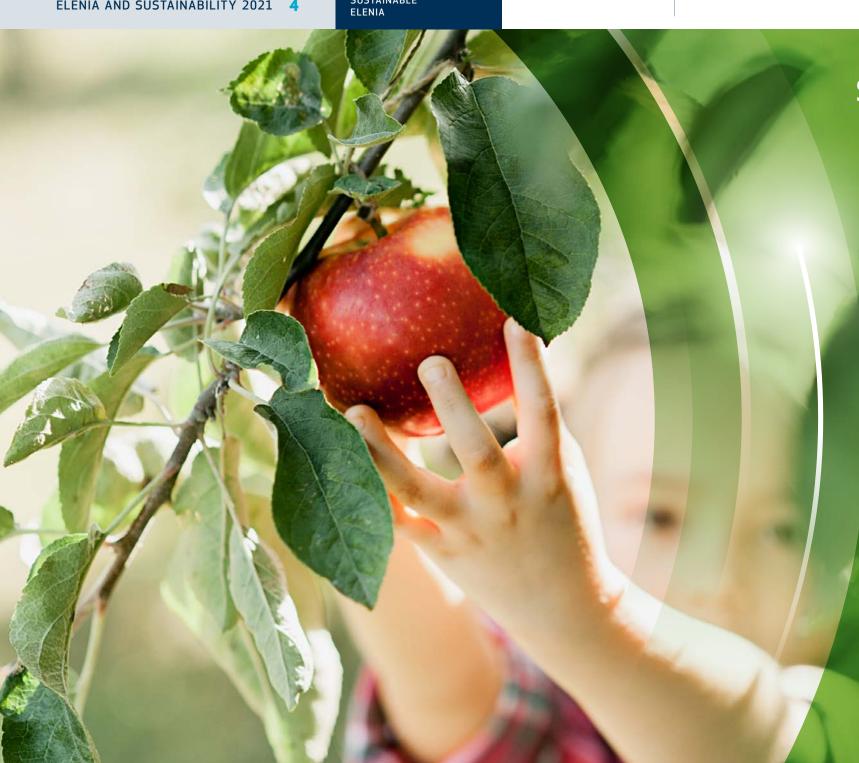
**REVENUE** 

8.5M€

PERSONNEL

223





### Sustainability 2021

#### **HIGHLIGHTS**

- Vision objectives for sustainability
- Climate targets based on scientific facts
- Occupational safety partner training courses, the Elenia Avain solution
- More customers to join the weatherproof network, more effective customer communications concerning construction
- Installation of next-generation smart electricity meters
- Scenario planning on electricity consumption and production until 2035

#### **KEY DEVELOPMENT NEEDS**

- Improving the customer experience and the acceptability of operations
- Reduction of emissions in accordance with the carbon roadmap
- Taking biodiversity and ecosystems better into consideration
- Promotion of equality and diversity of personnel
- Predictability of regulation
- Safety culture

# The increasing electrification of daily life underscores the utmost importance of sustainability for Elenia



As a provider of electricity network services, we keep the wheels of society turning. Sustainability has always been

a foundation for our services and the development of our operations. For decades, we have developed the reliability of electricity distribution and renewed the services to our customers. Our sustainability efforts are also reflected in the

excellent result we achieved in the international GRESB sustainability assessment of the infrastructure sector.

The work we have carried out in recent years to develop our sustainability programme and reporting, has increased our expertise and understanding of the significance of sustainability in our work. Our sustainability targets and our sustainability programme guide us as we respond to society's expectations and the needs of our stakeholders.

The aim of our sustainability programme is to ensure the smooth running of daily life in society by providing reliable electricity network services and fostering our customers' trust in us. To prevent power outages we are renewing and weatherproofing the ageing electricity network. Through our customer service promises, we want to ensure the satisfaction of our services. We look after the safety and well-being of our employees and the safety of everyone who works for Elenia or passes an Elenia construction site.

Following Russia's war of aggression against Ukraine in February 2022, a fundamental change has taken place in the security environment globally as well as in Europe and Finland. We are continually monitoring the impacts of the crisis caused by the war and are preparing to secure

continuity of our own operations and services by identifying various threat potentials related to, for example,

cyber security, material procurement and economy.

We are promoting climate change mitigation and the development of zero-carbon electrification of society. The aim of our sustainability is to develop the positive change that extends beyond the

scope of our own operations. The success of our targets requires wide-ranging cooperation with our partners.

#### Ambitious climate targets

Our vision is to support

the zero-carbon

electrification of society.

In 2021, we made a commitment to join the Science Based Targets initiative. The most significant target is Net Zero, meaning net zero greenhouse gas emissions, by 2050. This ambitious target will require systematic climate action from us and our partners. Committing to climate targets will affect our operations in the long term. Planning this comes naturally for Elenia as we make our investments for decades ahead.

In our own operations, the most significant source of emissions is the purchasing of electricity to cover network losses. Our goal is to purchase this electricity in a way that increases the production of renewable electricity

#### Long-term renewal of the electricity network

Our vision is to support the zero-carbon electrification of society. In order to reap the full benefits of the growth of solar and wind power, smart grid solutions are needed for

balancing electricity production and consumption. We contribute to this change through the renewal of the electricity network and related technologies. For our customers, this appears as the installation of new electricity meters and, in the coming years, in the availability of more real-time information about electricity consumption and new opportunities in the electricity markets.

The renewal of the electricity network in order to meet society's longterm needs is a tremendous effort that will take over two decades and in which we have invested more than EUR 1 billion. Approximately 60% of our 76,000-kilometre network is weatherproof underground, but there is still more work to be done in renewing the ageing electricity network.

The changes in the regulatory methods implemented by the Energy Authority in the middle of the regulatory period in 2021 hamper our long-term efforts focused on the renewal of the electricity network, which is the most important basic infrastructure enabling the green transition. The changes slow down the improvement of the security of supply, especially outside cities and densely populated areas. Like other distribution system operators, we are seeking repeal from the Market Court against the decisions of the Energy Authority.

We strengthen trust in Elenia through openness, and this sustainability report is part of that effort. We believe that our customers and stakeholders, and society's decision-makers, recognize the significance of our determined sustainability efforts in ensuring the smooth running of daily life. We work towards this goal every day.

#### Tapani Liuhala

CEO

# Elenia's operating environment

Analysing our operating environment provides us with the insight we need for the renewal of our operations in response to the needs of society and our customers, and helps us play our role in maintaining Finland's security of supply.



# Continuing demands regarding reasonable pricing and cost-efficiency

- The public debate pertaining to the pricing of distribution system operators, which has continued for several years, is still ongoing.
- Demands concerning reasonable pricing and the cost-efficiency of operations are still at the forefront of the debate.
- Alternative solutions will be utilised in network development.
- The importance of self-sufficiency, the security of supply and energy security in Finland's electricity production is increasing.

#### **ECONOMY**

# The electrification of society is increasing electricity consumption

- The global security crisis is expected to accelerate the green transition in energy production.
- Forecasts concerning the geographical distribution of population growth may change due to the pandemic.
- The amount of network investments is reduced by the sudden change in regulation concerning the years 2022 and 2023. Specifications for the 6th and 7th regulatory periods are currently in progress.
- More last-mile solutions and solutions involving battery packs are needed to ensure the security of supply in sparsely populated areas.

#### SOCIETY

# The global security crisis will profoundly change the energy sector and the energy transition

- The production and pricing of electricity and energy are in a period of dramatic transformation.
- Climate change mitigation and sustainable development are being adversely affected by the security crisis.
- Electrification plays a significant role in climate change mitigation.
- The quality of the supply of electricity is continuously subject to expectations.
- The customer interface is becoming more diverse. The number of producer customers is growing.
- The transition to remote work caused by the pandemic will be partially permanent. May affect urbanisation.
- Non-discrimination, equality, diversity, and inclusion are being increasingly recognised.

#### TECHNOLOGY

#### The energy system needs the new opportunities presented by smart grid technology

- Cybersecurity and digitalisation will be increasingly emphasised in the security of supply, network management and service development.
- Active network management, including energy storage solutions, is an area of continuous development.
- Development of solutions to reconcile the demand and supply of electricity, e.g. virtual power plants.
- The deployment of the next generation of smart metering systems is under way.
- The national datahub is further harmonising and enhancing the operating practices of sales and network companies.

#### **ENVIRONMENT**

# Awareness of climate change is being put to the test by the global security crisis

- The international security crisis makes it difficult to commit to emission reduction targets.
- Electricity plays a vital role in solutions that reduce emissions.
- Solar and wind power capacity is growing.
- Electricity network services play a role in enabling improvements in energy efficiency and the reduction of emissions.
- Continuous improvement in circular economy and efficiency.
- Increasing requirements regarding the minimisation and compensation of the environmental impacts of Elenia's own operations.

#### LEGISLATION

# The focus will shift from the security of supply to the overall economic aspects of solutions

- The EU's clean energy package will become part of national legislation.
- Regulatory decisions will be issued for the 6th and 7th regulatory periods on the basis of the new Electricity Market Act.
- The customer's position will be strengthened by a customer-centred retail market model.
- Customers will be heard on the development plans of network companies in accordance with the new Act.
- Efficiency requirements will be emphasised in the supervision of the development plans.
- Network development will be influenced by the electrification of society and demand response services.

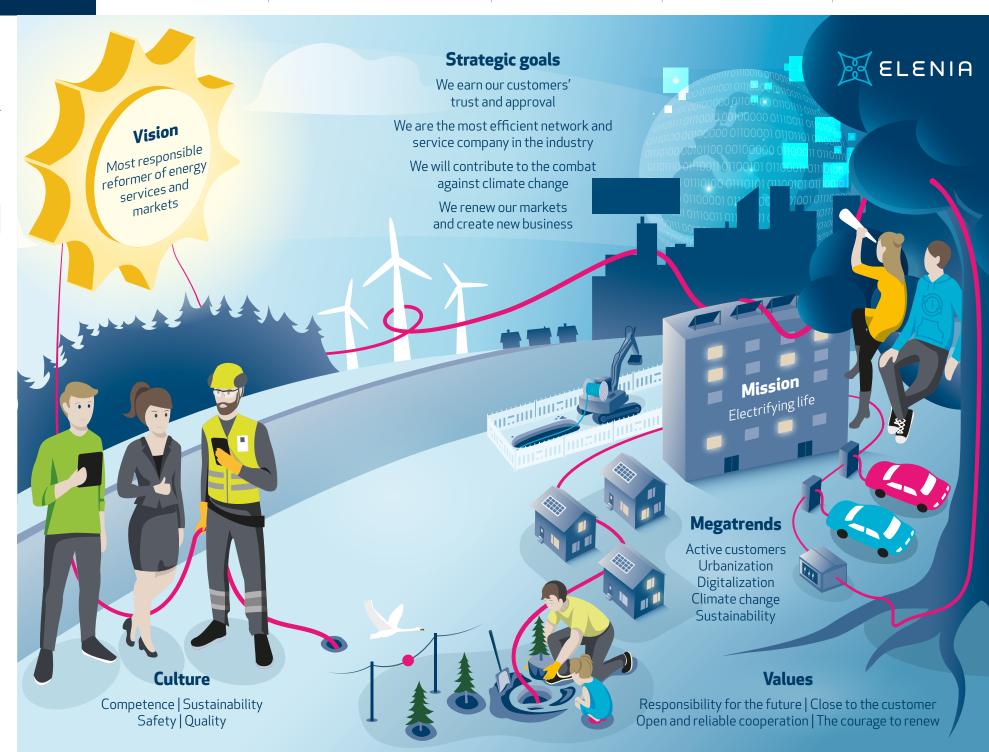
#### **SUCCESS FACTORS**

#### **Network business**

- We utilize digitalization in our operational processes efficiently and innovatively
- We improve our security of supply taking into account customer needs
- We strive to influental and customer-minded stakeholder collaboration
- We provide a Smart Grid for our customers and electricity market participants
- We renew the services and practices of the industry together with our partners

#### Service business

- We provide the best service experience
- We are the most efficient and high quality network builder
- We are active operator in fiber network markets
- We promote market digitalisation and create new services







## SAFETY AND WELL-BEING AT WORK

Our work is safe.

We support the well-being and professional development of our personnel.

We are an equal working community.

#### **OUR 2035 VISION TARGETS**

Lost time injury frequency LTIF <1



## CLIMATE ACTION AND ROLE AS FORERUNNER

We promote the development of a sustainable society and way of life.

#### **OUR 2035 VISION TARGETS**

Net Zero Elenia



## CUSTOMER EXPERIENCE AND QUALITY OF ELECTRICITY NETWORK SERVICES

We care for the smooth day-to-day lives of our customers by offering safe, high-quality and friendly service and by ensuring the reliability of electricity network services in all circumstances.

#### **OUR 2035 VISION**

Reputation and trust score: 3.5 (1-5)



## SOCIAL IMPACT

We create value for society.
We promote the zero-carbon electrification of society.

#### **OUR 2035 VISION TARGETS**

The amount of electrical energy fed to customers 7.3 TWh and renewable energy fed into the network 7.3 TWh

(Energy use +14% & Renewable energy +295%)

### Elenia's sustainability vision and programme

Sustainability is an integral part of Elenia's operations and services. It is also essential for our task of ensuring the smooth running of daily life in society.

In recent years, we have taken significant steps to further develop our approach to sustainability. The most important step we took in 2021 was our commitment to science-based global climate targets. The main objectives of our strategy include earning our customers' trust, ensuring efficient operations, renewing the electricity market, and the mitigation of climate change. These are the cornerstones of our sustainability programme, and they link it directly to our strategy.

Elenia's sustainability programme guides our day-today work together with our business strategy. In 2021, we sharpened our sustainability programme and targets to further emphasise climate targets and climate action in particular.

Our sustainability efforts are focused on four key themes, for which we have set long-term objectives for 2035.

- Safety and well-being at work
- Customer experience and the quality of electricity network services
- Climate action and role as forerunner
- Social impact

#### Elenia's long-term sustainability objectives now have performance indicators

The direction of Elenia's sustainability is defined by the Group's vision: The most responsible reformer of energy services and markets.

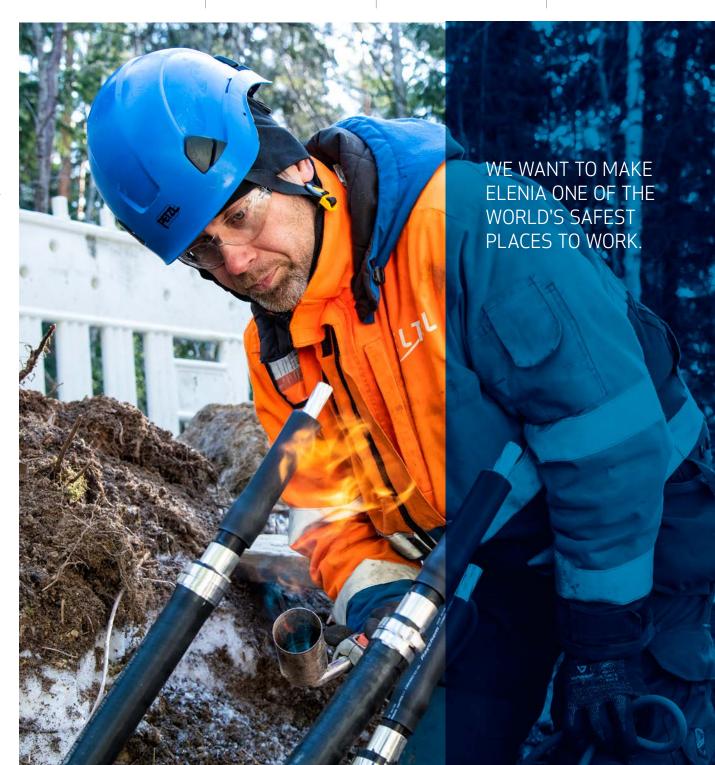
To that end we started setting long-term objectives for our key sustainability themes in 2020. We subsequently defined performance indicators for these objectives in 2021. The objectives associated with our sustainability vision are related not only to our own operations but also to our partners, customers, and the entire society, where we bear the responsibility for ensuring smooth running of daily life.

#### An ambitious target for lost time injury frequency

We want to make Elenia one of the world's safest places to work. One of the objectives associated with our vision is to bring the collective lost time injury frequency\* of Elenia and our partners to less than one in the long term. This is an ambitious target that will take a great amount of work to accomplish. Reaching this target requires us and our partners to continuously improve operating practices and safety culture.

Changing culture and attitudes related to occupational safety is a long process that calls for uncompromising rules, commitment to goals, and increasing awareness among all the parties involved. We provide training and orientation to our contractors, assess best practices for

\*Number of accidents per one million hours worked



#### Elenia's sustainability vision and programme

safety management, and focus on continuous learning to ensure that everyone who works for Elenia gets to go home safe and sound at the end of the day.

#### Strengthening customer trust

It is very important for us to foster and develop our customers' and stakeholders' trust in, and acceptance of, our operations. We are confident that our long-term efforts help build this trust.

Although we are good at measuring the quality and performance of our operational activities and our customers' satisfaction in our day-to-day services, we also need information on our customers' views and impressions of Elenia.

In 2021, we measured Elenia's trust and reputation in the eyes of the general public by means of a national survey. We will build on that effort by measuring our trust and reputation among our customers in early 2022. The results of the survey of the general public were encouraging. Our scores were close to the national average. We have set a realistic goal of being above-average in this respect. We have a strong need to establish a clearer and broader understanding of our customers' opinion about us, as well as their trust and acceptance concerning our operations. The elements by which we build trust include the customer promises we published in 2021, which we will develop and revise as necessary in order to respond to the expectations of our customers.

#### Towards a zero-carbon electric society

Climate change mitigation is transforming the energy sector and energy markets at an accelerating rate. Coal-based energy production is giving way to renewable energy, and the significance of electricity is increasing in homes, transport, industry and society as a whole. At the same time, a rapid transformation of operating models is underway in the electricity market.

Our role on the path towards a zero-carbon electric society is to facilitate change. We aim to promote the electrification of society and help connect renewable energy production to our network. Our goal is 7.3 TWh of electricity distributed to our customers and 7.3 TWh of renewable electricity fed into our network in 2035. We work towards this goal by providing effective connection services and smart grid services that enable decentralised electricity production, storage, and demand response alongside the conventional consumption and production of energy. During this decade, our customers will gain access to a growing range of solutions for participating more actively in the electricity market, taking advantage of their own electricity production, and obtaining almost real-time data on their electricity consumption.

Providing new solutions is part of building vital trust. In addition to the renewal of the ageing electricity network and making it weatherproof, we create diverse added value through our services.

#### Elenia's path to carbon neutrality

Climate change influences our operations both as a risk and as an opportunity. Storms, large variations in weather,



and weaker ground frost present problems for electricity distribution. Our network renewal efforts reduce the weather-related risks of electricity distribution but, at the same time, the growing production of renewable energy makes the supply of energy more weather-dependent. Therefore decentralised energy production needs to be paired with flexible solutions and load control, in essence a smart grid.

As part of the mitigation of climate change, we also want to focus on our own operations, which is why making Elenia carbon-neutral is part of our vision. Developing our emission estimates and improving their accuracy has helped us establish a better understanding of the over-

all situation and the measures that have the greatest impact. Network losses are a significant source of emissions for us, and our first step is to seek ways to reduce these emissions. In 2021, we made a commitment to the Science Based Targets initiative, which is a framework for setting ambitious science-based climate targets. This commitment supports Elenia's even more ambitious goal of carbon neutrality by 2035.

The energy sector is being transformed by comprehensive services that make the customer's day-to-day life easier and promote energy efficiency. We are closely involved in this transformation.

### Materiality choices

In identifying our material aspects of sustainability, we have taken into account the most significant economic, environmental and social impacts of our operations, as well as other significant trends that influence our industry. Assessing material aspects is part of our sustainability efforts. We evaluate their impact on our businesses and their significance to our stakeholders to the extent necessary. Our materiality choices are described below.





**ELENIA'S** SUSTAINABILITY RECEIVED AN EXCELLENT **GRESB SCORE FOR THE FOURTH TIME** 





Elenia's GRESB score was again excellent in 2021. We received a full five stars in the assessment, with a score of 95 out of 100. A total of 549 infrastructure companies took part in the GRESB Infrastructure Assessment around the world. Elenia ranked 34th among the 549 participating companies and third among distribution system operators. Elenia participated in the GRESB assessment for the fourth time.

The score reflects the high standard of sustainability management at Elenia. Sustainability targets have been taken from the company level to the individual level, both internally and throughout Elenia's partner network. In risk management and stakeholder cooperation, our performance is strong, and we measure sustainability by means of indicators related to the environment, energy and safety, for example. Areas in which we need to develop further include addressing risks and opportunities related to climate change in our operations, as well as identifying and monitoring their financial impacts.

GRESB, the Global Real Estate Sustainability Benchmark, is an international sustainability benchmark customised for the real estate and infrastructure sector. It is used to evaluate the sustainability of companies and their performance.



Read more about the GRESB assessement

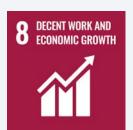
# Elenia and the UN Sustainable Development Goals

Our vision of being the most responsible reformer of energy services and markets supports the UN Sustainable Development Goals (SDGs) on the path towards low-carbon, safe and sustainable societies. We have identified six SDGs that we can particularly promote through our operations. In the nationwide Energy Efficiency Agreements 2017–2025 programme, we have also undertaken to promote energy efficiency in our business and services.

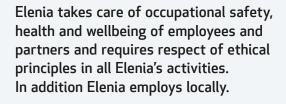


Ensure access to affordable, reliable, sustainable and modern energy.

Elenia constructs sustainable, smart and weatherproof electricity network to customers and enables to connect renewable energy to Elenia's network.



Promote inclusive and sustainable economic growth, employment and decent work for all.



Elenia enables completion of energy transi-

tion by developing smart grid and creating

platform to energy market. In addition

and material usage and also circular

economy of demolished network.

Elenia improves the efficiency of energy



Build resilient infrastructure, promote sustainable industrialization and foster innovation.

Elenia makes responsible procurement of materials and investments and also innovative solutions for contributing energy transition.



Make cities inclusive, safe, resilient and sustainable

Elenia ensures energy supply and business continuity in all situations.



Take urgent action to combat climate change and its impacts.



Revitalize the global partnership for sustainable development.

Elenia focuses attention on customerorientation and local stakeholder cooperation. It requires that partners comply with law, agreements and working conditions and requires also commitment to the principles of corporate responsibility.

### Elenia's sustainability programme

#### SUSTAINABILITY PROGRAMME

### SUSTAINABILITY PRINCIPLES 2022 AND SUSTAINABILITY VISION 2035

STRATEGIC OBJECTIVES

VISION

Employee satisfaction

TEKO programme implementation

**Customer satisfaction** 

Days without a power outage of over 6 hours

Customers in a weatherproof network

Fulfillment of customer promises

Carbon roadmap

Sustainable procurement

Partners' sustainability promises

Innovation and development portfolio

Renewable energy

Installation of next-generation smart indicators

Utilisation of SMEs

Local stakeholder cooperation





CUSTOMER EXPERIENCE AND QUALITY OF ELECTRICITY NETWORK SERVICES

**REPUTATION & TRUST 3.5** 



CLIMATE ACTION AND ROLE AS FORERUNNER

**NET ZERO ELENIA** 



SOCIAL IMPACT

**ENERGY USE AND RENEWABLE ENERGY 7.3 TWh** 

WE EARN
OUR CUSTOMERS' TRUST
AND APPROVAL

WE ARE
THE MOST EFFICIENT
DISTRIBUTION NETWORK COMPANY
IN OUR INDUSTRY.

WE PROMOTE
THE MITIGATION OF
CLIMATE CHANGE



THE MOST
RESPONSIBLE REFORMER
OF ENERGY SERVICES
AND MARKETS

### Sustainability targets

In 2021, we refined our sustainability targets. The key targets are shown in the table below. More information on the progress towards these targets is provided under each theme in the report.

Read more about last year's report Elenia and sustainalibility 2020.

	INDICATOR NAME AND DESCRIPTION	TCFD	TARGET 2021	RESULT 2021	TARGET 2022	TARGET 2025	TARGET 2030	TARGET 2035
<b></b>	VISION TARGET Lost time injury frequency LTIF		3	9.5	3	<2.5	<2	<1
SAFETY AND WELL-BEING AT WORK  8 EXCENSION  8 EXCENSION	Employee satisfaction Signi flame index, scale 0–100		72	74.61	73			
	TEKO programme implementation		500 people have completed the safety training	610 people completed the training	TEKO programme implementation			

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CUSTOMER EXPERIENCE AND THE QUALITY OF ELECTRICITY NETWORK SERVICES

	VISION TARGET Reputation and trust		New		3.1	3.2	3.3	3.5
CE K	Customer satisfaction Customer satisfaction in the electricity network business (CSAT), scale 1–4		3.3	3.14	3.2			
	Days without a power outage of over 6 hours  Days on which no Elenia customers experienced power outages longer than six hours.		New indicator	263 days	More than 280 days			
	Customers in a weatherproof network  Number of customers within the scope of electricity distribution quality requirements	TCFD	77%	78%	82%			
	Fulfillment of customer promises Achievement of selected customer promises		New indicator	New	Customer service resolution rate 70% Small-scale production service concept completed Success rate in processing time of complaints			





#### Sustainability targets

	INDICATOR NAME AND DESCRIPTION	TCFD	TARGET 2021	RESULT 2021		TARGET 2022	TARGET 2025	TARGET 2030	TARGET 2035
\$	VISION TARGET NET ZERO ELENIA (Scope 1 & 2)	TCFD	< 69,000 tCO <sub>2</sub> e	72,942 tCO <sub>2</sub> e	•	< 72,942 tCO <sub>2</sub> e	< 34,500 tCO <sub>2</sub> e	<17,250 tCO <sub>2</sub> e	<1,000 tCO <sub>2</sub> e
CLIMATE ACTION AND ROLE AS FORERUNNER	Carbon roadmap	TCFD	A smaller carbon footprint than in 2020 and emission targets set	Carbon footprint 194,292 tCO <sub>2</sub> e (> 2020) Emission targets set	•	Actions taken in accordance with the carbon roadmap (8 actions)			
	Sustainable procurement Sustainability of procurement and supplier sustainability audits		2 audits	2 audits	•	Two sustainability audits carried out  Supplier sustainability as one quality indicator in all public procurement			
9 MOOTH MODIFIES	Partners' sustainability promises All network construction partners make three sustainability promises and their fulfilment is monitored		40	54	•	57 promises			
13 count 17 remeasures	Innovation and development portfolio Implementing key development projects in accordance with the targeted benefits and schedule		19 projects	13 projects	•	11 projects			
SOCIAL IMPACT	VISION TARGET ENERGY USED BY CUSTOMERS AND RENEWABLE ENERGY	TCFD	new	Renewable energy production 1.9 TWh Energy consumption 6.6 TWh		Renewable energy production > 2.4 TWh Energy consumption > 6.5 TWh	Renewable energy production 5 TWh Energy consumption 6.7 TWh	Renewable energy production 6.1 TWh Energy consumption 7 TWh	Renewable energy production and energy consumption 7.3 TWh
	Renewable energy The amount of renewable energy fed into Elenia's network relative to the amount of energy distributed to customers	TCFD	35%	30.2%	•	44%			
7 APTORNAMIL AND SCENT WORK AND SCENTIN	Installation of next-generation smart indicators	TCFD	40,000	24,524	•	66,640			
13 (LIMATE 17 PATRICAGES)	Utilisation of SMEs SMEs' share of contracting services		50%	57%	•	50%			
(No fire cours)	Local stakeholder cooperation Local stakeholder events in Elenia's network area		4	4	•	4			

Sustainability lies at the heart of Elenia's strategy, and our values — Responsibility for the future, Close to the customer, Open and reliable cooperation and Courage to renew — constitute the foundation for our operations and choices.

Elenia's sustainability programme and its targets apply to everyone at Elenia. The company's management team, in cooperation with the Board of Directors, is responsible for sustainability efforts. It leads by example and creates the conditions for every Elenia employee and partner to contribute to the achievement of Elenia's targets through their own work. The sustainability steering group and the steering groups for different business processes regu-

larly monitor the implementation of the sustainability programme and the achievement of its goals. The implementation of the programme is the joint responsibility of the customer relationship manager and the sustainability steering group.

Elenia's management team assesses the effectiveness of the sustainability programme and management systems, as well as the related improvement needs, twice a year in management reviews. The management team and the Board of Directors receive monthly reports on sustainability. The Board of Directors monitors the development of occupational safety and emissions particularly closely.

The head of communications is in charge of annual sustainability reporting, which involves the management and specialists from the entire organisation

Elenia's management team and Board of Directors











#### BOARD OF DIRECTORS AND COMMITTEES

Set the performance and development targets for the sustainability efforts of Elenia and its partners

### MANAGEMENT TEAM AND EXECUTIVES

Ensure that Elenia and its partners have the required resources and opportunities to perform their work sustainably

#### STEERING GROUP FOR SUSTAINABILITY

Builds and maintains Elenia's sustainability programme and reporting, including the related goals

### STEERING GROUPS FOR SERVICE PROCESSES

Steer and revise work and activities in line with the sustainability targets

#### TEAMS AND PARTNERS

Through their daily work, play the most important part in ensuring the provision of our sustainable services and operations



# Management systems and the Code of Conduct

Our certified management systems provide a framework for our operations. In our day-to-day operations, we follow the principle of continuous improvement. The management team assesses the functioning of the management systems and related needs for improvement twice a year in management reviews.

Alongside the management systems, our operations are guided by our Code of Conduct, the policies implemented in our various operating areas, and internal guidelines that for example specify our approach with regard to non-discrimination, the prevention of bribery and the grey economy. Our Code of Conduct provides the guidelines for our day-to-day decision-making and helps us navigate at times challenging situations at work.

All of our jobs are gender neutral, and we do not tolerate discrimination, bullying or harassment of any kind. We believe that the best working communities consist of diverse people with different views.

Elenia's operations and services are based on close cooperation with partners. We require our partners and their subcontractors to commit to Elenia's Code of Conduct for partners, which defines our shared responsible business practices. All of our construction projects are put up to tender with full transparency. We do not condone any form of grey economy or illegal business practices in our construction projects.

We provide induction training to our personnel concerning sustainability-related themes and guidelines in an online learning environment. Elenia has a whistleblowing channel for all of our stakeholders to report actual and suspected misconduct.

#### ELENIA'S OPERATIONS ARE GUIDED BY CERTIFIED MANAGEMENT SYSTEMS

- Asset management PAS 55–1:2008 and ISO 55001:2014
- Occupational health and safety ISO 45001:2018
- Environment ISO 14001:2015
- Information security ISO/IEC 27001:2013
- Energy efficiency agreement

Certified management systems and the energy efficiency agreement are central aspects of Elenia's sustainability management. They apply to all Elenia employees and partners.

## CODE OF CONDUCT, THE OPERATING POLICIES AND GUIDELINES STEERING OUR OPERATIONS

- Code of Conduct for personnel
- Code of Conduct for partners
- Human resources policy
- Occupational health and safety policy
- Procurement policy
- Asset management policy
- Risk management policy
- · Information security policy
- Environmental policy
- Operational programme for ensuring non-discrimination



#### WE ARE ALSO COMMITTED TO COMPLYING WITH

- The ILO Declaration on Fundamental Principles and Rights at Work
- The UN's Rio Declaration on Environment and Development
- The UN Convention against Corruption
- The principles of the UN Global Compact initiative
- The UN Sustainable Development Goals





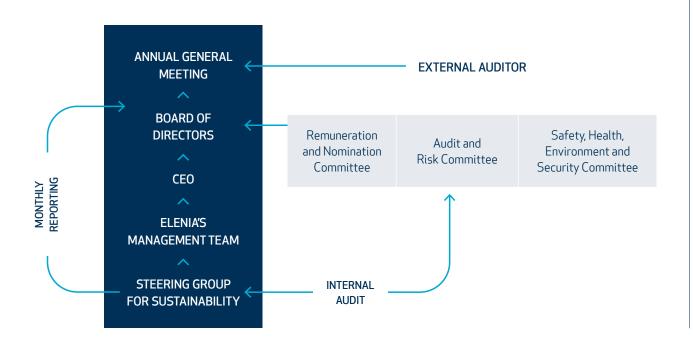






Good corporate governance and transparency lay the foundation for our sustainability and serve the interests of Elenia's stakeholders. Elenia's Board of Directors is responsible for ensuring that the company's accounting and asset management are appropriate. The Board of Directors is also responsible for monitoring internal control, auditing and risk management. Elenia's Board of Directors has three committees that also review mat-

ters related to our sustainability: the Nomination and Remuneration Committee, the Audit and Risk Committee, and the Safety, Health, Environment and Security Committee. The Board of Directors receives monthly reports on for example matters such as safety statistics, accidents, sickness-related absences, overtime, greenhouse gas emissions and material recycling statistics.



# Continuous development in risk management

The comprehensive management of risks and opportunities is part of all of Elenia's management and daily operations.

Elenia's management is responsible for incorporating risk management into strategic and operative management and business processes. The Legal Affairs and Risk Management team is responsible for comprehensive risk

management, reporting and monitoring related to the planned measures. Business units and processes are responsible for risk identification and assessment, as well as for planning, implementing and monitoring risk management measures. At the Board level, the Audit Committee in particular focuses on Elenia's risks and their management.

The foundation for identifying, influencing and managing risks and opportunities is laid down by Elenia's risk management policy, risk management guidelines, risk register, recurring measures determined by the annual risk management plan, and management systems.

The most significant sustainability-related risks associated with Elenia's operations include the increase in extreme weather events caused by climate change, and resulting disruptions to electricity networks and the

distribution of electricity to customers, risks related to occupational safety and general electrical safety, environmental risks related to groundwater areas, for example, as well as risks related to the grey economy and risks related to information security.

The underground cabling of electricity networks and the clearing of trees in the proximity of overhead lines are effective risk management measures that we carry out systematically. Developing the automation of the electricity network and continuously updated, detailed contingency plans are also ways to manage weather-related risks that produce significant benefits by reducing the duration of power outages.

We work continuously together with our partner net-

work to reduce occupational safety risks through, for example, training and requiring the observation and reporting of all nearmiss incidents and safety risks. We have a zero-tolerance policy concerning intoxicants and pharmaceuticals used as drugs. Our strict substance abuse policy, applied equally to all, is based on

ensuring electrical safety.

The most significant

sustainability-related risks are

caused by the increase in

extreme weather events due

to climate change.

We require our contractors to have an occupational health and safety management system, the goal of which is to ensure the well-being and continued ability to work of the contractor's own employees, as well as to prevent occupational injuries and illnesses. We have set a target joint LTIF rate for Elenia and its partners to reflect the principle that, for Elenia, everyone's safety is equally important.

#### Continuous development in risk management

We systematically monitor the fulfillment of statutory obligations in our partner network and prevent potential risks and negligence during contractual relationships. We steer the risk management and insurance cover of the partner network companies to account for any personal injury or damage to property. Our goal is to ensure the insurance coverage of our partner companies' entrepreneurs and employees in the event of accidents, as well as to secure the continuity of their business.

> Smart electricity systems and the accumulated data pertaining to them must be accompanied by robust information security.

We require our contractual partners to commit to our environmental goals to support risk prevention. Our contractual partners are required to have an environmental management system that supports Elenia's environmental efforts. Our contractual partners must provide evidence of preventive measures to eliminate environmental risks, as well as procedures for incidents involving environmental damage. Our environmental efforts cover our entire supply chain.

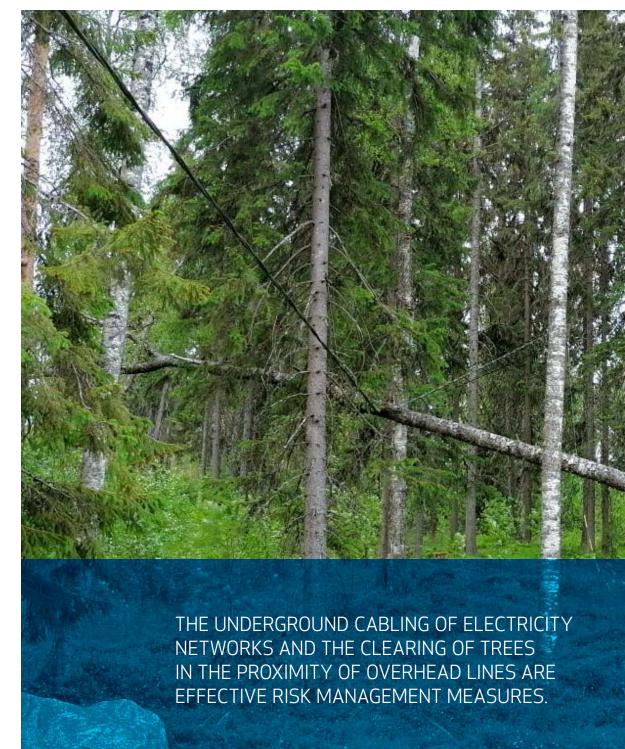
To prevent the risk of potential oil leaks, we annually inspect over 1,100 transformer substations located in groundwater areas. We have also reduced the number of pole-mounted transformers by replacing them with new kiosk-style secondary substations whose oil collector trays prevent oil leaks into the environment.

The goal of our data protection measures is to ensure that customer data is processed securely. New, smart electricity systems and the accumulated data pertaining to them must be accompanied by robust information security. Elenia's certified information security management system guides the implementation of information security and the prevention of information security risks. Our employees and the members of our partner network complete information security training that is regularly renewed, and the fulfillment of information security is ensured in all contracts and development projects.

Elenia developed its risk management in 2021. In the spring, we introduced new online training on risk management that is mandatory for all employees. In the summer, the risk register was migrated to a new system. The necessary induction training was carried out, and the system was implemented through risk management workshops held in the autumn, where all of the Group's risks are identified and assessed annually by topic.

For each risk, the risk register includes a description of the risk and its impacts, the probability of the risk and its impact should the risk materialise and, as a combination of these, a risk score. The risk register also includes information on the risk owner and the responsible persons, as well as the measures planned for managing the risk, including schedules and responsible persons.

All of the Group's risks are reviewed twice a year in workshops whose participants include business area management and key personnel, risk managers and the management team. A report describing the Group's main risks is prepared based on the above-mentioned activities and reviewed by the Audit Committee of the Board of Directors



# Elenia's TCFD climate reporting – risks and opportunities



This sustainability report for 2021 is our first to include a Task Force on Climate-related Financial Disclosures (TCFD) report. The TCFD reporting framework facilitates the assessment of the impacts of climate-related risks and opportunities on the business, strategy and financial decision-making.

#### The TCFD report covers the following areas

- Governance describes the role of Elenia's senior decision-makers – the Board of Directors and the management team – in climate-related matters.
- Strategy presents the climate-related risks and opportunities identified by Elenia and their financial impacts on Elenia's business.
- Risk Management describes how climate-related risks are identified, assessed and managed as part of Elenia's risk management process.
- Metrics & Targets presenting Elenia's climate goals, greenhouse gas emission calculations, and other indicators used in assessing climate risks. Metrics and targets help assess the company's potential risk-weighted returns, ability to meet financial obligations, and general exposure to climate-related risks, as well as the development of the company's work pertaining to climate-related risks.

#### Governance

Elenia's highest decision-making body is the Board of Directors. The Board of Directors receives monthly reports on climate-related issues. The Board of Directors reviews Elenia's climate efforts as a whole at least once a year. In its meetings, the Safety, Health, Environment and

Security Committee discusses the development of carbon footprint and the actions taken to reduce greenhouse gas emissions. The Committee also assesses climate-related risks and opportunities.

The Board of Directors takes climate issues and climate-related risks into account in all of its decisions. In addition, the Board of Directors conducts a detailed review of climate-related perspectives, risks, opportunities and targets at least once a year at its strategy day.

The Board of Directors has set carbon neutrality targets for Elenia. Progress towards these targets is monitored regularly, especially by the Safety, Health, Environment and Security Committee. Elenia's Legal and Risk

Management team is in charge of the risk management. It reports the Group's most significant risks to the Audit and Risk Committee of the Board of Directors regularly, twice a year.

The management team discusses greenhouse gas emissions monthly as part of the company's normal reporting activities. The management team annually reviews targets, risks and opportunities related to climate change and greenhouse gas emissions as part of the sustainability programme. The success of climate-related efforts and the achievement of targets is also assessed in management reviews twice a year.

The management team takes climate issues and climate-related risks into account in all of its decisions. The management team also discusses perspectives and targets related to climate change as part of business strategy and planning. The management team reviews the

Group's most significant risks regularly, twice a year. Climate-related risks are discussed as part of Elenia's normal risk management.

#### Strategy

TCFD reporting framework

facilitates the assessment of

the impacts of climate-related

risks and opportunities.

Promoting climate change mitigation is one of Elenia's strategic goals. It is an important task for us to identify potential climate-related risks and opportunities so that we can take them into account in our business operations, strategy and financial planning in the short, medium and long term. This is also a topic of interest for investors and other stakeholders.

Extreme weather events are an example of physical climate-related risks in Elenia's operations. Elenia takes these into account in the strategic planning of the electricity network business, to ensure the security of supply for custom-

ers. Strategic planning is also closely linked to Elenia's risk management.

In addition to physical risks, we have identified and considered climate-related risks that have not yet materialised to the same degree as physical risks. These include transition risks, which are categorised into policy and regulation risks, technology risks, market risks and reputation risks. Physical risks are categorised into acute and chronic risks.

Climate-related issues can also present business opportunities, and we have identified these in Elenia's operations. We have classified the following as opportu-

#### Elenia's TCFD climate reporting - risks and opportunities

nities: resource efficiency, energy sources, products and services, the market and resilience.

Risk mitigation measures will be described in more detail in our next sustainability report. Elenia's strategy-related resilience efforts related to the impacts of climate change are still in progress. Elenia has also not yet conducted a climate scenario to support its strategy in the implementation of TCFD reporting. These are identified as development areas in Elenia's sustainability and climate-related efforts.

Read more about climate risks and opportunities in the table on pages 22–23

#### Risk Management

Elenia systematically identified and assessed risks and opportunities related to climate change for the first time in 2021. However, climate-related perspectives had already been incorporated into risk management activities previously; for example, in assessing the risks to the electricity network posed by extreme weather phenomena.

- Elenia's carbon footprint is presented on page 51.
- Elenia's climate targets and commitment to the targets are presented on page 52 (SBTi).
- Elenia's carbon roadmap is shown on page 53.

Our identification of climate-related risks and opportunities was led by a steering group and subsequently assessed by the management team in cooperation with experts on sustainability and risk management. The risks were then reviewed with the persons responsible for them, and customised risk management measures were prepared for each risk.

In 2021, climate risks were integrated into Elenia's enterprise risk management. Going forward, they will be identified, assessed, managed and monitored in the same manner as other risks.

#### **Metrics & Targets**

Metrics and targets help Elenia assess the company's potential risk-weighted returns, ability to meet financial obligations, and general exposure to climate-related risks, as well as the development of the company's work pertaining to climate-related risks.

In addition to greenhouse gas emissions, Elenia's key metrics in the assessment of climate risks include the share of the weatherproof electricity network, the underground cabling rate, the share of renewable energy in the energy fed into the network, and the implementation of the actions outlined in the carbon roadmap.

We also measure the zero-carbon electrification of society by monitoring the energy consumption of our customers, the volume of renewable energy production, and progress in the installation of next-generation smart meters. These metrics and indicators are shown in Elenia's sustainability programme or performance indicators, marked with TCFD.



RISK	DESCRIPTION OF THE IMPACTS ON ELENIA'S OPERATIONS	TYPE OF RISK			SCALE OF THE IMPACTS (Small, Medium, High)	IMPACT ASSESSMENT	INCOME STATEMENT	CASH FLOW	BALANCE SHEET	
		Policy and regulation	Technology	Market	Reputation					
Increase in the price of emission allowances	Costs of transmission losses increase	Х		Х		Medium	In the short term, the economic impact is medium. In the long term, regulation methods compensate for the cost increases.	Х	Х	
	The costs of network materials (especially steel, aluminium, copper) increase	Х		Х		Medium	In the short term, the economic impact is medium. In the long term, regulation methods compensate for the cost increases.		Х	Х
Unsuccessful technology investments – Smart grid	Electricity reading system	Х	Х			High	In the short term, significant economic impacts as well as impacts on the company's reputation and the reliability of invoicing can be seen.	Х	Х	Х
Customer investments in small-scale production	Customers become more independent from the network			Х		Small	The distribution volume decreases, but customers will remain within the scope of electricity network services, as off-grid solutions are unlikely in Finnish conditions. In the long term, regulation methods compensate for the lower distribution volumes.	Х	Х	
Increased stakeholder concern or negative feedback	Adequate level of Elenia's climate work is questioned, for example, in public debate and in the media				Х	Small	Elenia's reputation as a reliable climate operator deteriorates in the eyes of both customers and the general public.	Re	eputational ha	rm
	Conflicts related to the land use of renewable energy production capacity				Х	Small	In order to integrate wind power, the need for land use increases, which could lead to contradictory situations with local landowners. The landowners' appreciation towards Elenia diminishes.	Х	Х	

RISK	DESCRIPTION OF THE IMPACTS ON ELENIA'S OPERATIONS	TYPE OF RISK	SCALE OF THE IMPACTS (Small, Medium, High)	ALE OF THE IMPACTS IMPACT ASSESSMENT nall, Medium, High)		CASH FLOW	BALANCE SHEET
Increased and severe storms	Interruptions and damage to the network	Acute	Acute  High  Extreme weather phenomena cause a large number of interruptions and damage to the network. These costs have an impact on the result and thereby on the cash flow.		Х	Х	
Freezing rain	Freezing of network components		Small	Interruptions and network damage caused by weather events incur costs. The costs have an impact on the result and thereby on the cash flow.	Х	Х	
Snow load in the winter when the temperature is close to zero	Interruptions and damage to the network		High	Extreme weather phenomena cause a large number of interruptions and damage to the network. These costs have an impact on the result and thereby on the cash flow.	Х	Х	
Forest fires due to prolonged droughts	Interruptions and damage to the network		Small	Interruptions and network damage caused by weather events incur costs. The costs have an impact on the result and thereby on the cash flow.	Х	Х	
Increased and severe floods	Interruptions and damage to the network (especially primary substations and transformers)		Small	Interruptions and network damage caused by weather events incur costs. The costs have an impact on the result and thereby on the cash flow.	Х	Х	
Shortening of the frost period	Network maintenance through existing equipment becomes more difficult	Chronic	Small	Interruptions and network damage caused by weather events incur costs. The costs have an impact on the result and thereby on the cash flow.	Х	Х	
Heat waves	Overheating of equipment premises due to insufficient cooling		Small	Interruptions and network damage caused by weather events incur costs. The costs have an impact on the result and thereby on the cash flow.	Х	Х	

#### Elenia's climate risks and opportunities

#### OPPORTUNITIES

OPPORTUNITY	DESCRIPTION OF THE IMPACTS ON ELENIA'S OPERATIONS	OPPORTUNI <sup>-</sup>			SCALE OF THE IMPACTS (Small, Medium, High)	IMPACT ASSESSMENT	INCOME STATEMENT	CASHFLOW	BALANCE SHEET		
		Resource efficiency	Sources of energy	Products and ser- vices	Market	Resilience					
The transition to a low-carbon energy system	Increased transmission and distribution capacity is needed to integrate renewable energy into the network		Х	х	Х		High	Increase investments in the short term, but increase revenue and profitability in the medium to long term.	х	Х	Х
Sustainable financing	Electricity transmission and distribution infrastructure is seen as an interesting object of financing				Х		Medium	Reduces financing costs, which has a positive impact on profitability and cash flow.	х	х	
More energy-efficient components and network materials	Reducing transmission losses reduces costs	х					Small	In the short term, it reduces costs and improves profitability. In the medium term, regulation methods will eliminate the impact.	х	Х	
Increased electronic transport infrastructure	Charging points and other infrastructure require Elenia's services			х	Х		High	Increase investments in the short term, but increase revenue and profitability in the medium to long term.	х	х	Х
Electrification of industry	The need for Elenia's services grows			х	Х		High	Increase investments in the short term, but increase revenue and profitability in the medium to long term.	х	х	Х
Combating the impacts of climate change	The readiness for change (resilience) of the electricity distribution network plays an important role nationally			х		х	High	In the short term, it increases investment and/or potential costs but, in the long term, it improves the return potential and allows for reputational benefits.	х	х	Х

# Elenia participates in the implementation of the EU's sustainable development strategy

The EU taxonomy is a classification system for measuring the extent to which companies promote the EU's shared environmental objectives to support the EU's sustainable finance strategy and capital markets.

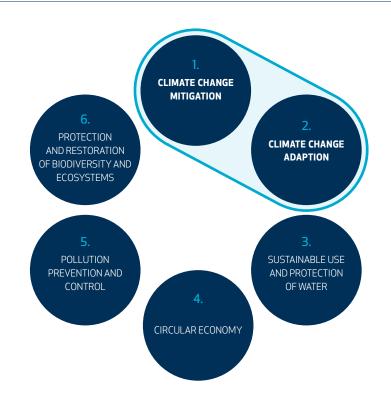
The question of whether a company is taxonomy eligible is based on whether its business operations fall within the scope of the 94 economic activities described in the taxonomy. At the time of writing this report, the EU has published criteria for economic activities that promote climate change mitigation and adaptation. The selected activities are crucial to the achievement of international climate targets. We assess taxonomy alignment by comparing Elenia's taxonomy eligible economic activities with the technical screening criteria published as part of the taxonomy. Elenia conducted its first EU taxonomy screening based on the company's figures for 2021.

Elenia's taxonomy eligibility has been assessed regarding climate targets. Taxonomy alignment of the actual criterias has been estimated more widely as regards climate change mitigation. Also, the relevant actions for adaptation target, such as underground cabling, have been identified initially. The enclosed computational figures presenting taxonomy alignment

describe climate change mitigation. We assess Elenia's taxonomy eligibility and taxonomy alignment by means of financial indicators: revenue, CapEx and OpEx. We also take into account the sustainable use of water, the circular economy, pollution prevention, and the protection of biodiversity and ecosystems. Activities that promote climate targets should not cause significant harm to these other four environmental objectives.

The EU taxonomy also requires companies to comply with minimum safeguards related to the social dimension. Elenia respects human rights and has a Code of Conduct for both employees and partners. Our Code of Conduct is based on legislation and international standards.

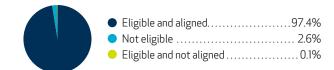
#### EU TAXONOMY ENVIRONMENTAL OBJECTIVES



# When assessing EU taxonomy eligibility, Elenia's electricity network business can be categorised under activity 4.9. *Transmission and distribution of electricity*. 97.4% of Elenia's revenue, 96.0% of CapEx and 76.1% of OpEx is taxonomy eligible. 2.6% of revenue, 4.0% of CapEx and 23.9% of OpEx is not taxonomy eligible. This is due to Elenia's fibre network business, customer service business, internal service actions and a small share of reserve capacity. None of these has been interpreted as being involved in the classification of economic activities under the EU taxonomy.

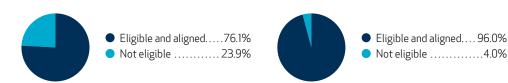
When assessing how big share of Elenia's EU taxonomy eligible activities is taxonomy aligned, it can be noted that Elenia's taxonomy eligible revenue, CapEx and OpEx are in line with the criteria for climate change mitigation.

### TAXONOMY ELIGIBILITY AND ALIGNMENT OF ELENIA'S TURNOVER, CAPEX AND OPEX



Attn! Percentages may not total 100 due to rounding.

#### OPEX CAPEX



Taxonomy alignment has been assessed in terms of climate change mitigation.



# SAFETY AND WELL-BEING AT WORK

Our work is safe.

We support the well-being and professional development of our personnel.

We are an equal and equal opportunities working community.



Vision target 2035
Lost time injury frequency
LTIF <1

20	2022	
TARGET	RESULT	TARGET
3	9.5	3



# SAFETY AND WELL-BEING AT WORK

PERFORMANCE	20	2022		
INDICATORS	TARGET	RESULT	TARGET	
Employee satisfaction	72	74.61	73	
TEKO safety training implementation	500 people*	610 people*	TEKO programme implementation	

 $<sup>^{*})</sup>$  have completed the safety training

# Elenia – my choice, every day

Elenia's values encourage us to open and confidence strengthening cooperation, to have the courage to renew ourselves and to take responsibility for the future close to our customers.

Elenia has a staff of world-class professionals, and we take care of our working community. We provide opportunities for development, professional growth

as well as work-life balance. We work continuously to ensure our own safety and that of our partners.

As the pandemic continued in 2021, our key objectives were to focus on the well-being of our employees and assess our ability to provide our customers with the best possible expertise. We evaluated the ways of working shaped by the exceptional circumstances and decided to combine remote work and work at the office in a flexible manner. We continued to work together with our partners to strengthen our safety culture. Our goal is that everyone can come home safe and sound every day.



#### One Elenia

Elenia has 306 employees with majority working in Tampere. Solidarity and participation create mutual understanding and trust in the working community. In our working community, we value and respect each other's competence, skills and diversity. Our company culture supports our goals and strategy, and we develop it together in response to the changing world. The well-being of our employees directly influences the customer's service experience.

Elenia's HR strategy and HR policy ensure our employees' participation, opportunities to influence Elenia's development, and effective cooperation in our organisation.

The key success factors of our HR strategy are:

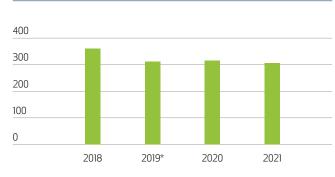
- Skilled employees
- An attractive employer
- Diversity, equality and participation
- A working community that has a high level of well-being and values cohesion
- A company culture that promotes a forerunner approach to business

In the development of equality, we are placing increasing emphasis on the themes of diversity, non-discrimination and participation. We took these themes into consideration in our HR strategy development efforts, and we will publish our goals related to the promotion of equality in 2022. We have adopted gender neutral job titles, and we do not ask candidates to specify their gender in our recruitment activities.

Each year, we review the progress of our working community development plan, which was previously called the equality plan, and we ensure that it is in line with our HR strategy.

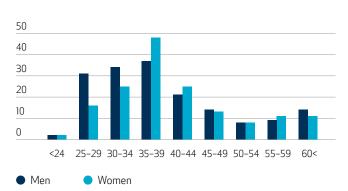
## THE WELL-BEING OF OUR **EMPLOYEES** DIRECTLY INFLUENCES THE **CUSTOMER'S** SERVICE EXPERIENCE.

#### ELENIA'S HEADCOUNT 2018-2021



\* Divestment of heat business in 2019

ELENIA'S STAFF AGE DISTRIBUTION 2021



#### GENDER DISTRIBUTION AT ELENIA IN 2021 (%)



GENDER DISTRIBUTION AND MONTHLY SALARY IN DIFFERENT JOB GRADES AND FOR SENIOR SALARIED EMPLOYEES 2021

#### One Elenia

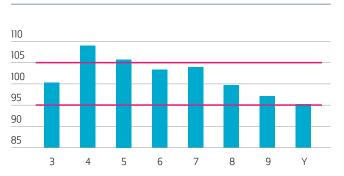
The results are available to our personnel in a transparent manner and reveal the degree to which aspects that support equality – such as family leave, training and equal pay – are achieved. Different stages of the employment life cycle and the changes in employees' personal lives are a natural part of daily life at Elenia. As an employer, we support our employees by offering flexible solutions; for example, we make it possible to take an extra week of paid paternity leave.

Jobs and workplaces in the energy sector have traditionally been male-dominated. In terms of the gender distribution of the personnel, Elenia Group is an equal opportunities working community. Women outnumber men by a small margin. However, as is typical of the industry, the proportion of men is higher in the electricity network business and the proportion of women is higher in the service business. In 2021, three of the eight members of Elenia's management team were women. Following a change in the management team in February 2022, two of the eight members are now women. The company's Board of Directors consists of seven men and one woman.

#### **Equal pay**

For salaried employees at Elenia, the scoring of work responsibilities in accordance with the collective agreement enables the assessment of wage equality with regard to base salary. Wage equality is good among Elenia's groups of salaried employees. In line with our equality strategy, we keep the average wage differences

#### WOMENS' EUROS COMPARED WITH MENS' EUROS



Job grades of salaried employees (3–10) and senior salaried employees (Y) according to the collective agreement.

women and men within ±5 per cent unless a deviation from this range is justified by an individual's work history. Senior salaried employees are treated as one reference group, as they do not have a corresponding scoring system.

As a distribution system operator, one of the challenges Elenia faces with regard to equality is the small proportion of women at all academic levels within the fields that relate to Elenia's industry. This is due to the girls' low interest towards study programmes in technology, engineering and mathematics. Elenia has responded to this challenge through cooperation with educational institutions, providing thesis writing opportunities, and by offering a large number of summer trainee positions with appropriate guidance and supervision.

In the previously male-dominated category of senior salaried employees, the number of women has increased in relative terms, which helps bridge the gender gap. In addition to the base salary, Elenia has separate remuneration schemes based on performance. Elenia's employee benefits support the green transition in society by promoting the use of electric cars and bicycles.

#### **EQUAL ELENIA**

- We ensure the equality of pay. Each year, we prepare and publish a wage equality review, as well as a review of other forms of remuneration.
- In 2022, we will carry out a project to identify key roles.
- Everyone at Elenia has an equal opportunity to enjoy employee benefits, including both financial remuneration and other forms of remuneration.
- Our working community has a shared goal of being intoxicant-free and non-smoking.
- We do not condone harassment or inappropriate conduct. This is ensured through induction training and monitoring. No incidents of discrimination were reported in 2021.
- In recruitment, the most suitable candidate is selected in accordance with the requirements of the job. Factors such as age and gender do not influence recruitment decisions.



# Job satisfaction

To gain insight into the wishes and needs of our employees and the factors that influence their well-being and employee satisfaction, we measure job satisfaction by means of various surveys each year. We also monitor the overall work ability of our personnel. In 2021, our working community interaction survey included a question on equality. On a scale of one to five, Elenia employees gave a score of 4.5 for their own equal treatment of colleagues, and a score of 4.3 for their experience of equal treatment on the part of their colleagues. We will pursue further progress on this

pared in cooperation with our responses of our personnel. Personnel. Training that expands on the concept of equality will be available to everyone. We will also publish In addition to

Annual work ability programme

have been fully based on the survey

a separate remuneration model that promotes equality through day-to-day actions.

For our personnel, the most meaningful aspects of working for Elenia are:

- Motivating roles and responsibilities
- Work-life balance
- Fair pay and benefits

theme in 2022 by incorporat-

ing into our HR strategy a

definition of equality pre-

We conduct personnel surveys annually with the help of an external partner. We want to assess the well-being at Elenia and understand the development needs and important issues to our personnel. The results are discussed with team leaders. They subsequently define team-specific or unit-specific development measures for further discussion with the employees.

Employee surveys are important channels of participation, giving individuals the opportunity to influence the actions we take. Since 2020, the actions taken under our annual work ability programme have been fully based on the survey responses of our personnel.

In addition to the surveys, Elenia's team leaders hold annual target-setting and development discussions with their team members, as well as other discussions as needed due to changing circumstances. The significance

of discussions on well-being at work has increased as part of the leadership and support for personnel, in particular, as our employees have mostly worked remotely due to COVID-19.

In addition to the remote meetings of teams and units, we got together in a virtual event to maintain cohesion. During the prolonged exceptional circumstances, it has been clearly evident that job satisfaction is influenced by clear responsibilities, appropriately allocated resources and guidance. The exceptional operating environment has also affected recruitment. The challenges associated with the shortage of competent professionals have been reflected to some degree at Elenia in the form of prolonged recruitment processes.

# Competent employees deliver high-quality services

Highly competent employees are an important asset for us. Developing the competence of our employees and allocating time for training ensures high-quality service for our customers now and in the future.

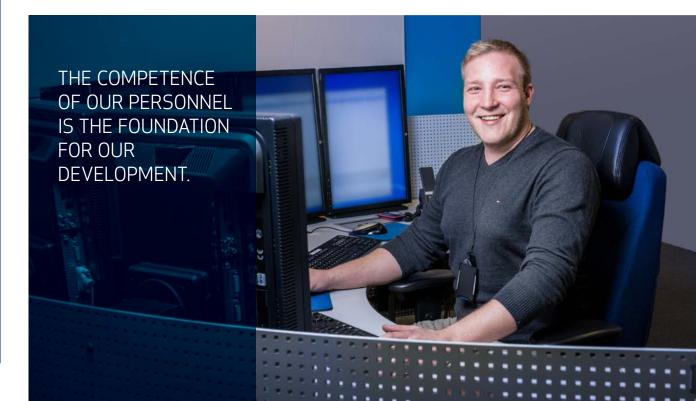
Training needs are assessed and trainings planned annually on a team-specific basis.

In 2021, our personnel spent in trainings over 4,500 hours, which means on average two working

days per employee. We monitor training by themes, which include professional competence, safety, leadership, project management, sustainability and the environment.

The competence of our personnel is the foundation for our operations, services and development. With this in mind, our teams conducted competence assessments based on the strategic competencies defined in our HR strategy. We will conduct competence assessments in three-year intervals.

In 2022, we will launch a training programme for specialists to promote the development of their professional expertise and create career opportunities. Training deepens expertise in various specialist positions. We previously organised a tailored training programme for team leaders.



# Active work ability management in different career stages

We support our employees' work ability and prevent adverse impacts related to work and workplace conditions through multidisciplinary cooperation with our occupational health provider and employment pension insurance company.

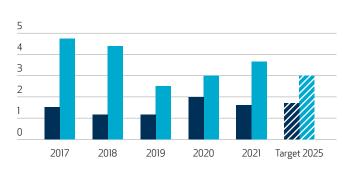
The importance of managing work ability increased as the COVID-19 pandemic continued for a second year, resulting in changes to working practices that were unprecedented in their speed and scope. Remote work has become an ordinary way to work, which puts increased emphasis on the role of team leaders in maintaining well-being at work. The impacts of the pandemic and the major changes in how people work have created varying challenges in people's daily lives, depending on their life situation. To prevent and mitigate the adverse impacts, we have provided all our employees with an easier access to an occupational psychologist during the pandemic. In the latter part of the year, we offered our employees a convenient access to regular remote consultation with an occupational psychologist in collaboration with our occupational health service provider through a discussion channel.

Our employees became familiar with various solutions for supporting work ability during the year, and we also took measures to strengthen physical health. Our cooperation with the Finnish Olympic Committee included brief information sessions, remote lectures and an exercise challenge for the personnel, which will continue in 2022.

Our occupational health care agreement exceeds the statutory requirements and provides quick access to treatment, including remote consultations and appointments with an occupational physiotherapist without a referral from a doctor. We expanded our employee benefits to allow employees to use well-being benefits for dental care and massages. There were no occupational illnesses or fatalities at Elenia in 2021.

Elenia Oy's sickness absence rate\* increased from 3.11 to 3.66 in 2021. The increase was attributable to the exceptional circumstances in society and was in line with the general trend in private sector service industries. At Elenia Verkko Oyj, the sickness-related absence rate fell from 2.05 to 1.62, which is lower than the average for salaried employees.

#### SICK LEAVE 2017-2021 (%)



- Elenia Verkko Oyj
- Elenia Oy and Elenia Group Oy

Internal changes in Elenia's companies in 2020. The figures for 2017–2019 have not been adjusted to correspond to the current organization.





SAFEGUARDING SOCIETY'S CRITICAL INFRASTRUCTURE DURING THE PANDEMIC Our operating models safeguarded our operations during the exceptional circumstances created by the COVID-19 pandemic. We ensure the safety of our employees and pay special attention to managerial work, as well as occupational well-being, in the context of remote work. The safety of the operations of our network control centre has been ensured by decentralizing operations.

We continued to manage and adapt our operations in 2021 in response to the pandemic. We adopted new methods to mitigate the impacts of COVID-19. For example, we offered rapid tests for use by our personnel. COVID-19 has not had an impact on the services Elenia produces for customers or the maintenance of the electricity network.

<sup>\*</sup> sickness absence % = time of sick leave in relation to theoretical working time

# Safe at work - every day

Safety is our goal in everything we do. We take safety perspectives into account in the development of our operations and electricity network services, monitor the safety of our operations and manage the development of our safety culture. Our safety culture is guided by the Safety Manifesto we have created in cooperation with our partners, as well as the related "TEKO – Safely Back Home" programme. Our aim is to make determined progress towards our goal of zero accidents.

Our safety management covers occupational safety, customer safety, the physical safety of our premises and operations, and preparedness for various exceptional situations. We have assessed the safety culture of electricity network operations by means of a safety climate survey aimed at our partners and those of our employees who work with our partners.

We manage the development of occupational safety under the "TEKO – Safely Back Home" programme. All Elenia's main contractors for maintenance and construction operations participate in the programme. As a network of partners, the companies also take responsibility for the practical implementation of safety awareness and safe working practices among their subcontractors. This means that the project's impact extends to as many as a thousand workers at our construction sites. By developing technology and operating models, we increasingly incorporate safety perspectives into practical work on the electricity network. One example of these activities is

Elenia Avain HSEQ (Health, Safety, Environment & Quality) service development. In the future, we will further expand our development measures concerning the safety and quality of work performed on the electricity network, as well as related monitoring activities, together with our partners.

#### **TEKO** training for partners

In 2021, some 660 people participated in safety training webinars for electricity network professionals organised by Elenia. Most of the participants represented Elenia's partners. The training focuses on the safety principles and requirements of Elenia and electricity network construction, especially from the perspective of employees involved in earthworks operations. Based on the feedback received, the discussions held during the training webinars have been useful in promoting and sharing safety-related best practices. Many of the electricians who have participated in the training have benefited from an improved mutual understanding with earthworks professionals.

#### Safety management

Safety aspects form an integral part of leadership at Elenia, starting from Board meetings, where safety-related issues are discussed at the beginning of each meeting. The committee on safety, health, environment and security, which consists of members of Elenia's Board of Directors, meets several times per year to monitor safety performance and development. Lost time injury frequency is included as a performance measure in every

employee's annual goals, and safety targets are also incorporated into partner-specific scorecards. Safety-related issues are regularly discussed in management team, and in unit and team meetings.

Elenia's occupational health and safety committee meets four times per year. Safety is also a regular topic in discussions and meetings between Elenia's teams and partners. Senior management and line managers representing Elenia and contractor partners conduct Safety Walks at construction sites, and our employees also participate in safety training pertaining to our partners. Regarding major power disruptions, we organise safety information sessions for engineers before they start work and during major disruptions.



ELENIA AVAIN – BETTER SAFETY THROUGH RISK ASSESSMENTS AND INFORMATION SHARING



As part of the "TEKO – Safely Back Home" programme, we are implementing the Elenia Avain project together with our contracting partners and the HSEQ system service provider to develop new mobile features to improve safety. In 2021, we introduced safety communication features in the HSEQ service. At the beginning of 2022, we introduced an easy-to-use tool for daily risk identification and assessment at construction sites.

Through the HSEQ service, we have shared information on more than 80 topical safety-related cases with Elenia employees and partners. These cases have included near miss incidents, positive observations of safe working methods, and safety bulletins. The shared cases can be liked, i.e. marking them as helpful, and the system users can request more information by commenting on the case.

The risk assessment tool was first deployed for use in Elenia Weatherproof projects. In 2022, its use will be expanded to include Elenia's other operations. A key aspect of risk assessment is that risk assessment questions change from one day to the next, depending on the selected work stage. The use of the tool ensures that potential hazards are considered at the construction site before work begins, and that the site is in a safe condition, also for outside parties.

The number of active users of the HSEQ service increased from approximately 350 to over 500 users in 2021. Our partners represent over 300 of the active users. We will continue our development efforts in this area in 2022 with the aim of further increasing the number of active users.

# Occupational health and safety system

Our occupational health safety activities are based on our ISO 45001 certified management system. The system was audited in 2021. The audit did not highlight any deviations or areas requiring improvement. Based on the audit results, we will focus on ensuring the impact of our development projects and the recording of safety observations.

In the audit, we received positive feedback on construction site logs and the contractor's safety awareness. Elenia's work ability project, Safety Walk activities,

and other development projects, as well as the way the related responsibilities were assigned, were also among the positive observations made in the audit. Development areas highlighted in internal audits of the occupational health and safety system included ensuring the flow of information and providing induction training for everyone involved in Elenia's operations.

We train our employees in topics such as occupational safety, electrical safety, first aid and safe roadside working practices. As part of our safety-related efforts, we develop the security solutions for our business premises in line with the requirements for managing critical infrastructure.

Continuously observing and reporting of risks caused by the environment and working methods is an important part of the development of occupational safety. Learning from these observations is especially important. In 2021, Elenia's employees and partners reported over 2,900 safety observations, with the minimum target being 2,000. In the coming years, in addition to quantitative targets, we will focus particularly on developing our practices of observing one's own work and learning from those observations. This is supported by our development of the processing of safety observations, which makes it possible to allocate observations more specifically to different work stages, risks and hazards.

#### All accidents are reviewed thoroughly

In 2021, a total of 19 accidents leading to an absence of at least one day occurred at Elenia's sites. All of these involved partners performing work for Elenia. Our com-

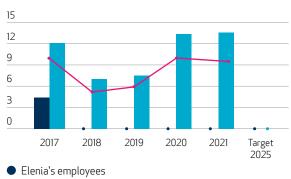
# bined LTIF (lost time injury frequency) was 9.5, exceeding our target of less than 3. We review all accidents thoroughly in cooperation with our partners. We work together towards our ultimate goal of zero accidents in work performed for Elenia.

Elenia's management and team leaders conduct Safety Walks at Elenia's construction sites. The purpose of Safety Walks is to observe and improve each site's safety culture and safety-related attitudes, and to listen to the workers. In 2021, Elenia's personnel conducted 217 Safety Walks, and partners conducted 212 Safety Walks. Particular attention was paid to the use of personal protective equipment by workers, traffic management, and fencing off excavated areas. Safety Walks also help familiarise Elenia's personnel with those who work at the construction sites.

In 2021, we started a new practice of "Sanoista TEKOihin" ("From words to safety-related action") discussion events, which are aimed at responding to the challenge identified in internal audits of the occupational health and safety system regarding the way we pay attention, and react, to various issues at construction sites. The aim is to harmonise operating practices and provide additional means for bringing up challenging topics and disseminate best practices.

In 2022, we will start a development project aimed at improving the level of HSEQ activities. The goal is to improve the safety and quality of Elenia's work and to focus on visits to construction sites. The topics to be addressed include the degree to which the work instructions and guidelines match the practical work, and the success of induction training in subcontracting chains.

### LOSTTIME INJURY FREQUENCY, LTIF\*



Elenia's contractors

Shared LTIF

### NUMBER OF SAFETY OBSERVATIONS FOR DIFFERENT PARTIES



#### PARTICIPATION IN SAFETY TRAINING

	2019	2020	2021
First-aid courses	67	76	105
Occupational safety training	60	26	75
Safety in electrical work training*	35	54	84
Road safety training	18	14	33
Track work safety qualifications	8	10	18
Other training	1		2
Total participants	189	180	317

<sup>\*</sup>Includes electrical safety qualification 1 and the SÄTKY electrical safety card

<sup>\*</sup> Lost time injuries per million worked hours

# Safely in the vicinity of the electricity network

Safe operation in the vicinity of the electricity network is a crucial aspect of our sustainability. We build and maintain our electricity network so that it does not cause hazard to our customers, stakeholders, or the rest of society.

In the case of power outages, we take safety and societal impacts into account when determining the order in which the electricity supply is restored. We prioritise faults critical to safety.

Elenia uses signs at construction sites to communicate information on the necessary personal protective equipment. This also increases awareness of the on-site safety requirements among local customers and stakeholders. Schoolchildren and commuters pass our construction sites every day, and we are responsible for ensuring safety in the vicinity of our construction sites.

### Information increases safety and reduces costs

We emphasise communication to prevent and reduce damage to the electricity network in connection with construction and other work carried out in the vicinity of the electricity network. We provide guidance to our customers and other parties regarding safe work and operations performed close to the overhead line or the underground cable network, by means of electronic learning materials

and social media, for example. We develop our services to better support safe operation in the vicinity of the electricity network.

Any damage to the electricity network is a risk to safety and may expose employees and outsiders to electrical accidents. Damage to the network in an urban area can cause a power outage to hundreds, even thousands of customers. In years of calmer weather patterns, most power outages are caused by different types of damage. These result in unnecessary costs and harm to customers and those who have caused the damage.

#### INDUCTION TRAINING REQUIRED FOR THOSE WHO WORK ON ELENIA'S ELECTRICITY NETWORKS

- Earthworks for electricity networks and safety
- Demolition of electricity networks and safety
- Safe material delivery and recycling
- Safe electrical connections
- Safe implementation
- Safety in roadside work
- Removal of fallen trees and safety
- Fault repair and safety



#### A TRAINING AREA FOR FORESTRY STUDENTS

Elenia, the educational institution Gradia
Jämsä, and the electricity network contractor Omexom joined forces in 2021 to provide forestry students with a new way of practising how to use forestry machines safely in the vicinity of electrical networks. Overhead lines consisting mainly of recycled materials were built in the area of the forestry school to enable students to safely practise operating machines around power lines.

"Last spring, we contacted Omexom and Elenia to ask whether they would be interested in building a power line for training use by our institution. Our students now have the opportunity to practise using forestry machines close to overhead power lines, which helps them learn how to work safely," says Jarmo Nikkanen, Head of Training at Gradia Jämsä.





AN ONLINE **COURSE ON PREVENTING** DAMAGE TO THE **ELECTRICITY NETWORK** 



In autumn 2021, we published an online course on our website on how to avoid damaging the electricity network. Damage to the electricity network is caused by underground cables severed during excavation work, high load transport or vehicles colliding with the structures of overhead lines, and trees accidentally felled on overhead lines. These types of incidents can cause extended power outages for hundreds of people.

Our goal is to prevent all accidents and other adverse incidents in the vicinity of our electricity network and to avoid damage to the network. The online course provides concise information on safety and tips on how to avoid damage. The course is free of charge and can be taken by anyone. It is particularly aimed at people involved in excavation and other work in the vicinity of the electricity network, customers, educational institutions offering related study programmes, and other stakeholders.

#### DAMAGE INFLICTED ON THE ELECTRICITY NETWORK ANNUALLY

UNDERGROUND **CABLE** 

615

**OVERHEAD** OTHER DAMAGE\*

**580** 

\* e.g. link boxes, transformer substations, etc.

#### CAUSES OF DAMAGE IN THE UNDERGROUND CABLE NETWORK

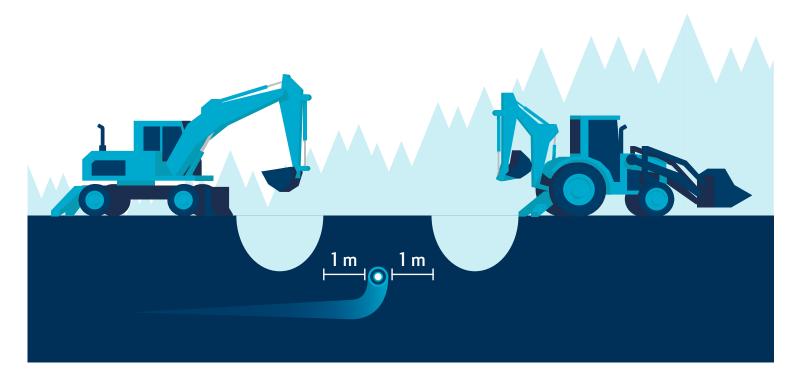
• Earthworks of various kinds, including road, telecommunication, water supply and sewerage projects

#### CAUSES OF DAMAGE IN THE OVERHEAD LINE NETWORK

- Trees felled onto the lines
- Damage caused by large machinery

#### SAFETY DISTANCES OF WEATHERPROOF CABLE

LINE





## CUSTOMER EXPERIENCE AND THE QUALITY OF ELECTRICITY NETWORK SERVICES

We support the smooth running of the everyday life of our customers by offering safe, high-quality and friendly service and by ensuring the reliability of electricity network services in all circumstances.





Vision toward 2025	20	21	2022
Vision target 2035 Score on reputation	TARGET	RESULT	TARGET
and trust 3.5 (1–5)	New	New	3.1





# CUSTOMER EXPERIENCE AND THE QUALITY OF ELECTRICITY NETWORK SERVICES

PERFORMANCE INDICATORS	2021		2022
	TARGET	RESULT	TARGET
Customer satisfaction	3,3	3.14	3.2
Power outages longer than six hours	New indicator	263 days	Over 280 days
Customers within the scope of electricity distribution quality requirements	77%	78%	82%
Fulfillment of customer promises	New indicator	New	<ul> <li>Customer service resolution rate 70%</li> <li>Small-scale production service concept completed</li> <li>Success rate in processing time of complaints</li> </ul>

# We support the smooth running of the everyday life of our customers

We support the smooth running of the everyday life of our customers by offering safe, high-quality and friendly service and by ensuring the reliability of electricity network services in all circumstances. Customer satisfaction and the customers' experience of Elenia's services are two of the cornerstones of our sustainability programme. They indicate the extent that we and our partners have succeeded in our task.

While we cannot influence storms, we can mostly get quick updates about any disruptions in electricity distribution with the help of our round-the-clock monitoring and smart technology. Our efforts to upgrade and weatherproof an ageing network have resulted in clearly fewer disruptions in electricity distribution – and in the everyday lives of our customers – due to storms and snow loads. In addition to reliability, the information security of our services and operations is extremely important and we manage it as part of Elenia's overall security.



# **Energy services for** households, businesses and society

Our basic task is to ensure the effortless day-to-day operation of households, businesses and society by distributing electricity to users. We monitor the electricity network around the clock, maintain it continuously and develop electricity network services with a long-term approach. We build electricity connections, repair network defects when power outages occur and provide high-quality customer service on a day-to-day basis. To meet the expectations of our customers and society, we upgrade the electricity network to create a weatherproof smart grid as part of the ongoing energy transition where the significance of renewable energy increases.

As a distribution system operator, Elenia serves over 435,000 customers in Kanta-Häme, Päijät-Häme, Pirk-

anmaa Central Finland South Ostrobothnia and North Ostrobothnia. The total electricity distributed in 2021 was 6,643 GWh, which is the highest distribution volume in Elenia's history. The cold winter months increased electricity consumption among consumers, and the industrial consumption of electricity also grew substantially from the previous year.

Our service business provides energy companies with customer service and diverse services related to the the electricity market. We provide services to approximately 1.2 million end-users. We actively monitor the quality of our services and train our customer service personnel to guarantee the best service experience for our customers. Our operations are based on strong energy sector expertise and modern information systems.

Our vision target for sustainability is customer acceptance and trust in Elenia. We ensure an excellent customer experience by fulfilling our customer promises, measuring customer satisfaction, and engaging in continuous dialogue with our customers.

#### CUSTOMER SEGMENTS AND DISTRIBUTION VOLUMES

#### **CUSTOMERS BY SEGMENT**



#### **ENERGY BY CUSTOMER SEGMENT**

	•	Residential	44%
<b>.</b> .	•	Agriculture, services and construction	28%
	•	Industry	23%
	•	Other	5%



# Our customer promises help us deliver positive service experiences everyday

Sustainability is reflected in our excellent service to customers in their everyday life, as our activities affect their lives and their trust in Elenia. To strengthen the trust, we published our new customer promises in 2021. They are aimed at ensuring a positive service experience for our customers in various situations in daily life, and to highlight sustainability at Elenia. We have a total of 12 customer promises and they are grouped under three themes.

We provide a seamless customer experience through diverse service channels. Our customers can use our digital Elenia Aina channel to monitor their electricity consumption and use our services conveniently. Alongside the digital services, we make sure that our telephone services are responsive, with minimal waiting, and provide effortless services. Customers can check the response times of our telephone service on our website. When our customer service is handling many calls, customers can leave a callback request. Customers requiring an electricity connection can also book a telephone appointment with an expert. The progress of the construction of the electricity connection can be conveniently monitored via Elenia Aina.

We conserve energy and the environment together with our customers. In the Elenia Aina service, customers can use the Consumption Tracker feature to make it easier to

identify sources of high electricity consumption and conserve energy. Nearly 3,000 customers are using the Consumption Tracker. We are developing the service according to customer feedback. To mitigate climate change, we plant saplings in former power line corridors to match the number of electronically signed agreements and e-invoicing agreements by our customers. We plant the saplings in collaboration with the 4H Taimiteko project. We also serve our customers on issues related to connecting small-scale renewable energy production to the electricity network and ensure that solar energy is safely connected to the network. We protect the national bird of Finland, the whooper swan, by installing bird markers on our overhead lines. In 2021 almost 300 bird markers were installed. We get information from customers on sites where birds might need protection.

We provide the best service in the industry. Every year we renew the ageing electricity network to make it weatherproof and provide a satisfaction guarantee for Elenia Weatherproof construction. Our goal is to ensure quick handling of customer feedback, therefore we measure the response time as part of the quality assurance. The compensation offered to our customers for prolonged power outages exceeds the statutory requirements. We also offer solutions to our customers for reducing brief power outages. In 2021, we improved the monitoring of short power outages, and ensured the fulfillment of the security of supply measures through follow-up. We are the only company in Finland to offer a care service for groups with special needs in the event of prolonged power outages. After joining our care service, the customer will get targeted service from us. We will, for example, send messages on how to prepare for an outage prior to a storm, how to manage during an outage and how the repair work is progressing.

#### **OUR PROMISES TO CUSTOMERS**







#### WE PROVIDE A SMOOTH **CUSTOMER EXPERIENCE**

- Elenia Aina makes your life easier
- We won't keep you on hold
- If you need to discuss your electricity connection, you can book a call time with us
- We will keep you up to date on the construction of your electricity connection

#### WE CONSEVE ENERGY AND THE **ENVIRONMENT TOGETHER**

- Avoid surprises with our Consumption Tracker
- Fighting climate change by planting trees
- Advice and services for small-scale energy production
- Protecting the Finnish national bird, the whooper swan

#### WE PROVIDE THE BEST SERVICE IN THE INDUSTRY

- Elenia Weatherproof comes with a satisfaction guarantee
- We will automatically compensate you for extended power outages
- We will root out the causes of brief power outages
- Extra care for priority groups











CUSTOMERS
CHOSE THEIR
FAVOURITE
PROMISE

In autumn 2021, we invited our customers to vote for their favourite promise among our customer promises. Nearly 20,000 customers shared their opinion with us. With nearly 25 per cent of the votes, our most popular customer promise is "We will automatically compensate you for extended power outages". "Fighting climate change by planting trees" and "We won't keep you on hold" were also popular customer promises. All of our promises received support from our customers. Thank you to everyone who voted!



# Customer satisfaction influences our choices of partners and the target agreements of our personnel

Customer satisfaction is one of our most important indicators of success. We monitor customer satisfaction in fault management, the construction of electricity connections and weatherproof projects, as well as our customer service in various channels. Our personnel and partners receive information on the results in almost real time. The results are reported to the management team and the Board of Directors on a monthly basis. Customer satisfaction is also incorporated to the employees' annual targets, and it directly affects the quality scores and bonuses of Elenia's partners as well as our choice of partners.

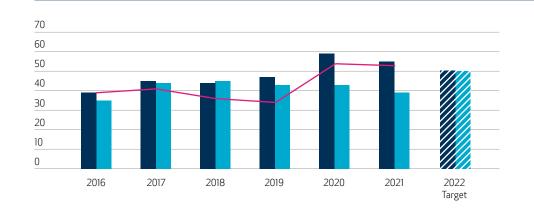
New CSAT Customer Satisfaction Score surveys enable us to compare the success of our services and operations. We have set consistent targets for our customer satisfaction. Our target for overall customer satisfaction on a scale

of 1–4 was 3. Our score of 3.14 exceeded this target. In a few areas the score was below the target by a clear margin, and we will focus our develop efforts on those areas. We use NPS (Net Promoter Score) measurements to monitor satisfaction with our various customer service channels.

# Customer experience successes and development needs

The quality of customer encounters on our telephone service remained high throughout the year. We are particularly proud of this, as our customer service has been forced to operate on COVID-19 pandemic's terms for a long time now, and we have not been able to work normally at our shared office premises. These challenges were not, however,

#### NET PROMOTER SCORE (NPS) 2016-2021



- Customer service, inbound calls
- Customer service, e-mails
- Net Promoter Score, NPS

We have managed to

reduce the differences in

quality between the

different service channels by

taking advantage of

artificial intelligence.

## Customer satisfaction influences our choices of partners and the target agreements of our personnel

reflected in our customer experience scores, as the results remained good during the year and into 2022. We have managed to reduce the differences in quality between the different service channels by taking advantage of artificial intelligence and through training

activities focused on specific details of customer service encounters.

As in previous years, our customers have been especially satisfied with our outage management and the efficient delivery of electricity connections. To ensure a high level of customer satisfaction we monitor the performance

extensively and use the for training our personnel and partners.

The most significant improvement needs were again related to the digital Elenia Aina service, the power outage map, and the construction of the Elenia Weatherproof network as well as the related communication activities and the quality of post-construction work.

We introduced several upgrades to the Elenia Aina service in 2021 to improve the user experience for our customers. We also improved the data protection. We redesigned the visual appearance of the service to respond to accessibility requirements and to improve user experience. In addition, Elenia Aina now uses a

new system of measurement data as the source of its consumption figures, which improves the speed and reliability of the customer's electricity consumption data displayed on the service. The consumption data update delays have been one of the major reasons for feedback from customers. We will continue our efforts to develop the Elenia Aina service in 2022.

In weatherproof network construction, we did not achieve our customer satisfaction target. We

> received feedback from customers regarding inadequate communication on the progress of our Elenia Weatherproof projects. To address this issue, we developed a customer communications playbook for Elenia Weatherproof. It aims to harmonise the operating practices used by Elenia and our contractors with regard to communications. Systems development enabled project-specific

SMS communication in accordance with the playbook starting from May 2021. We will keep a close eye on the adoption of the harmonised customer communications practices by our contractors in 2022.

We conducted a customer survey on the power outage map in 2020 and, in 2021, based on the development needs identified in the survey, we drafted a development plan for the outage map. We aim to roll out the redesigned power outage map in May 2022. The new outage map will be clearer than its predecessor thanks to improvements such as features that support communications concerning major power disruptions and better navigation functionality.



**ENGAGING CUSTOMERS** AND STAKEHOLDERS INTO THE ELECTRICITY NETWORK DEVELOPMENT PLAN PREPARATION



Pursuant to the amended Electricity Market Act that entered into force in August 2021, the Finnish distribution system operators are required to consult their customers and stakeholders regarding their electricity network development plan every two years. Elenia will do this for the first time during spring 2022. We see this as an important opportunity to strengthen the trust among customers and stakeholders.

In order for the customers to genuinely understand the issues related to the electricity network and have the ability to assess how those issues affect them, we believe they need to be provided with individually visualised and localised information about the electricity network. Elenia's network area is geographically extensive, and the total length of the network is 76,000 kilometres, which makes it challenging to distribute personalised and locally customised information.

In October 2021, we sought a completely new solution to engaging our stakeholders with the help of the Let's Talk! hackathon. Following an initial qualification round, seven teams were selected for the hackathon. The teams then worked intensively for two days during the hackathon to help us develop the best possible solution to meet the new legal requirements pertaining to the customers consultations.

In connection with consulting our customers regarding the development plan, we will discuss the electricity network operations, network's significance to society and the factors that influence the investment and maintenance decisions. Customers can select locations on a map to view information on the security of supply of the electricity network and future plans. We take the feedback we receive into consideration in the planning of our network and we will also forward the feedback to the Energy Authority when we submit our development plan.

# **Network investments** help maintain vitality

We continued to make investments in 2021 in line with our strategy to improve the security of supply of electricity distribution. The focus of our investments has shifted from urban areas to sparsely populated rural areas.

In 2021, Elenia invested a total of EUR 172 million in the construction and development of the electricity network. We upgraded the ageing electricity network by building approximately 3,700 kilometres of new underground cable networks. Of this total, 1,800 kilometres were medium voltage network and 1,900 kilometres were low voltage network. We built more than 1,500 new kiosk-style secondary substations to replace old pole-mounted transformers. We continued to build fibre networks by utilising the investments made to improve the security of supply of electricity networks.

By improving the security of supply of electricity distribution and providing modern fiber connections, we help maintain the vitality of sparsely rural populated areas and enable productive remote work, for example. Joint construction makes it possible to roll out both networks in a cost-efficient manner. Electricity network investments also promote the connection of renewable energy to the network and the development of charging infrastructure for electric vehicles. This means we play a key role in the implementation of the energy transition.

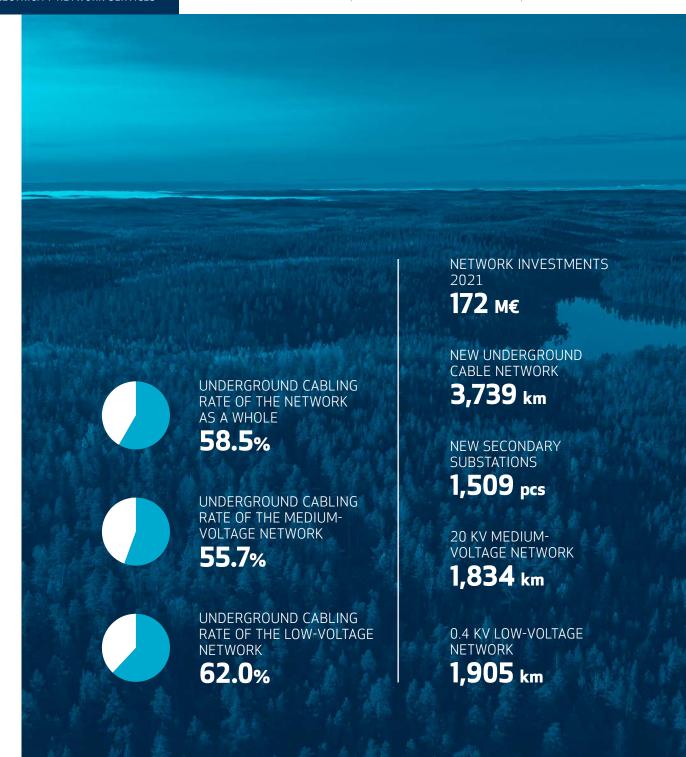
The focus of our

investments has shifted from urban areas to sparsely populated rural areas.



**ROBOTICS IN NETWORK DESIGN** 

In 2021, we started using software robotics to support our decision-making in the design of network investments. The use of robotics makes it possible to automate time-consuming routines and free up time to analyse more important things. The primary purpose of the tool is the technical and economical optimisation of the network being designed, using carefully defined parameters. The use of robotics makes the design process more efficient and consistent. This improves the management of Elenia's network assets



# Continuous improvement in the reliability of electricity distribution

Our weatherproof network investments are visible to our customers in the form of significant improvements in the reliability of electricity distribution. In terms of the total annual duration of interruptions, excluding storms, the security of supply of Elenia's electricity network in 2021 was the best it has ever been.

Our determined efforts and our investments in underground cabling, network automation, advanced systems and fault management contingency planning have produced excellent results. Our customers' average electricity distribution interruption time has been halved over the past decade, as has the number of brief power outages.

Our System Average Interruption Duration Index (SAIDI), excluding storms, was 67 minutes, which is the best result during our 16-year his-

tory of monitoring this indicator. With storms included, SAIDI was 111 minutes. Our System Average Interruption Frequency Index (SAIFI), excluding storms, was 2.5 for power outages exceeding three minutes. With storms included, SAIFI was 3. Our Momentary Average Interruption Frequency Index (MAIFI), excluding storms, was 4.8. With storms included, MAIFI was 5.4.

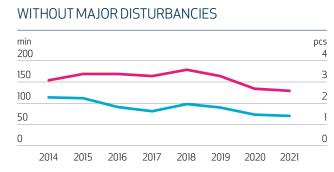
For customers who experienced a power outage in a zoned area in 2021, the duration of the outage was less than three hours for 98 per cent of the customers. For Elenia's network area as a whole, the maximum duration of a power outage was six hours for over 98 per cent of the customers.

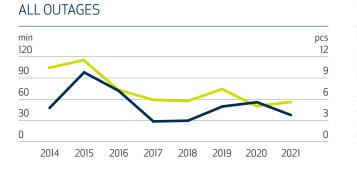
Customers were able to reach us easily when power outages occurred. The response rate of the fault reporting telephone service exceeded 89 per cent, with over 36,000 calls received in 2021. We communicated to our customers by sending 1.35 million SMS text messages regarding power outages. Based on our surveys, most of our customers consider SMS text messages to be the best method for communicating information on power outages.

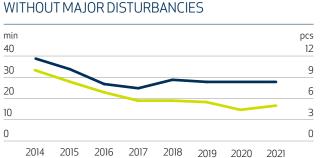


#### DEVELOPMENT OF OUTAGE PERFORMANCE INDEXES 2014-2021

## **ALL OUTAGES** 800 600 200 2017 2019 2020 2016 2018







SAIDI, System Average Interruption Duration Index (min/customer) SAIFI, System Average Interruption Frequency Index (pcs/customer) CAIDI, Consumer Average Interruption Duration Index (min/customer) MAIFI, Momentary Average Interruption Frequency Index (pcs/customer)

# Maintenance activities keep the electricity network safe and reliable

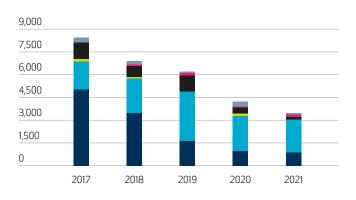
Reliable electricity distribution requires the continuous maintenance and renewal of the electricity network. We ensure the safety, functionality and condition of the electricity network in collaboration with our partners. Our maintenance programme provides the framework for year-round inspections, tree clearance and maintenance activities. Based on the inspections, we focus maintenance operations on various parts of the electricity network in a timely manner.

In 2021, we inspected approximately 800 kilometres of low-voltage networks and about 9,000 sites along the underground cable network. Inspections of the medium-voltage and high-voltage network are conducted as helicopter inspections during the summer season. We photograph and laser scan the entire high-voltage distribution network every four years as well as a quarter of our medium-voltage network each year. We inspect our substations four times a year and regularly

maintain their equipment. We place particular emphasis on ensuring the safety of sites that require special attention. For example, we annually inspect over 1,000 transformer substations located in groundwater areas.

We use forest management to reduce power outages caused by trees falling onto distribution lines, thereby improving the security of supply of the overhead line network. Each year, we manage over approximately 3,000–7,000 kilometres of trees adjacent to our power lines to ensure the reliability of electricity distribution in our overhead lines. We carry out systematic tree clearance on the high-voltage distribution network approximately every six years and keep the network clear of trees by felling adjacent trees and trimming the tops of trees. Tree clearance work is carried out every four or five years on the medium-voltage network and every eight years on the low-voltage network.

#### TREE MANAGEMENT (KM) 2017-2021



- Low-voltage network clearance (0.4 kV)
- Medium-voltage network clearance (20 kV)
- Pruning with helicopter (20 kV)
- Forest management in the side areas of mediumvoltage network (20 kV)
- High-voltage network clearance (110 kV)
- Forest management in the border zone of high-voltage network (110 kV)



TREE CLEARANCE **PROGRAMME** COMPLETED

In 2021, we completed our tree clearance programme for forests adjacent to the electricity network. Under the programme, we managed forests adjacent to overhead lines in sections that will be used for at least 10 more years. An adjacent forest means trees close to the electricity network, on the edge of the approximately ten-metre-wide line corridor. Storms or heavy snow loads may cause trees in adjacent forests to fall or bend onto the power lines. Adjacent forests along more than 3,200 kilometres of electricity networks were managed during the programme.





# Security of supply and contingency planning is visible to Elenia's customers

The importance of securing our human resources was emphasised as the pandemic continued for the second consecutive year. We decentralised network monitoring and management of fault repair to ensure our operating capacity. We have performed well in this respect, and COVID-19 has not had an impact on the distribution of electricity to our customers.

We prepared seven times during the year for power outages due to weather conditions. On two occasions, the situation developed into a major power disruption due to the weather. In mid-June, Storm Vieno caused simultaneous power outages for 27,000 of our customers at its peak. Thunderstorms on several days in the week following Storm Vieno, caused faults in the electricity network that created simultaneous power outages for 16,000 of our customers at their peak. In response to these two major power disruptions, we

carried out over 1,000 fault repair assignments with our partners. Power was restored to most of our customers in a matter of hours. A small proportion of the power outages lasted for a maximum of two days.

Due to our network investments and the continuous development of contingency planning, the number of customers without power during major power disruptions has decreased continuously and the duration of the outages has been reduced. We have reduced the duration of the longest power outages by at least one day.

In line with the target set out in our sustainability programme, we updated Elenia's major power disruption organisation in 2021. The structure of the major power disruption organisation was adapted in response to the development of contingency planning activities and we believe the new structure serves our customers even better. At Elenia, everyone has been assigned a task related to the management of major power disruptions. This means we can direct our personnel to the management of these exceptional situations as necessary.

During the year, we also started the process of updating our playbook for major power disruptions. The new playbook emphasises our key safety-related principles and operating practices. We will publish the updated playbook for major power disruptions in the first half of 2022.



**COOPERATION ON** INFORMATION EXCHANGE **DURING SECURITY OF SUPPLY DISRUPTIONS** 

We are actively involved in cooperation concerning the security of supply in the energy sector, which helps coordinate contingency planning related to exceptional power outages and for example pandemic situations. The development project Information Exchange Playbook implemented by the security of supply organisation was aimed at developing better practices and procedures for the exchange of information between stakeholders during major power disruptions. The playbook will be tested and developed further based on disruptions response exercises. This will make the capabilities and insights of the project participants more broadly available to the energy sector and society.

# Information security is part of our everyday work



In 2021, Elenia's cyber security efforts were focused particularly on exercising previously established operating practices. We conducted an internal exercise of continuity management on a company-wide basis in September 2021. Based on the informative and highly useful exercise, Elenia's units further specified their operating practices for exceptional circumstances. All of Elenia's employees are also required to complete role-specific training on information security and data protection. The training was completed by 100 per cent of our personnel.

## The role of partners in information security

Partnerships play a significant role in Elenia's operations, and consequently it is essential to ensure information security throughout the service chain. Audits of our partners are the most concrete aspect of ensuring compliance. In 2021, we audited the information security and data protection quality of four of our strategic partners and initiated measures in response to the findings as necessary. We also conducted an exercise on the management of exceptional situations together with our regional partners in May 2021.

## Customer data protection is crucial

Ensuring that customers' personal data is appropriately protected is crucial for Elenia. We have specified an operating model for the reporting of data protection deviations to ensure that we detect deviations and react to them quickly. In 2021, we reported three deviations concerning personal data to the Data Protection Ombudsman's Office. In response to the detected deviations, we took corrective action according to our internal process and the instructions received from the Data Protection Ombudsman's Office.

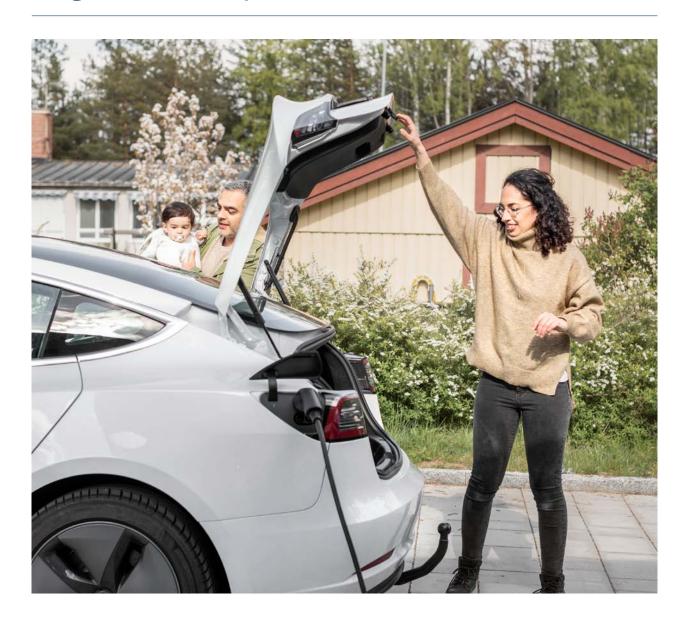


## A JOINT EXERCISE WITH REGIONAL PARTNERS REGARDING **EXCEPTIONAL SITUATIONS**

In May 2021, we worked with an external partner to conduct an exercise on the management of exceptional situations. The exercise was particularly focused on cooperation with our regional partners. The themes of the exercise included various cyber security incidents, such as phishing, theft of material and unfamiliar devices in the work environment. The goal was to improve Elenia's and the regional partners' capabilities regarding the management of exceptional situations related to cyber security, and to test and develop the effectiveness of the procedures and operating models established for exceptional situations.

The exercise was carried out remotely and consisted of simulations of exceptional situations. The exercise enabled us to identify development areas with each regional partner regarding responsibilities, procedures and operating practices. For example, we will increase our training and the documentation of procedures concerning cyber security disruptions, as the topic of cyber security is still perceived as quite unfamiliar by many. We will continue to conduct exercises on the management of exceptional situations with changing themes, as part of our regular activities.

# Moderate pricing and long-term development



It takes decades to renew the ageing electricity network into a weatherproof network and build smart grid. Electricity network solutions must serve customers in the changing and zero-carbon electrification of our society for more than half a century, or even longer. The level of electricity distribution tariffs need to be evaluated on the basis of the future society's needs and the requirements of an effortless running of everyday life.

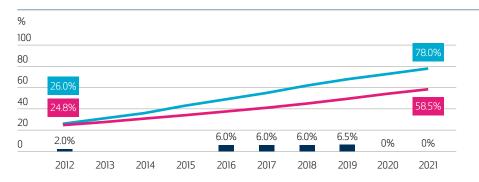
During Elenia's 10 years of operations since 2012, the network service fee has been increased on five occasions. The latest change to the price was made almost three years ago. In 2012, the impact of the increase on a customer's network service fee was less than 2%, and in the four consecutive years from 2016 to 2019, the increase was approximately 6%. Pricing is based on the principle of stable and moderate development.

We have systematically upgraded the ageing overhead line network by building a weatherproof network that is protected from storms, thunder and snow loads. We have developed smart grid solutions ranging from consumption measurement to the use of battery packs to promote the continued zero-carbon electrification of society. We have invested over EUR 1 billion in the renewal of the electricity network during the past decade.

## Impacts of our network investments

- Over 250,000 of our customers are within the scope of our weatherproof network.
- The underground cabling rate of the electricity network has increased from less than 20 per cent to around 60 per cent.
- We have safely connected more than one-fifth of Finland's total wind power capacity and approximately 7,000 sets of solar panel equipment to our network.
- We have upgraded our electricity metering system and will install next-generation smart meters for all of our customers between 2021 and 2025

### IMPROVEMENT IN THE SECURITY OF SUPPLY AND PRICE INCREASES FOR ELECTRICITY NETWORK SERVICES



- Customers within the scope of quality requirements
- Underground cabling rate
- Price increase for electricity network

#### Moderate pricing and long-term development

# CUSTOMERS PAY FOR A SERVICE THAT IS AVAILABLE AT ALL TIMES

With electricity network charges the customer pays for having access to electricity at all times. The amount of electricity distributed does not have a significant impact on the cost of electricity distribution, as fixed costs represent approximately 80 per cent of Elenia's total costs. In addition to the distribution fee, customers pay a fixed fee that covers the following services:

- 24/7 distribution of electricity according to the customers' needs
- maintenance and renewal of the electricity network
- measuring hourly output data for electricity consumption and communicating it to the market participants
- continuous network control and fault repair
- development and renewal of electricity network services
- multi-channel customer service

#### NETWORK SERVICE FEE



- Fixed costs 75-80%
- Variable costs 20–25%



#### COMPONENTS OF ELECTRICITY INVOICES



#### **Apartment**

- no electric sauna heater
- main fuse 1x25 A
- electricity consumption 2,000 kWh/year



#### Single-family house

- electric sauna heater, no electric heating
- main fuse 3x25 A
- electricity consumption 5,000 kWh/year



#### Single-family house

- room-specific electric heating
- main fuse 3x25 A
- electricity consumption 18,000 kWh/year



#### Agriculture, animal husbandry

- room-specific electric heating
- main fuse 3x35 A
- electricity consumption 35,000 kWh/year

Electricity distribution accounts for approximately one-third of the total price of electricity. The total price of electricity consists of the electricity, the electricity distribution service and taxes levied by the state. All distribution system operators are obligated to collect electricity tax and value-added tax on top of electricity distribution charges and remit them to the state.

## Elenia's story - Continuous sustainable renewal

## 2001-2010

- 2001 Officials propose 6-hour outage cutoff after storm Janika.
- 2002-2008 Smart meters installed for all our customers.
- 2005–2010 Overhead lines were made more secure through automation. Compact primary substations to use.
- 2007 Outage web map service as the first in Finland.
- 2008 SMS outage service as the first in Finland.
- 2009 Decision on underground cabling in rural areas as the first DSO. Launch of 6h service promise as the only DSO.
- 2010 Service for hourly monitoring of electricity consumption as the first in Europe. Low voltage network monitoring with smart meters.

#### 2011-2020

- 2012 Automatic fault location, isolation and power restoration to shorten outage times for customers.
- 2013 Web map service of weatherproof works. Digital service to customers for monitoring electricity consumption.
- 2017 Customer service production for energy companies, more than a million end customers.
- 2017-2020 Test pilot of market-based demand flexibility.
- 2018 Battery concept for regulating and reserve power in outages.
- **2018–2021** 5 stars in global GRESB sustainability evaluation.
- **2019** Building of optical fibre in connection with weatherproof network. Sustainability programme and report.

## 2021-2035

- 2012-2021 Investments €1,000M in Elenia weatherproof network. 10,000 man-years of work to our partners, 2/3 SME.
- 2018–2024 Next generation smart metering enabling virtual power plants and demand flexibility.
- 2021-2025 To customers new generation smart meters.
- 2021 Web map service of wind farms connected to our network. EleniaGO mobile game. SBTi climate commitment based on science.
- 2022 Datahub information exchange system for electricity consumption. Listening to customers regarding development of network.







# CLIMATE ACTION AND ROLE AS FORERUNNER

We promote the development of a sustainable society and way of life.





100	20	2022	
VISION TARGET 2035	TARGET	RESULT	TARGET
Net Zero Elenia	< 69,000 tCO <sub>2</sub> e	72,942 tCO <sub>2</sub> e	< 72,942 tCO <sub>2</sub> e





# CLIMATE ACTION AND ROLE AS FORERUNNER

PERFORMANCE	2021		2022	
INDICATORS	TARGET	RESULT	TARGET	
Carbon roadmap	A smaller carbon footprint than in 2020 and emission targets set	Carbon footprint 194,292 tCO₂e (> 2020) Emission targets set	Actions taken in accordance with the carbon roadmap (8 actions)	
Sustainability of procurement and supplier sustainability audits	2 audits	2 audits	<ul> <li>Two sustainability audits conducted in 2022</li> <li>Supplier Sustainability as one quality indicator in all public procurement</li> </ul>	
Partners' sustainability promises	40 promises	<b>54</b> promises	57 promises	
Innovation and development portfolio	19 projects	13 projects	11 projects	

# Climate actions need smart grid solutions

We work for a better tomorrow by using energy and materials as efficiently as possible and by reducing adverse climate and environmental impacts together with our partners. We have set an ambitious target for reducing emissions. We intend to reduce our emissions by 75 per cent by 2030 and aim for net zero emissions for our entire value chain by 2050.

Our climate targets and new carbon roadmap guide our efforts to reduce emissions in our operations, construction and procurement, as well as in service solutions for our customers. We have also identified risks and opportunities related to climate change and incorporated them into our strategy work and risk management.

We promote the development of a sustainable society and way of life, and we are on the leading edge of the ongoing energy transition. In order to reap the full benefits of the growth of solar and wind power for society and people's daily lives, the energy system needs smart grid solutions, and Elenia is an international forerunner in adopting these.



# Elenia's direct and indirect greenhouse gas

In 2021, Elenia's carbon footprint was 194,292 tCO<sub>2</sub> e.

In Elenia's own operations, the most significant source of emissions is the purchased electricity to cover network losses.

Elenia's Scope 1 emissions are small, representing approximately 0.2 per cent of our total emissions. Elenia's direct greenhouse gas emissions consist of the fuel con-

sumption of the company's vehicles and reserve power generators as well as the leaks from electricity network equipment that contain SF6 gas as a refrigerant.

Our indirect Scope 2 emissions constitute approximately 37.3 per cent of our carbon footprint. Most of the Scope 2 emissions arise from electricity network losses in Elenia's network. In 2021, the emissions caused by our network losses totalled approximately 71,503 tCO $_{\rm 2}e$ . The emissions arising from Elenia's own use of electricity and heating represented a small proportion of the total emissions. Going forward, our goal is to purchase renewable electricity to cover network losses. We seek contracts whereby the electricity we purchase helps to increase the share of renewable electricity.

Vast majority of our carbon footprint, 62.5%, arises from our supply chain (Scope 3). Electricity network materials – especially the use of aluminium and plastic – represent the majority of our emissions. Other significant supply chain emissions arise from electricity network losses in the transmission grid and regional networks as well as the work related to the construction of the electricity network.

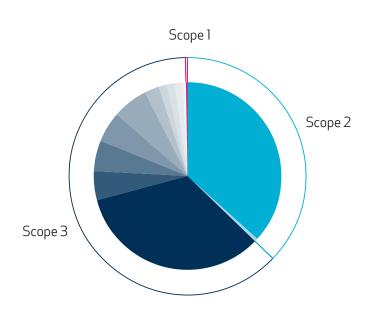
Elenia's greenhouse gas emissions increased by 2.6% in 2021 due to big distribution volume. The cold winter added the amount of electricity needed for heating. In addition, the upstream emissions from the fuel production chain increased.

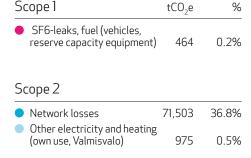
Elenia's emissions in 2021

- Scope 1 -emissions 464 tCO<sub>2</sub> e
- Scope 2 -emissions 72,478 tCO<sub>2</sub> e
- Scope 3 -emissions 121,350 tCO<sub>2</sub> e

Determining our carbon footprint has helped us identify our most significant sources of emissions and make decisions and purchases that are sustainable from a climate perspective. In accordance with the objective set out in our sustainability programme, we set Elenia's emission targets for 2030.

## BREAKDOWN OF ELENIA'S CO<sub>2</sub> EMISSIONS





Scope 3	$tCO_2e$	%
Network materials	65,286	33.6%
<ul><li>Main grid fees</li></ul>	9,422	4.9%
<ul><li>Earthworks</li></ul>	10,170	5.2%
• Fibre network investments	10,410	5.4%
<ul> <li>Supply chain emissions from energy consumption</li> </ul>	11,610	6.0%
<ul> <li>Regional network fees</li> </ul>	4,822	2.5%
<ul> <li>Other procurement</li> </ul>	2,653	1.4%
<ul> <li>Other purchased products and services</li> </ul>	2,628	1.4%
<ul> <li>Other investments</li> </ul>	2,760	1.4%
<ul> <li>Material transport</li> </ul>	892	0.5%
Waste	415	0.2%
Assets leased to the company itselfs Business travel Commuting	132 79 72	0.1% 0.0% 0.0%
0		



# AN EMISSIONS CALCULATOR FOR CONTRACTORS

We developed an emissions calculation model for earthworks in cooperation with Gaia Consulting in 2021. The emissions calculator enables Elenia's contracting partners to calculate the greenhouse gas emissions of construction operations more accurately. The calculator makes Elenia's carbon footprint calculations more accurate and represents the first step towards taking emission reduction targets into account in construction and procurement.

# **Ambitious emission** reduction targetst

We made a big leap forward in our climate efforts in 2021. We committed to the Science Based Targets initiative (SBTi) and we are also taking part in the ambitious Net Zero target.

Elenia has set its targets for reducing the greenhouse gas emissions of its own operations in accordance with the Paris Climate Agreement, and the Science Based Targets initiative has validated Elenia's commitment. According to the validated target, Elenia will reduce its greenhouse gas emissions by 42 per cent by 2030, including Elenia's own emissions and emissions arising from purchased energy. Elenia has also set an even more ambitious target of reducing the emissions of its own operations by 75 per cent (Scope 1 and 2) by 2030, using 2020 as the baseline.

Elenia is also committed to setting Net Zero targets that cover not only the emissions from Elenia's own operations but also the emissions generated by the entire value chain (Scope 1, 2 and 3). The Net Zero targets must be met by 2050 and in practice this means a reduction of approximately 90 per cent in emissions for the company's entire value chain. For Elenia, this means that climate targets will not only be pursued in the company's own operations but also incorporated into procurement decisions.

Achieving these ambitious goals will require strong commitment and action from Elenia as well as its partners. We also want our partners to be engaged in committing to climate action and sustainability, as Elenia is setting emission reduction targets for its entire supply chain. Cooperation with the partner network plays an important role in achieving the targets.

In late 2021, we created Elenia's carbon roadmap, which illustrates our emission reduction targets, and the actions required to achieve them. In 2022, we will create a Net Zero plan and actively monitor and promote the achievement of emission reductions.

### SCIENCE BASED TARGETS FOR THE MITIGATING CLIMATE CHANGE

- The Science Based Targets initiative (SBTi) is a global science-based climate initiative that links companies' targets of reducing CO<sub>2</sub> emissions with the Paris Agreement goal of keeping the global temperature increase below 1.5°C.
- The initiative will help companies to set greenhouse gas reduction targets based on the latest climate science and the objectives of the Paris Agreement.
- SBTi is a joint project between the CDP (Carbon Disclosure Project), the UN Global Compact corporate sustainability initiative, the WRI (World Resources Institute) and the WWF (World Wide Fund for Nature).
- SBTi provides a tool for investors and other stakeholders to monitor companies' emission targets.



# **Emission reduction roadmap**

2025 2021 2030 First round of competitive bidding Second round of competitive bidding for Third round of competitive bidding for Fourth round of competitive bidding Market survey PURCHASING OF ZERO-CO<sub>2</sub> of zero-CO<sub>2</sub> electricity for zero-CO<sub>2</sub> electricity to cover zero-CO<sub>2</sub> electricity to cover 20–30% of zero-CO<sub>2</sub> electricity to cover 20–30% of for zero-CO<sub>2</sub> electricity as required, ELECTRICITY TO COVER 20–30% of the total requirement the total requirement, total approx. 50% the total requirement, total approx. 75% total 100% purchasing **NETWORK LOSSES** Determine the emission factors for MATERIAL PURCHASING Assessment of the acceptability of recycled materials in cables aluminium for cables AND PARTNERSHIPS Calculation of the cost impact of new raw materials for cables Partnership-based development and innovation efforts related to low emissions Identification of strategic partners Communicating Elenia's climate targets to material suppliers Guidance and training Low emissions as a criterion in competitive bidding Induction training for partners and engaging Incentives for making a commitment to emission reductions Emission reductions incorporated into performance bonuses **CONTRACTING AND** Emission calculation training and tools for partners their commitment to climate efforts incorporated into competitive bidding processes **PARTNERSHIPS** Sustainability promises in partners' climate efforts Emission calculation as a criterion in competitive bidding Collaborative development and innovation efforts related to low emissions Joint construction with Elenia Kuitu and other infrastructure operators MAIN GRID AND HIGH Incorporating environmental issues and the goal Challenging distribution network companies involved in the main grid and high **VOLTAGE DISTRIBUTION** of low emissions into the conversation voltage distribution network to get involved in pursuing emission reductions NETWORK Introducing environmental issues and the goal of The aim is to take low emissions into **OTHER** low emissions into regulatory development account in the regulatory model Optimising routes used in maintenance, fault management and service operations Developing the electricity network to improve its reliability to replace carbon-intensive reserve capacity Assess alternatives to replace SF6 gas and continue Testing alternative insulation solutions and assessing to collect statistics on the use of SF6 gas their suitability as a replacement for SF6 gas Incorporating the climate perspective into all purchasing criteria Specification of targets and criteria Assessing the existing purchasing criteria

# **Emissions data regarding** Elenia's procurement is still incomplete

A significant share of Elenia's greenhouse gas emissions arises from the supply chain, particularly from the materials used in network construction. In 2021, as we improved the accuracy of our emission calculations, we reviewed calculation practices with our most significant material suppliers.

The availability of data on the total emissions of the materials was found to be very limited. The goals for 2022 include increasing the accuracy of emissions data and the calculation parameters used in cooperation with suppliers and the entire supply chain. A further goal is to carry out pilot experiments with products that have lower emissions than the current products, and thereby promote the market entry of lower-emission products.

The cables used in electricity network construction, and the aluminium used in the conductors in cables, are the most significant product category in terms of emissions. We aim to increase the share of lower-emission aluminium, but the emission calculation effort is still in its early stages. The challenges include the lack of consistent standards for calculating emissions and the verification of the consistency of emission reduction methods.

The first part of the procurement of low-emission or zero-emission electricity to cover network losses will be carried out in 2022.

With regard to F-gases, we are purchasing SF6-insulated equipment from high-quality manufacturers that have minimised the leaks from equipment during use. In 2022, we will become one of the first DShOs to pilot the use of 20 kV SF6-free equipment in Nordic conditions.

## Energy efficiency ahead of schedule

Elenia participates in the national energy efficiency agreement for 2017–2025 to promote the energy efficiency of its customers and electricity distribution. Under the agreement, we are committed to reducing our annual network losses in electricity distribution by six per cent (totalling 13.2 GWh) by 2025. We achieved this target in full with the actions we took in 2020. We will continue to improve the energy efficiency of our electricity network and also promote the energy efficiency of our customers by various means, including the Elenia Aina service. Every act that makes energy use more efficient is important.

Computational reductions of network losses in 2021

- Distribution substations 1.607 MWh
- Medium-voltage lines 806 MWh
- Low-voltage lines 3,524 MWh



WE ARE WWF **GREEN OFFICE** CERTIFIED



In August, we were awarded a WWF Green Office certificate in recognition of the high-quality environmental management system we use for our working community and office premises and our commitment to the continuous improvement of eco-efficiency. Part of Elenia Group has been included in the Green Office programme since 2018 and, in 2021, the certification was expanded to entire Elenia Group.

Our goal is to reduce the ecological footprint of the working community and premises and promote sustainable practices. At our Tampere office, we use electricity generated by wind power, we sort waste, prioritise ecological considerations in catering, and support the use of bicycles for commuting by our personnel. We encourage our personnel to make environmentally friendly choices. Our participation in the Green Office programme is visible all year round with changing themes and campaigns. Examples of our themes include reducing printing, avoiding the use of disposable tableware and promoting plant-based eating with vegetarian food days.

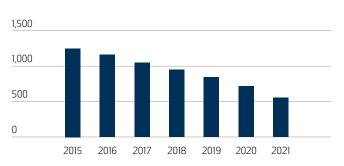
WWF Green Office is part of WWF Finland.

# Environmental damage management process minimises impacts on nature

Incidents in Elenia's operations that cause environmental impacts include oil leaks caused by faults in distribution transformers and leaks of SF6 refrigerant from electrical equipment. Faults are caused by factors such as thunderstorms, technical defects and vandalism. There were 33 oil leak incidents and five SF6 leaks in Elenia's electricity network in 2021. The total quantity of oil leaked into the soil was 1,104 kilograms, which is on the same level as in previous years. All of the sites in question were appropriately decontaminated and there is no need for further action or monitoring regarding the leaks. The total quantity of SF6 gas leaked into the atmosphere was 19 kilograms.

We have developed our process for addressing environmental damage incidents and in 2021 we created an online training module with the purpose to educate our

### POLE MOUNTED TRANSFORMER SUBSTATION IN THE GROUNDWATER AREA 2015-2021 (PCS)



personnel and partners. The aim of the process is to adopt a consistent model of reporting and responding to incidents involving oil leaks into the soil or SF6 gas leaks into the atmosphere. The management of environmental damage incidents is based on close cooperation between different parties. Soil contaminated by oil leaks is inspected and decontaminated. The contaminated material is transported to a waste processing centre. An external environmental consultant is responsible for the investigation of oil leak incidents.

## Careful protection of groundwater

To prevent oil spills, we inspected 1,671 pole-mounted transformers and kiosk-style secondary substations in class 1 groundwater areas in 2021. We reduce the number of polemounted transformers by replacing them with new kioskstyle secondary substations equipped with oil collector trays that prevent oil leaks into the environment. A total of 165 pole-mounted transformers were removed from groundwater areas in 2021.

Environmental risks are reduced by the decommissioning of underground fuel tanks. In 2020, we started a project to repair the fuel tanks of our reserve power generators and, in 2021, we replaced the fuel tanks in Hailuoto and Siikalatva's Rantsila district. We have also conducted a chemical safety assessment of our reserve power generators and fuel tanks and inspected their compliance with protection requirements in cooperation with the fire authorities.



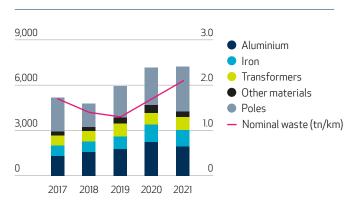
## Decommissioned materials into raw materials

Material efficiency is one of our most significant environmental considerations. Material efficiency refers to the economical use of natural resources, the efficient use of production side streams, reducing waste, and the secondary use and recycling of materials. Improving material efficiency also reduces climate impacts.

The circular economy means not only recycling waste but also keeping materials in circulation in society for as long as they have value. To achieve this, materials need to be sorted into reusable and recyclable materials.

In 2021, we implemented secure recycling of waste electrical and electronic equipment for network automation devices. The material recycling process is based on crushing, separating and thermal processing of materials.

#### RECYCLED MATERIALS (tn)





Reusable fractions are forwarded to be used as industrial raw material. We expanded our activities to also include materials from the high-voltage network. Our recycling partner now also recycles decommissioned materials from substation and transmission line projects.

We monitor the quantities of decommissioned materials and report them to the Board of Directors on a monthly basis. In 2021, we recycled 7,212 tonnes of material, with poles accounting for over one-third of the total. Our material reuse and recovery rate in 2021 was 69%, with the target of 75%. The reuse and recovery rate was reduced by the large number of decommissioned poles, which are used for energy production.

We also systematically monitor the efficiency of material consumption. In 2021, the efficiency of our cable use was 97%.



## RECYCLING PROCEDURES



#### FI FCTRICITY POLES

Electricity poles are made of impregnated wood. Poles that are in good condition are reused in repairs of the electricity network, while poles that are in weak condition are burned at a heating plant.



#### **POWERLINES**

The plastic and metals in power lines are separated at processing plants. Metals are used to produce raw material for the metal industry. Plastic is burned at a heating plant.



#### **CABLE DRUMS**

Empty cable drums that are in good condition are returned to cable manufacturers to be reused. The drums are made of wood. Broken drums are repaired when possible.







## **ELECTRICITY METERS**

Electricity meters are crushed, and the materials are separated. The metals are used as raw material for industrial purposes. Plastics are burned at a heating plant, as they contain fire prevention material and they cannot be recycled, at least for the time being.



#### **TRANSFORMERS**

Transformers that are in good condition are stored and reused. Transformers that are in weak condition are dismantled, and the materials are recycled. The iron casing of transformers is broken into smaller pieces and the aluminium and copper hearts are melted for use as raw material by the metal industry. Porcelain insulators are crushed, and the crushed material is used in a similar fashion as crushed rock. Transformer oils are processed at oil recycling plants into new products, such as chain oil for chainsaws. Any toxic oils are burned at a heating plant.





## **COMPUTERS** ARE GIVEN A SECOND LIFE

In 2021, we started selling old computers to give them a second life. Computers that are in good condition are not scrapped and turned into recycled material. Instead, they are for example sold for home or student use. Giving laptops a second life has increased in recent times, as professional grade computers with a durable frame have a lifespan of several years left. Purchasing a used computer instead of a new one saves an estimated 260 kilograms of natural resources and prevents 123 kilograms of CO<sub>2</sub> emissions. Consequently, the computers sold by Elenia saved 14,820 kilograms of natural resources and 7,011 kilograms of CO<sub>2</sub> emissions in 2021.

# Sustainability audits of partners began

We carried out sustainability audits for two of our strategic suppliers in autumn 2021. The purpose of the pilot audits was to gather experience, promote the monitoring of sustainability and focus particularly on human rights. Our sustainability audits covered human rights, labour rights, health and safety, the environment and governance. The findings in the audits have been reviewed and the corrective action will be taken together with the respective suppliers.

As part of our preparation for the sustainability audits, we updated our Employee Code of Conduct and Partner Code of Conduct during spring of 2021. Our codes of conduct now include partner sustainability audits and, where applicable, contract termination due to misconduct. The Partner Code of Conduct is incorporated into all significant agreements. We will continue our sustainability audits by auditing 1–2 suppliers per year.

## The increasing significance of sustainability in procurements

In accordance with our sustainability programme, we included sustainability as a qualitative criterion in all of our public procurement activities in 2021 and, where applicable, required suppliers to have an ISO 14001-compliant environmental management system. Our sustainability indicators were related to the prospective suppliers' occupational safety and sustainability reporting, depending on the nature of the procurement. In 2022 we will introduce our first quality indicators targeting emission reductions. This will enable us to incorporate emissions into our assessment of sustainability in procurement. When we enter into procurement agreements, we also promote due consideration for human rights as part of quality comparisons.

WHOLESALE AND LOGISTICS SLO Oy, Finland

MEDIUM VOLTAGE CABLE

Prysmian Group Finland Oy, Finland

Reka kaapeli Oy, Finland

I OW VOI TAGE CABLE

Prysmian Group Finland Oy, Finland

Reka kaapeli Oy, Finland

COMPACT SECONDARY SUBSTATION

ABB Oy, Estonia

**KL-Industri AB.** Sweden

Satmatic Oy - Harju Elekter, Estonia

**DISTRIBUTION CABINETS** 

Onninen Oy - Emmiter, Poland

**DISTRIBUTION TRANSFORMERS** 

ABB Oy, Poland

Siemens, Hungary

Landis+Gyr Oy - Toshiba, India

SPECIAL TRANSFORMERS

Maviko Oy - Sonmez Transformer Company, Turkey

Zennaro Electrical Constructions, Italy

POWER TRANSFORMERS.

REMOTE SUBSTATION AUTOMATION

ABB Oy, Finland

**SMART METERS** 

Aldon Oy, Finland

**NETWORK AUTOMATION** 

Mikronika, Poland

NDC Networks. Finland



# Partners committed to sustainability targets

To promote even closer involvement by our network construction partners in sustainability efforts, we requested all of them to commit to two sustainability target at the beginning of 2021. We specified that one target should relate to occupational safety and the other target could relate to the partner's chosen theme that supports our sustainability targets. The targets had to be a measurable or a tangible action that could be clearly evaluated at the end of the assessment period.

In addition to the sustainability targets concerning occupational safety, our partners issued sustainability targets regarding topics such as promoting the mental and physical well-being of employees, the quality of work, end-user experience, information security, minimising material waste, assessing the carbon neutrality of network construction, emission reduction and engaging the commitment of our partners' subcontractors in sustainability efforts.

The progress and implementation of the targets were monitored on a regular basis. Our partner network found our sustainability targets to be a positive and supporting development. The targets enabled us to incorporate the themes and targets of our sustainability programme into regular discussions in our day-to-day cooperation with partners. Our partners fulfilled nearly all their targets in full in 2021.

The concept was found to be effective by all the parties involved, and we will continue this practice. At the

beginning of 2022, we requested our network construction partners to set three sustainability targets. We again specified that one of the targets needs to concern occupational safety, one needs to concern environmental or climate targets, and one needs to be related to the well-being at work or employee satisfaction of the partner's personnel. The idea for a target related to the well-being at work or employee

satisfaction of the partner's personnel came from the partner network.

Ideally, sustainability targets can inspire our partners to engage in sustainability thinking and prepare our partners for future procurement processes where the role of sustainability targets will for example be emphasised in partner selection, procurement criteria and the quality scores used in bidding processes.





## TANGIBLE RESULTS FROM SUSTAINABILITY TARGETS

Our partners achieved tangible results as their sustainabil-

Some of the sustainability targets concerning occupational safety issued in 2021 were related to the partners' management having a more active presence at construction sites. In 2021, the management of our network construction partners conducted a total of 212 reported Safety Walks at their construction sites, up from 71 in the previous year.

One of our regional partners promised to address complaints without delay when it comes to issues such as the cleanliness of construction sites. The attitude reflected by the target proved to be motivating, and the partner processed all complaints within the target time in 2021.

Our partners also set sustainability targets with regard to engaging subcontractors in sustainability efforts. They organised sustainability workshops with their subcontractors on themes such as safety, the environment, information security, data protection, customer satisfaction, competence development and well-being at work. The workshops produced excellent results and improved team spirit. Our partners have made regular workshops an established element of their cooperation with subcontractors.

## **Enabling demand response** solutions for customers

We engage in long-term cooperation within the energy sector and with customers and stakeholders to ensure that the smart grid as a platform serves a wide range of future needs.

Our ongoing process of upgrading electricity metering is aimed at ensuring that customers can benefit from the developing and changing electricity market with the help of smart meters. In the future,

customers can enter into an agreement with their electricity supplier or other service provider regarding the control of electric heating or water boilers so that the devices are used when the market price of electricity is at its lowest. From the society's perspective, demand response enables the more efficient use of renewable energy and reduces the need for balancing power and network investments.

Elenia participates in the EU-funded INTERRFACE project, which aims to enable equal electricity market access for demand response resources and takes advantage of demand response across distribution service operators' boundaries where its value is the highest. At the same time, the project will establish common practices for the industry with regard to demand response.

#### 2020

• Demand response pilot project

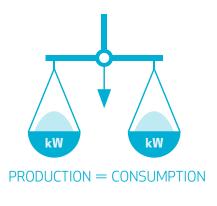
#### 2025

- Demand response for customers enabled by new electricity meters
- More extensive use of battery packs to reduce the duration of power outages
- Development of national and European demand response market solutions

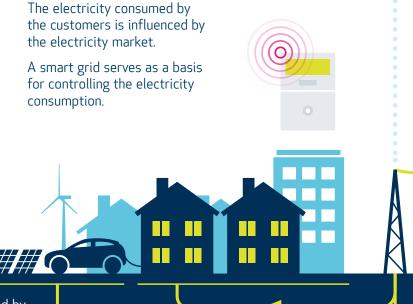
#### 2030

- European demand response solutions work in harmony
- The needs of network companies are managed efficiently
- Customers and energy industry have new opportunities available to them

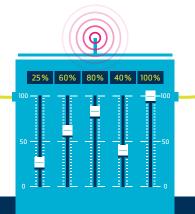
## MARKET PLACE ENABLES CHANGES IN ENERGY SECTOR AND CUSTOMERS' PARTICIPATION



The consumption and the production of electricity must be in balance.



An intelligent electricity market optimises the customers' electricity consumption automatically.





A smart grid enables virtual power plants and promotes the emergence of environmentally friendly electricity markets.

Power generated by the customers into the electricity network.

**PRODUCTION** 

The increase in renewable weather-

dependent electricity production, such

as wind and solar power, increases the

demand for flexibility in consumption

and utilisation of batteries.

COORDINATION

## **ELENIA'S SMART GRID ENABLES MARKET FLEXIBILITY**

### REMOTE CONTROL **OF CONSUMPTION**

In the future, more real-time remote control of electricity consumption will enable customers to agree with a market player that the electric load of their household is controlled, which leads to financial gains for them.

A new smart electricity consumption metering system enables customers to participate in the flexibility markets with the help of remote control of electricity consumption as well as a continuous development of the entire energy system.

#### **ELENIA**

EMERGENCY POWER

As a distribution system operator, Elenia is responsible for electricity distribution and maintaining the electricity network. A smart grid functions as a service platform in the transformation towards a more distributed low-carbon energy system.

#### **ELECTRICITY MARKETS**

Electricity markets consist of a collaboration between electricity producers, distribution system operators and electricity suppliers. New operators who utilise the possibility to control consumption remotely and offer flexibility to balance variations in production are entering the market.

MARKETSUPPLY

#### **ENERGY SYSTEM**

The energy system comprises the smart grid, electricity production and electricity consumption.

## **ELECTRICITY STORAGES**

A bank of batteries placed in an electricity network enables the utilisation of stored electricity in fault situations in the electricity network as a back-up power source for customers as well as a reserve for the electricity markets which stabilises variations in production and consumption.

#### **SMART METERING SYSTEM**

## **MARKET PLAYERS**

Market players, such as suppliers, carry out the exchange of electricity on the electricity markets.

# EleniaGO – crowdsourced maintenance and network management

In May 2021, we released EleniaGO, a location-based mobile game in which players score points by taking photos of link boxes and transformer substations. The game motivates people to be physically active and spend time outdoors, while the photos help us monitor the condition of our electricity network. Players can spend the points they earn on product prizes or to have a tree planted as part of the Taimiteko project.

Over a period of eight months, players took nearly 35,000 photos across our network area, which spans five regions. The photos provide up-to-date information on the condition of the electricity network and enable us to carry out proactive repairs before there are any interruptions in electricity distribution. In our normal maintenance activities, we conduct inspections at intervals of 6-8 years. EleniaGO can provide us with photos as often as

every week. We have carried out immediate maintenance and repairs at over 30 locations based on the players' observations. The number of observations requiring less urgent maintenance intervention is much higher.

The game gives players the opportunity to participate in the maintenance of network infrastructure that is important for their community while also increasing safety awareness related to the electricity network. The photos submitted by the players are available to our contractor partners. The information the photos provide helps avoid unnecessary driving in electricity network design, maintenance and fault management activities. We use artificial intelligence to analyse the photos and identify deficiencies in network components, which enhances maintenance planning and the regulatory compliance of the electricity network.

IN ELENIAGO THE SUPER HEROS OF ELECTRICITY NETWORK CONQUER THE SABOTEURS THREATENING ELECTICITY DISTRIBUTION.





# INTERNATIONAL RECOGNITION FOR ELENIAGO

EleniaGO has received positive reactions from users and energy industry operators in Finland and internationally. Eurelectric, the federation for the European electricity industry, highlighted EleniaGO as an example of best practices in engaging customers in the energy transition. EleniaGO also received an honourable mention in the Quality Innovation Award competition organised by Excellence Finland. Pauliina Salovaara, Project Manager for EleniaGO, and Harri Salomäki, Unit Manager for Partnerships and Innovations, received the diploma of honour.





# SOCIAL IMPACT

We create value for society. We promote the zero-carbon electrification of society.











	20	2022	
VISION TARGET 2035	TARGET	RESULT	TARGET
The amount of electricity fed to customers: 7.3 TWh and renewable energy fed into the network: 7.3 TWh	New indicator	Renewable energy production 1.9 TWh Energy consumption	Renewable ener production: 2.4 TWh Energy consumption:





# Promoting the zerocarbon electrification of society

We create value for society. We distribute electricity to 435,000 customers in approximately one hundred municipalities. We are present, as a reliable partner, in the daily lives of our customers, landowners, municipalities and other stakeholders.

We promote the zero-carbon electrification of society and we are committed to ambitious climate targets. We create jobs and well-being through our investments aimed at upgrading the ageing electricity network and facilitating the use of renewables.

At the heart of our work is the continuous development of society and long-term cooperation with our partners, which strengthens local vitality, entrepreneurship and employment. We view sustainable operating practices as a prerequisite for cooperation, and we do not compromise on them.



## Elenia's value creation in 2021

We have identified the value that we create regarding society, economy, environment as well as social aspects.

## **CREATED VALUE** AND IMPACTS

#### **BUSINESS MODEL**

Vision, mission and strategy Management model Values

## **RESOURCES AND INPUTS**



#### **CUSTOMER VALUE**

Electricity distribution to 435,000 customers Reliability of electricity

distribution 99.98% Customer experience NPS 53

Number of small-scale production customers 6,607

#### **PARTNERSHIPS**

Over 1,000 Significant local employment effect

#### **ECONOMIC VALUE**

Electricity network investments EUR 172.2 million Group EBITDA EUR 214.8 million

Taxes and levies EUR 15.9 million Electricity tax and VAT collected

EUR 168.9 million

#### CIRCULAR ECONOMY AND EMISSIONS

Recycling and energy recovery of materials from the old overhead line network

CO<sub>2</sub> emissions: (Scope1) 464 tCO<sub>2</sub>e, (Scope2) 72,478 tCO<sub>2</sub>e, (Scope3) 121,350 tCO<sub>2</sub>e

Share of renewable energy of the total electricity connected to the network 30%

#### **SOCIAL VALUE**

The reliability of electricity distribution, the renewal and weatherproofing of the ageing network

The development of multichannel customer service, a first-class customer experience

Innovation development

Direct and indirect employment

Employee experience 74.6

Elenia's and its partners' joint lost time injury frequency (LTIF) 9.5

Brand equity

#### **BUSINESS PROCESSES**

#### **ELECTRICITY DISTRIBUTION BUSINESS**

Quality of delivery process Delivery of electricity process

Outage management process

Connection and additional services process

#### SERVICE BUSINESS

Energy sector customer service concept

Procurement and construction management services

Fibre optic business

#### **SERVICES**

Electricity supplied to customers 6,643 GWh

New electricity connections

Connecting renewable energy to the network E-services

Energy sector customer service

Fibre optic connections and fibre

#### SUPPORT FUNCTIONS

Risk Management

Cybersecure ICT Solutions and Services

## **PERSONNEL** AND COMPETENCE

Personnel FTE 303

Training hours 15 h/person/year University degree 73%

## **PARTNERSHIPS**

Contractors Service Providers

Suppliers

ICT partners

Stakeholders

Investors Public affairs

## **ELECTRICITY NETWORK**

76.100 km of electricity networks Customers covered by the quality requirements 78%

Weatherproof network share 58.5%

### **ECONOMIC**

Issued bonds EUR 1.8 billion Adjusted equity tied up in electricity network operations EUR 1.7 billion\*

Credit rating BBB (S&P)

## INTANGIBLE

Smart grid innovations, network licence, certificates related to occupational health and safety, environmental management and asset management, customer and network data, brand

## **NATURAL RESOURCES**

Purchased cables contain 4,485 tonnes of aluminium, 5,206 tonnes of PE plastic and 145 tonnes of copper, transformers contain 464 tonnes of oil Network losses 308 GWh

# The share of renewable electricity is growing in Elenia's network

All energy industry participants are affected by the energy transition, where the aim is to replace fossil fuels with renewable energy sources. Wind is a renewable and zero-emission energy source, which generates practically CO<sub>2</sub>-free electricity. Technological development has lowered the production costs of wind power. According to studies carried out by Lappeenranta-Lahti University of Technology, onshore wind power is the most economically viable way to generate electricity in Finland. The electrification of society and the growing consumption of electricity will drive tremendous growth in wind power capacity in the next few years. Solar power production has also increased rapidly throughout Finland over the past years.

We contribute to the mitigation of climate change. According to the vision target we have set, by 2035, the amount of renewable electricity fed into our network will equal the amount of electricity distributed in our network, which is estimated to be 7.3 terawatt hours. This would represent a fourfold growth in the amount of renewable electricity fed into Elenia's network compared to the current level. This target can be achieved if we are able to respond to the demand for connecting wind power to the network. There are plans for the development of large quantities of wind power in Elenia's network area in the coming years. At present, just over one-fifth of Finland's total wind power capacity is connected to Elenia's network.

We connect wind farms to Elenia's transmission line network to the extent that the network capacity allows it. When the network capacity is fully used, connections cannot be implemented safely. If the capacity is not sufficient, the options are to either strengthen the network or to connect the wind farm to a different part of the system, such as the main grid. Shortages in capacity may even lead to wind farm projects not being implemented. We actively seek solutions for developing our network to enable wind farm connections.

## Six new connection contracts and six new wind farms

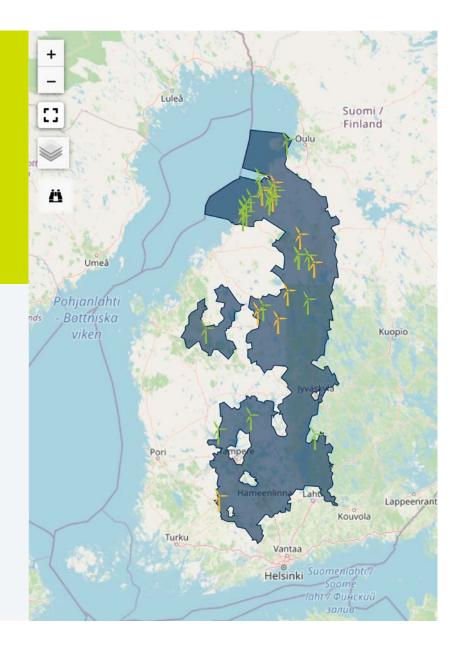
In 2021, we signed six new 110-kilovolt wind power connection contracts with our customers, which increase the amount of wind power in our network by approximately 300 megawatts. The amount of wind power connected to Elenia's network increased by 222 megawatts. At the end of the year, 752 megawatts of wind power was connected to Elenia's network in total. We connected six new wind farms to our network, and electricity producers fed a record amount of renewable electricity, 2,004 GWh, to Elenia's network. This represented approximately 30 per cent of the total electricity distributed by Elenia to its customers.



WIND FARMS **CONNECTED TO ELENIA'S NETWORK** ON THE MAP

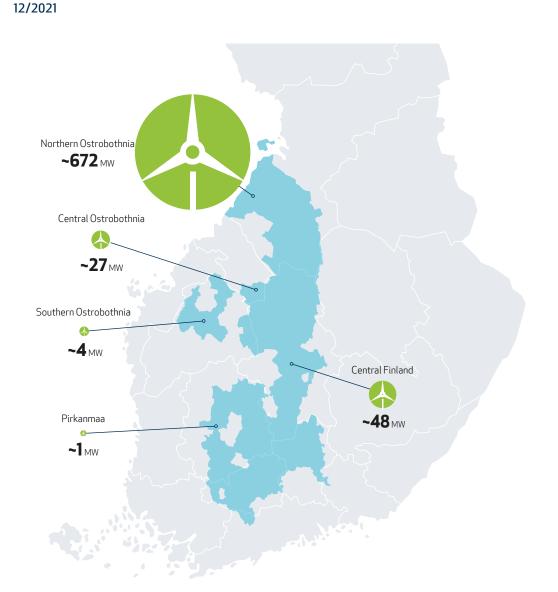
As wind farms appear in the landscape, people's interest in wind power increases. We provide a map service on our website to present an overall view of the wind farms connected to Elenia's network as well as individual turbines. The map can be searched by the name of the wind farm or by municipality. The map was implemented in cooperation with Ethawind and published in December 2021.

The map is available in Finnish.



WIND POWER IN ELENIA'S NETWORK Approximately a fifth of all Finnish wind power is connected to Elenia's network

~752<sub>MW</sub>





FLEXIBLE SOLUTIONS
ENABLED THE START
OF PRODUCTION AT THE
OLTAVA WIND FARM



Connecting the Oltava wind farm, located in Pyhäjoki in North Ostrobothnia, to the network required flexibility and creative solutions from both Elenia and the customer, Taaleri Energia. Consisting of 19 wind turbines, the Oltava wind farm is located in the same region as most of the wind power connected to Elenia's network. The electricity network in the region was already under quite a heavy load, and connecting the new wind farm to the network safely proved to be challenging.

The chosen solution involved Taaleri Energia dividing the wind farm into two power plant units that, under normal conditions, feed electricity into different directions in the network, which means the load is divided between different parts of the network. Elenia built a switching substation at the wind farm's connection point to ensure that the wind power could be divided safely without having to strengthen the network. This unusual solution made it possible to implement the wind farm at the

planned scale. The new switching station also improved the usability of the electricity network in the area.

"We incurred some additional costs in the investment stage due to the construction of two power plant units, but the solution ensures that the wind farm can operate at least at partial capacity in different network switching situations. Both now and especially in the long run, this increases production compared to the conventional implementation of using a single connection point, and it also significantly improves reliability," says Electrical Operations Manager **Tuomas Kupila** from Taaleri Energia.

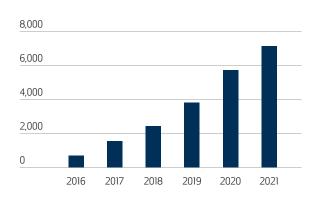
At the time of its completion, the Oltava wind farm was the largest wind farm connected to Elenia's network. The wind farm's highest wind turbine reaches a height of 220 metres. The wind farm's annual output of 290 gigawatt hours corresponds to the annual electricity consumption of 35,000 households.

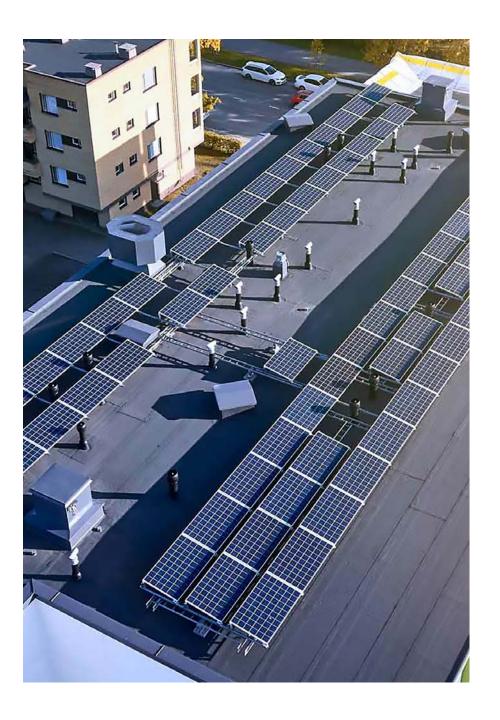
## The growth of solar power slowed down

Solar power production has increased rapidly throughout Finland over the past years. However, there was a departure from that trend in 2021. The installation volumes of solar power equipment decreased for the first time since their popularity first began to grow in the 2010s. While the number of installations decreased, the total capacity of the installed solar power equipment increased from the previous year, which indicates that the installed equipment had a higher capacity per installation.

One of our goals for 2021 was to introduce a compensation calculation service that improves the profitability of solar power investments by housing companies. However, we had to prioritise our development resources and we were not able to launch the service according to the intended schedule. Our efforts to implement the compensation calculation service will continue in 2022 and the service will be launched at the beginning of 2023 at the latest.

### NUMBER OF SOLAR POWER DEVICES IN ELENIA'S NETWORK (PCS)

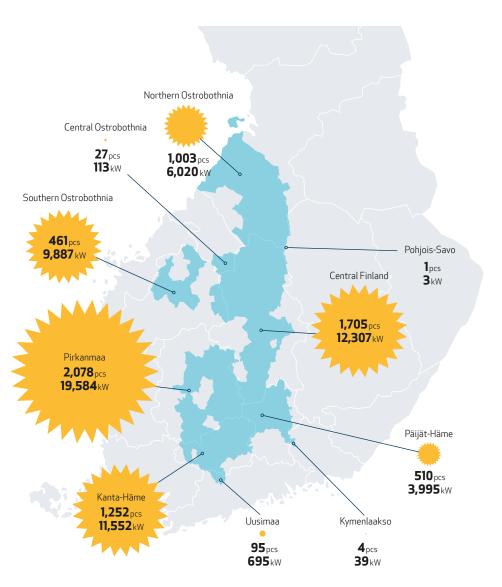




## **SOLAR POWER IN ELENIA'S NETWORK**

Solar power connected to Elenia's network was totally

1/2022



# Four electrification scenarios in the Elenia region

In 2021, we prepared scenarios with AFRY Management Consulting to gain an idea of how regional demographic development, electrification and the growth of power generation that varies by weather will affect the amount of electricity distributed and power needs in Elenia's network area. The work was based on the report by the Government Office on the effects of the carbon neutrality target on the electricity system and its sources: Low-carbon roadmaps for energy-intensive sectors, data from the roadmap project on fossil-free transport by the Ministry of Transport and Communications, and the national energy and climate strategies of the EU countries.

Based on the scenarios, historical data and changes in the operating environment, we defined our responsibility vision for 2035 regarding the electricity consumption of customers and renewable energy production.

#### Scenarios used as the basis for forecasts

- 1) Moderate electrification reflecting minor changes from the current situation
- 2) Flexible electrification reflecting the level of development required by the carbon neutrality targets and the increased demand response potential
- 3) Non-flexible electrification reflecting the level of development required by the carbon neutrality targets, without the increased demand response potential
- 4) Strong electrification reflecting significant electrification, growth in renewable production and a strong increase in demand response potential.

## Main findings of the forecasts

The most probable scenario is Flexible electrification, according to which the gross consumption in the Elenia network area will increase by approximately 12 per cent by 2035. Electricity consumption will increase, in particular, by the electrification of energy-intensive sectors, transport and heating. The consumption will be reduced by downward demographic trends and improved energy efficiency.

In all scenarios, the population of the Elenia network area will decrease, while the electricity consumption will increase, especially due to the electrification of industry and transport. The increase in wind power increases electricity production in every scenario. In terms of consumption, solar power is likely to reduce the distribution volume. In particular, demand response consumption can be used to reduce power peaks in solar power generation. In order to achieve the demand response target, the electricity sector needs shared rules regarding, for example, the exchange of information and security of supply.

The population is expected to decrease by about 5 per cent in the Elenia network area by 2035, most in North Ostrobothnia and Päijät-Häme. Growth will be the strongest around Tampere and Seinäjoki, but the overall population will decrease also in these regions. Demographic changes do not directly mean a decrease in the number of places where electricity is used. The pandemic has brought about a revival in rural areas. The permanent effects of this were not included in the assessment.

Wind power capacity is expected to triple in 10 years. Additional capacity is expected especially in North Ostrobothnia and Central Finland. Wind power requires investment in the high-voltage distribution network. Solar power generation will increase at least six-fold. Growth is likely to be the strongest in the Elenia regions of Pirkanmaa and Kanta-Häme. Solar power is not a problem in urban and densely populated areas, as the consumption volume is likely to be close to the production volume.



Regulatory methods for the years

2024-2027 and 2028-2031

in process.

# Unexpected regulatory changes created concerns over continuity

Following amendments to the Electricity Market Act that entered into force on 1 August 2021, the Energy Authority changed its regulation methods, which had been confirmed in 2015, in the middle of the current regulatory period that will last until the end of 2023. The Energy Authority normally monitors the reasonable profits of network companies in periods of four years and establishes regulation

methods in advance for a period of eight years. The change in the regulation methods in the middle of the regulatory period is wholly exceptional. Furthermore, it undermines the confidence of distribution system operators and their stakeholders, such as the financial sector, in

the Energy Authority and the continuity of regulation.

Our view is that the negative public discussion around electricity distribution pricing for the past several years led to the change, which superseded the security of supply requirements for electricity distribution stipulated by the previous Electricity Market Act and the need to develop the electricity network. The construction of new electricity networks takes decades, and the electricity networks serve customers for as long as 60 years, so the development of distribution fees must also be assessed with a long-term view.

The changes to the regulatory model in the middle of the regulatory period dramatically reduced the predictability necessary for investment planning, forcing Elenia to reduce its planned investments for 2022 by over EUR 40 million and postponing work planned for 2023 to subsequent years.

This has a direct negative impact on the amount of work offered to contracting partners and the value of orders from cable and equipment manufacturers. For example, the

> employment effect of the projects to replace and deploy electricity meters will be half of the previously planned level. The changes in regulatory methods in the middle of the regulatory period have caused grave concerns at Elenia, and among the company's part-

ners, with regard to the continuity of work. Like other distribution system operators, we are seeking repeal from the Market Court against the decisions of the Energy Author-

In December 2021, the Energy Authority started a process to develop regulatory methods for the sixth (2024– 2027) and seventh (2028–2031) regulatory periods. Elenia is actively involved in the process. According to the Energy Authority, the new regulatory methods will not deviate significantly from the previous methods and any changes will be minor. We firmly believe that the regulatory methods help distribution system operators continue to develop critical basic infrastructure.

# The installation of new smart meters began

As the amount of renewable electricity grows and society's demand for electricity increases, so does the need for the renewal of the electricity system and the implementation of smart technology. Increasing fluctuations in electricity production, on the one hand, and the significant growth in the demand for electricity, on the other, require the electricity system and market to be even more flexible and real-time. Elenia's new smart electricity metering system promotes the development of the electricity market and provides improved conditions for demand response solutions as next-generation electricity meters are installed. Our renewal of the metering system will see us replace the electricity meters for approximately 400,000 customers during the period 2021–2025.

We successfully completed the first stage of the deployment of the new metering system and test installations of next-generation smart meters in early 2021. We started the project of installing next-generation electricity meters in the Pirkanmaa and South Ostrobothnia regions in September. During the latter part of the year, we installed new electricity meters for 24,524 customers. The need to establish operating processes in the early stage of the project resulted in the number of electricity meters installed fell short of the original target of 40,000.

Elenia was forced to reduce its planned investments for 2022 following the Energy Authority's decision to change, quite exceptionally, the regulatory methods of the electricity network business in the middle of the regulatory period in 2021. As a result, the number of new electricity meters to be installed in 2022 will be only half of what was the originally planned. The change in the schedule means that the completion of the project will be postponed to the end of 2025.



#### SOCIAL IMPACT

# The construction and maintenance of the weatherproof network has significant employment impact

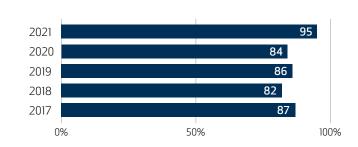


PROCUREMENT OF CONTRACTING SERVICES 2021 (%)



## THE FLUENCY OF COOPERATION WITH ELENIA

The cooperation works "well" or "very well" - the respondents' share (%)



Our operations are based on partner networks and close cooperation, which enables long-term joint development. We purchase contracting and advisory services for the construction and maintenance of the electricity and fibre network. We also make purchases from Finnish and international suppliers of materials and systems.

The underground cabling and maintenance of Elenia's electricity network and the construction of the fibre optic network have generated thousands of person-years of work in the five regions covered by Elenia's network area. In 2021, Elenia purchased contracting and advisory services from approximately 70 companies in the construction and maintenance of the electricity and fibre network, with the annual employment effect being approximately 1,000 person-years. Roughly 50 of the partner companies are SMEs, which create jobs locally and strengthen the vitality of their respective regions. SMEs accounted for just under two-thirds of the annual purchasing volume of EUR 90 million for contracting services. Our target is to keep the share of SMEs at 50 per cent of the total purchasing of contracting services at a minimum.

## Employment for various professional groups

The construction and maintenance of the electricity network requires the expertise of various professional groups. The construction of the weatherproof network employs professionals in the earthworks business in particular. Another large group consists of electrical professionals, whose duties include network connection work and maintenance. Forest workers clear trees along overhead lines and manage adjacent forests. In addition, Ele-

nia's various projects employ experts in logistics, planning and permit processes, as well as recycling professionals. Material procurement also has an indirect employment effect for Finnish electrical industry companies that manufacture components and equipment.

## Regional partners provide local expertise

Elenia's regional partners operate locally in areas such as the construction of the electricity network and connections, network maintenance, customer service duties in the field and fault management in response to power outages. The construction of new residential neighbourhoods, the high activity in detached house construction and the electrification of summer cottages required the construction of new electricity connections, which had a significant employment effect for Elenia's regional partners in 2021.

In the planning of network construction operations, we adjust the construction activity according to the seasonal variation. For example, when the ground is frozen, we can focus on the demolition of old overhead lines instead of earthworks operations.

## Satisfied partners enable our success

We monitor the quality and performance of our partners with KPIs that cover safety, customer satisfaction, the quality of work and delivery times, for example. Long-term monitoring has enabled us to work together with our regional and project partners to improve occupational safety, the quality of work and efficiency. The quality and performance of our regional partners was the highest on record in 2021.

#### SOCIAL IMPACT

# The construction and maintenance of the weatherproof network has significant employment impact

We also measure satisfaction amongst our partners annually to assess their perceptions regarding cooperation with us. In 2021, we expanded the satisfaction surveys to also include our IT partners in addition to our contracting partners and material suppliers. The satisfaction scores reflecting the smoothness of cooperation have been at a high level for a long time, and our scores in 2021 were the highest on record. Nearly half of the respondents indicated that their cooperation with Elenia had improved from the previous year.

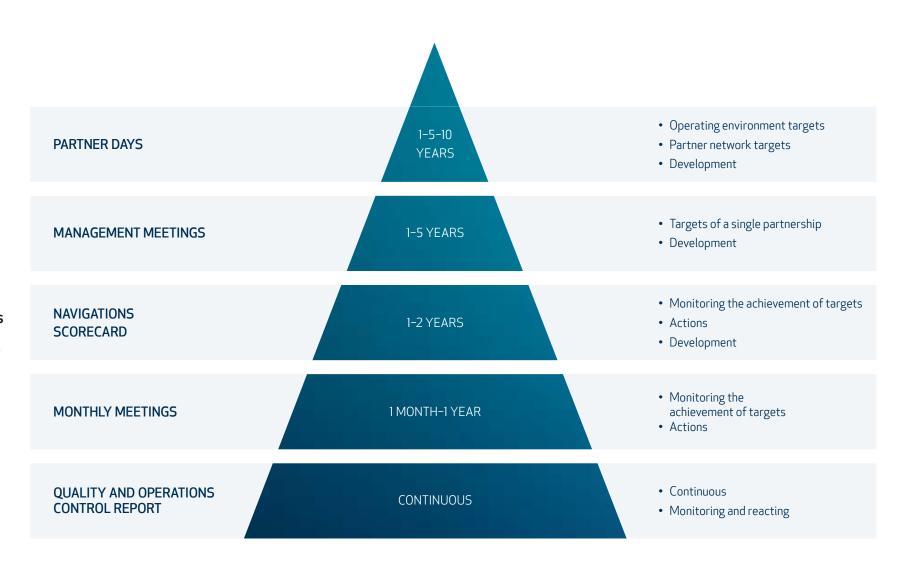
We achieved particularly high scores for our focus on occupational safety and the ease of getting in touch with our contact persons. The area with most improvement needs was our ability to understand our partner's business, although 43 per cent of the survey respondents indicated that we had improved in this respect compared to the previous year. Development needs were also discovered in the smoothness and openness of communication between Elenia and our partners. Our partners particularly wish for a long-term approach that enables the development of operations.

## Our monitoring of the grey economy exceeds the legal requirements

The main contractors involved in Elenia's construction projects and all of the participating subcontractors are required to join the Reliable Partner service. We want to ensure that our partner companies fulfil their statutory obligations as contracting parties and employers. By requiring that subcontractors also join the service, we ensure, more extensively than required by law, that all the companies in our partner network operate appropriately and that their information is up to date. In contractual relationships, we have addressed negligence in relation to, for example, tax in default and unpaid pension insurance contributions. At present, Elenia's Reliable Partner service continuously monitors 270 companies that operate in various roles at our construction sites.

#### PARTNER COOPERATION

Our regular partner cooperation is based on the cooperation and management model described below.



# Elenia's tax footprint exceeded EUR 184 million

Elenia creates economic value added for society and stakeholders in various ways. The salaries and remuneration paid to the Group's personnel totalled EUR 12.3 million. Of Elenia's total investments in 2021, a third was allocated to Pirkanmaa, 25 per cent to Central Finland, and approximately 15 per cent each to North Ostrobothnia and Kanta-Häme.

Elenia pays all of its taxes to Finland. In 2021, the company's tax footprint totalled EUR 184.8 million, including

taxes collected and paid by Elenia and taxes remitted to the state.

The collection of electricity tax is prescribed to be carried out by distribution system operators by law, with the Parliament deciding the tax rate. Distribution system operators charge their customers for electricity tax and value added tax in conjunction with the distribution fee, and subsequently remit them to society. The taxes and tax-like charges do not show up in Elenia's income statement. Instead, the company serves as a pass-through entity for invoicing.

Electricity tax represents the largest share of Elenia's tax footprint. In 2021, Elenia collected and remitted a total of EUR 108 million to the state in electricity taxes. With regard to value added tax, the company remitted the net sum of paid and charged taxes. Last year, Elenia

collected and remitted a total of FUR 1741 million in taxes and tax-like charges.

Based on its income for the financial year 2021, Elenia paid EUR 5.4 million in taxes. The paid corporate income tax includes advance payments made during the year, final taxes for previous financial years and allocated taxes, but not deferred taxes.

The Energy Authority supervises distribution system operators, and the statutory electricity and natural gas network fees that it charged from all distribution system operators in Finland totalled approximately EUR 4.0 million in 2021. Elenia's share of these fees was just over 10 per cent, or approximately EUR 400,000.

To finance its investment programme, Elenia had approximately EUR 1.8 billion in interest-bearing liabilities from international institutional investors and financial institutions at the end of 2021.

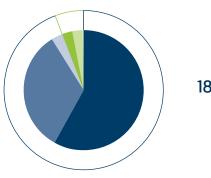
# ILLUSTRATIVE DIAGRAM ON ELENIA'S VALUE CREATION AND VALUE DISTRIBUTION IN 2021 (MILJ. €)

Value creation	
Electricity tax	108.0
Revenues from customers	341.0
Total	449.0

Value distribution	
Society*	118.6
Investments	156.6
Elenia's partners	91.9
Banks, other financiers and owners	69.6
Personnel	12.3
Total	449.0

<sup>\*</sup> includes taxes and tax-like items such as electricity tax, income tax, but not value added tax. The full tax footprint is depcited in a separrate diagram

### TAX FOOTPRINT 2021 (M€)



total 184.8 M€

# Taxes collected and remitted by Elenia

•	Electricity tax	108.0
	Value added tax	60.9
	Withheld taxes and sickness insurance contributions	5.2
	total	174.1

# Taxes and fares paid by Elenia

Corporate income tax	. 5.4
Pension insurance contributions	. 4.9
Network payment	. 0.4
total	10.7



# Wide-ranging stakeholder engagement nationally and locally

We engage in diverse cooperation with national and regional stakeholders and locally, close to our customers. Our goal is to develop our cooperation with various stakeholders in order to better respond to their and the society's needs and expectations by arranging local stakeholder events in our own network area.

# Close cooperation with municipalities

Elenia's network area covers approximately 100 municipalities. Municipalities interact with us in various roles. They are customers, landowners, public authorities and partners for Elenia. We regularly meet with the representatives of municipalities in these various roles. We organised meetings at a municipal level with 10 municipalities in 2021. These cooperation meetings were focused on the management of the municipality's customer relationship, increasing joint construction and promoting progress on topical matters. We also had regular meetings with municipalities in connection with various projects.

Our goal for 2021 was to create a dedicated section for municipalities on Elenia's website to make it easier for them to use our services and contact us. These services for municipalities will be launched in 2022.

# Equal practices in land use agreements

Efficient land use and permit practices are a precondition for the smooth construction of the electricity network. Each year, we conclude approximately 17,000 agreements and permits concerning land use with private landowners as well as municipalities and various public authorities. Our goal is for land use agreements to be based on voluntariness on behalf of the parties involved, as well as equal and fair practices.

Permit processes were characterised by good cooperation in 2021. Only a fraction of the negotiations led to a location procedure pursuant to the Land Use and Building Act. The smooth cooperation reflects Elenia's long-term collaboration with the Central Union of Agricultural Producers and Forest Owners and other stakeholders as well as the regular reviewing of satisfaction surveys. We hold regular meetings with the Central Union of Agricultural Producers and Forest Owners, and we are part of the customer forum of the Centre for Economic Development, Transport and the Environment, and the Finnish Transport Infrastructure Agency. We monitor the process of drafting amendments to the Land Use and Building Act and the Act on the Redemption of Immoveable Property and Special Rights by participating in the industry's development groups.



MOVEMENT TO CHILDREN AND WELL-BEING TO THE EMPLOYEES

In 2021, we launched a cooperation with the Finnish Olympic Committee related to the Lasten Liike (Children's Movement) initiative to provide local support for children's physical activity. Elenia's support made it possible to start 20 free-of-charge sports clubs in Kalajoki, Laukaa and Lempäälä. The clubs provide children with fun, safe and sports-oriented activities after school. As part of the cooperation with the Finnish Olympic Committee, Elenia's employees have also received sports coaching to improve their well-being at work.



# LOCAL CLUBS DELIVERED **ELENIA'S CUSTOMER BULLETINS**



In 2021, we continued to use local recreational clubs to deliver Elenia Weatherproof customer bulletins. Customer bulletins were delivered through this local cooperation arrangement in 11 network construction projects, with seven clubs delivering bulletins to customers regarding projects starting in their area. This way, we helped the clubs raise funds for their activities. Many thanks to the active clubs for helping us with our customer service!



# ELENIA HELPED KEEP CHILDREN SAFE ON THEIR JOURNEYS TO SCHOOL



Responsibility is also a high priority for us when it comes to road safety. In autumn 2021, we carried out a road safety campaign focused on visibility in the dark, targeted at primary schools in our network area. We worked together with schools, teachers and parents to improve the safety of first graders when walking along roads when it gets dark.

The participating school pupils produced various types of art on the theme of "Shining in the Dark". We compiled hundreds of pictures into an exhibition and featured it in our various communications channels. To thank them for their participation, we sent reflectors to all of the pupils who took part in the campaign.

In 2021, we also continued the "Safe Journeys to School" road safety campaign that we also contributed to in the previous year. This time, we kept children safe on their way to school in Saarijärvi in the first week of the school term in August. This was achieved through traffic control in collaboration with our partner TLT-Connection.



# PLANTING SAPLINGS COMBINES CLIMATE ACTION WITH PROVIDING WORK FOR YOUNG PEOPLE



We continued our cooperation with the 4H Taimiteko reforestation project, which involves planting saplings in exchange for our customers adopting e-invoicing and electronic signatures. The saplings are planted in old line corridors on land owned by private landowners. The landowners are happy to participate, as the planting of the saplings is free of charge for them. Planting the saplings accelerates the reforestation of line corridors where the overhead lines have been dismantled as part of the renewal of the electricity network. The planting is done by members of the 4H youth organisation. In 2021, Elenia facilitated the planting of 23,000 saplings in Pyhäjärvi and Saarijärvi, over an area of approximately 12 hectares. Elenia has planted 35,000 saplings during the past two years.



# Extensive cooperation

STAKEHOLDERS

**OPERATING ENVIRONMENT** 

# OWNERS AND INVESTORS

Sustainable network development Management of network assets

#### **INFRASTRUCTURE NETWORK OWNERS**

Parties responsible for road infrastructure maintenance
Telecom and broadband operators
Water utilities

# CONTRACTORS, MATERIALS SUPPLIERS AND OTHER PARTNERS

Quality and efficiency of service and electricity distribution

### REGULATION

EU legislation and regulations Energy policy Regulation of network companies

#### SOCIETY

Security of electricity distribution Sustainable network development Promoting energy efficiency Schools and future talents

#### **AUTHORITIES AND ORGANISATIONS**

E.g. Ministry of Economic Affairs and Employment; Energy Authority; Finnish Safety and Chemicals Agency; Centres for Economic Development, Transport and the Environment; Regional State Administrative Agencies; Central Union of Agricultural Producers and Forest Owners; rescue authorities; trade unions

#### PERSONNEL



#### SAFETY

Customer safety
Occupational health and safety, wellbeing at work
Cybersecurity
Security of supply

### **ELECTRICITY MARKETS**

Market parties Renewable energy production Decentralised small-scale production

#### -

Informational services Reputation management Employer image

**PUBLICITY** 

#### **CUSTOMERS**

Quality and efficiency of service and electricity distribution Promoting energy efficiency

#### COMPETITORS

Continuous renewal Improving efficiency

#### **CITIES AND MUNICIPALITIES**

As customers
As partners
As authorities

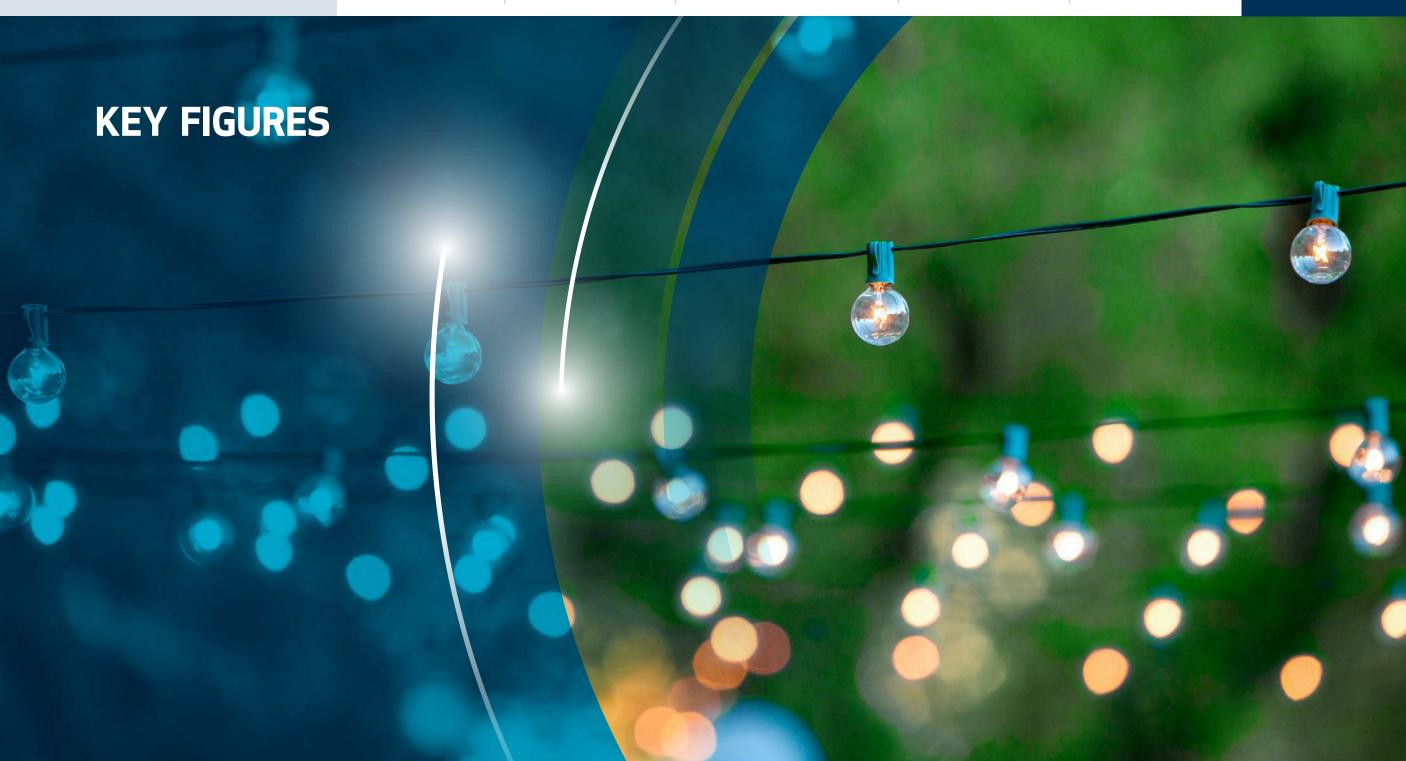
# TECHNOLOGICAL DEVELOPMENT AND DIGITAL TRANSFORMATION

Technology dependence Service automation Rate of change

### **ENVIRONMENT**

Electricity network lifecycle management
Material and logistics management
Responsible land use
Circular economy and of recycling materials

ELENIA AND SUSTAINABILITY 2021 77 KEY FIGURES



ELENIA AND SUSTAINABILITY 2021 78 **KEY FIGURES** 

# Reporting principles

Elenia and Sustainability 2021 is Elenia's fourth sustainability report. It covers information on Elenia Oy and its wholly-owned subsidiary Elenia Verkko Oyj, which is a distribution system operator. The Group's reporting also encompasses the 2021 Annual Review, which contains the financial information for the Group and its parent company Elenia Oy.



### Elenia's interim- and annual reports

We have followed the principles of the Global Reporting Initiative (GRI) as well as the GRI Electric Utilities Sector Supplement concerning themes that we consider material. Ramboll has conducted an external check for this report. The report is aligned with GRI Standards (Core).

The reporting also takes into account the requirements of the Sustainability Accounting Standards Board (SASB). Information on SASB conformity is presented in a separate table at the end of the report, on page 87.

# Changes in the organisation and reporting

Elenia Group simplified its group structure on 1 July 2020. The distribution system operator Elenia Oy and Elenia Finance Oyi merged with Elenia Verkko Oyj. At the same time, the name of the service company Elenia Palvelut Oy was changed to Elenia Ltd and the company became the parent company of the Elenia Group. Company-specific disclosures, such as the number of employees, for previous periods have not been adjusted to correspond to the current organisational structure.

Elenia's Vierumäki Valmisvalo street light service, located in Vierumäki, was divested at the end of January 2021.

Changes in the reported key figures are mentioned separately in connection with the figures in question.

# Defining the report content

The content of this report and the selected key figures are based on Elenia's sustainability programme, the additional specifications made to the programme in 2021 and the targets set under the programme. The materiality matrix was updated in 2020.

# Data measurement, calculation and reporting principles

This reporting covers the year 2021 and, with regard to key information, the development seen in previous years. The information has been compiled internally by our experts and forwarded to Elenia's communications department, which then compiled this report.

As we move forward with our sustainability efforts, we will further develop our performance indicators and data collection methods and potentially increase their specificity. Changes in the calculation or reporting methods are described separately in connection with the information in auestion.

#### Personnel and safety

The figures concerning the Group's own personnel include Elenia's own employees and the leased employees at Elenia Ltd. The number of safety observations includes the observations that our employees, partners and other stakeholders have reported through various channels. Our contractual partners also report occupational accident information for any subcontracting chains they use.

#### Energy

Information about the distribution and consumption of energy is based on measurement data. Electrical energy consumption includes losses in Elenia's network as well as the company's own electricity consumption.

#### Materials and waste

The figures provided for recycled materials mainly depict materials from decommissioned overhead lines that are recycled. This data is compiled in electronic reporting systems in cooperation with our recycling partner.

The amount of waste relative to operating volume (t/km) also includes the waste generated at Elenia's office.

### Greenhouse gas emissions

Greenhouse gas emissions are calculated and reported in accordance with the Greenhouse Gas Protocol (GHG). The reported Scope 1 and 2 emissions and the related energy consumption figures have been subject to third-party assurance. The assurance statement is on page 95 of the report.

We report CO<sub>2</sub> emissions from the following emission sources:

Scope 1 consists of SF6 gas leaks, emissions from the company's leased cars and emissions from the

fuel consumed by stationary reserve capacity equipment (estimated based on the electricity generated). The Scope 1 emissions of Elenia's operations are minor.

**Scope 2** consists of network losses, emissions from own electricity and heating consumption and the electrical energy used by Elenia's Vierumäki Valmisvalo street lights. The Valmisvalo service was divested at the end of January 2021. The reported figures only consist of electrical energy consumed under Elenia's ownership.

The majority of Elenia's indirect Scope 2 emissions result from electricity network losses and are estimated based on electricity balance calculations. The source of the electricity delivered to Elenia is determined in accordance with the residual mix for Finland. According to the information provided by the Energy Authority, the emissions from electricity determined on the basis of the residual mix amounted to 232.41 gCO<sub>2</sub>/kWh in 2020. This was the most recent figure available when this report was completed. This coefficient has been used to calculate emissions for 2020 and 2021.

The emissions for 2019 were calculated using the coefficient of 249.29 g/kWh, which the Energy Authority provided retrospectively. The emissions for 2018 were calculated using the coefficient of 289.67 g/kWh, which the Energy Authority provided retrospectively, while the emissions for 2017 were calculated using the coefficient of 264.04g/

The new residual mix coefficient is usually published in June. The Scope 2 emissions reported in Elenia's 2020 sustainability report have been retrospectively adjusted according to the newer residual mix coefficient. Market-based coefficients have been used for Scope 2 emissions in calculating Elenia's carbon footprint.

**Scope 3**, or other indirect emissions, represent our largest source of emissions. Most of the Scope 3 emissions result from electricity network construction materials, of which the most significant emissions were from the use of aluminium and plastic.

Other significant Scope 3 emissions arose from the CO<sub>2</sub> emissions from electricity distributed in the national grid and the electricity networks of other distribution system operators (the main grid and regional networks) as well as earthworks in electricity network construction. The calculations also take into account purchased products and services, including driving related to maintenance operations, maintenance machines, helicopter flights, regional network and main grid fees and other purchasing.

#### Other emissions into the air and soil

Emissions into soil occur when there are oil leaks from transformers. The data is entered into information systems on a monthly basis and subsequently collected from those systems for reporting. For oil leaks, the number of incidents and the amount of leaked oil (kg) is reported.

The amount (kg) of SF6 refrigerant leaked from electrical equipment is also reported. SF6 is a greenhouse gas and is reported and calculated as part of Elenia's Scope 1 emissions.

#### Financial information

The reported taxes, payments and other financial figures are based on audited data.

ELENIA AND SUSTAINABILITY 2021 79 KEY FIGURES

# Sustainability key figures



# SAFETY AND WELL-BEING AT WORK

# ELENIA PERSONNELL IN FIGURES

	2018	2019	2020	2021
Employees totally (31.12.2021 employees with valid contract.)	360	311*	315	329
Elenia Oy			228	242
Elenia Verkko Oyj			87	87
Number of new employees	10	44**	35	55
Employee turnover (%)	4.8	6.4	6.8	8.2

<sup>\*</sup> Divestment of heat business in 2019

The electricity network company Elenia Oy and Elenia Finance Oyj merged into a company called Elenia Verkko Oyj during summer 2020. At the same time, the name of the service company Elenia Palvelut Oy was changed to Elenia Oy and the company became the parent company of the Elenia Group.

	2020	2021
Male	157	170
Female	158	159
Full-time	300	309
Part-time	15	20
Permanent employees	300	301
Contract	15	28
Average age of employees (31.12.2020)	40.2	39.8

### Gender distribution and monthly salary in differrent job grades and for senior salaried employees 2021

Job grade	Women (%)	Men (%)	Salaries, women €/men € %
3	88	12	100.24
4	55	45	108.98
5	88	12	105.76
6	81	19	103.36
7	68	32	103.98
8	40	60	99.72
9	28	72	97.13
10	0	100	-
Υ	32	68	95.23

Job grades of salaried employees (3–10) and senior salaried employees (Y) according to Collective Agreement TES.

<sup>\*\*</sup> of which 16 in the business transfer

# Sustainability key figures

# SAFETY AND WELL-BEING

Elenia's employees & contractors						Target	Target
	2017	2018	2019	2020	2021	2021	2025
Shared LTIF, Elenia's employees & contractors	10	5.2	5.9	10	9.5	3	2

Elenia's employees	Target	Target					
	2017	2018	2019	2020	2021	2021	2025
Sick leave (Elenia Verkko Oyj)*	1.5	1.2	1.2	2	1.62	<2	1.7
Sick leave (Elenia Oy and Elenia Group Oy)*	4.7	4.4	2.5	3	3.66	<3.8	3
Fatalities, number	0	0	0	0	0	0	0
Lost time injuries (over 30 days sick leave), number	0	0	0	0	0	0	0
Lost time injuries, number	2	0	0	0	0	0	0
Recordable injuries, number	1	0	0	1	0	0	0
Lost Time Injury Frequency,							
LTIF (Injuries / million hours worked)	4.1	0	0	0	0	0	0
Total Recordable Incident Frequency, TRIF (Lost time							
injuries and recordable injuries / million hours worked)	1.2	0	0	1.9	0	0	0
Near misses, number	14	20	20	40	25	0	0
Safety observations**, number	107	126	158	424	751	700	2,000
Commuting accidents***	0	2	0	2	2	0	0

<sup>\*</sup>Elenia's companies changed in 2020. The figures for 2017–2019 have not been adjusted to correspond to the current organization structure \*\*\* Includes safety observations and positive observation, near misses reported separately \*\*\*\* Commuting accidents reporting started in 2020

Elenia's contractors							Target
	2017	2018	2019	2020	2021	2021	2025
Fatalities, number	0	0	0	0	0	0	0
Lost time injuries (over 30 days sick leave), number	1	-	1	5	3	0	0
Lost time injuries, number	16	11	13	16	16	5	4
Recordable injuries, number	25	18	23	26	21	N/A	8
Lost Time Injury Frequency,							
LTIF (Injuries / million hours worked)	12.1	7.0	7.5	13.4	13.6	4.0	3.0
Total Recordable Incident Frequency, TRIF (Lost time							
injuries and recordable injuries / million hours worked)	29.5	18.4	19.8	30.0	28.7	N/A	8.0
Near misses, number	205	236	168	220	271	N/A	300
Safety observations*, number	58	137	157	502	1,171	1,200	3,000
Commuting accident***	1	-	1	1	-	-	_

 $<sup>^{\</sup>star}$  Includes safety observations and positive observation, near misses reported separately  $^{\star\star}$  Commuting accidents reporting started in 2020

Elenia's customers						Target	Target
	2017	2018	2019	2020	2021	2021	2025
Fatalities, number	0	0	0	0	0	0	0
Lost time injuries, number	0	0	0	0	0	0	0
Recordable injuries, number	0	0	0	2	3	0	0
Safety observations*, number	54	73	62	133	140	50	400

<sup>\*</sup> Includes customer related near misses and safety obesrvations

Elenia's other stakeholders						Target	Target
	2017	2018	2019	2020	2021	2021	2025
Fatalities, number	0	0	0	1	0	0	0
Lost time injuries, number	0	0	0	0	0	0	0
Recordable injuries, number	0	0	0	1	4	0	0
Safety observations*, number	24	31	27	99	116	50	100

<sup>\*</sup> Includes stakeholder related near misses and safety obesrvations.

#### KEY FIGURES

# Sustainability key figures



# CUSTOMER EXPERIENCE AND THE QUALITY OF ELECTRICITY NETWORK SERVICES

# NET PROMOTER SCORE, NPS

							Target	Target
	2016	2017	2018	2019	2020	2021	2021	2022
Overall NPS	39	41	36	34	54	53	50	50
Customer service, inbound calls	39	45	44	47	59	55	50	50
Customer service, e-mails	35	44	45	43	43	39	50	50

Elenia Aina's promoter score was decoupled from the overall promoter score in 2020.

# ELENIA'S UNDERGROUND CABLING RATE (%)

														rarget
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
0.4 kV	29%	31%	32%	33%	36%	39%	41%	45%	48%	51%	55%	59%	62%	-
20 kV	7%	8%	9%	12%	15%	19%	23%	27%	32%	38%	44%	50%	56%	54.6%
Entire network	21%	22%	23%	25%	28%	31%	34%	38%	41%	45%	50%	54%	59%	57.7%

# ELENIA'S CUSTOMERS COVERED BY THE QUALITY REQUIREMENTS (%)

											Target	Requirement	Requirement
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021	2028	2036
Zoned areas	29%	36%	41%	51%	58%	65%	74%	81%	85%	87%	-	-	100%
Sparsely populated areas	21%	24%	28%	33%	38%	42%	46%	51%	58%	65%	-	-	100%
Customers total	26%	31%	36%	44%	49%	55%	62%	68%	73%	78%	76.5%	75%	100%

# CUSTOMER EXPERIENCE CSAT (1-4)

		Target	Target
	2021	2021	2022
Network services overall customer experience	3.12	3	3.2
Fault service, inbound calls	3.5	3	3.2
Fault service, online map	2.9	3	3.2
Landowners' satisfaction	3.5	3	3.2
Elenia Säävarma construction	2.8	3	3.2
Connection services	3.3	3	3.2
Elenia Aina	2.3	3	3.2

New uniform measurement was adopted in 2021 regarding all functions of network business.

# RECLAMATIONS IN ELENIA WEATHER-PROOF PROJECTS

				Target
	2019	2020	2021	2021
Nr of reclamations	1,031	909	862	900

# Sustainability key figures

# OUTAGE PERFORMANCE INDEXES

# All outages

	2014	2015	2016	2017	2018	2019	2020	2021
SAIDI	148	659	295	94	95	254	217	111
SAIFI	3.2	6.8	4.2	3.4	3.5	5.3	4.0	3
CAIDI	46	96	70	27	28	48	54	36
MAIFI	10.2	11.3	7.1	5.7	5.5	7.2	4.8	5.4

# Without major disturbancies

	2014	2015	2016	2017	2018	2019	2020	2021
SAIDI	111	109	88	78	95	87	70	67
SAIFI	3.0	3.3	3.3	3.2	3.5	3.2	2.6	2.5
CAIDI	38	33	26	24	28	27	27	27
MAIFI	9.8	8.2	6.7	5.5	5.5	5.3	4.2	4.8

**SAIDI** (System Average Interruption Duration Index)

**SAIFI** (System Average Interruption Frequency Index)

**CAIDI** (Consumer Average Interruption Duration Index )

MAIFI (Momentary Average Interruption Frequency Index)

KEY FIGURES

# FOREST MANAGEMENT (km)

	2017	2018	2019	2020	2021
Low-voltage network clearance (0.4 kV)	5,024	3,483	1,630	989	870
Medium-voltage network clearance (20 kV)	1,872	2,284	3,279	2,290	2,189
Pruning with helicopter (20 kV)	132	82	-	176	-
Forest management in the side areas of medium-voltage network (20 kV)	1,089	720	1,033	380	157
High-voltage network clearance (110 kV)	30	130	187	74	149
Forest management in the border zone of high-voltage network (110 kV)	306	221	97	314	100
Total, km	8,453	6,920	6,226	4,223	3,465

#### **KEY FIGURES**

# Sustainability key figures



# CLIMATE ACTION AND ROLE AS FORERUNNER

# ELENIA'S ENERGY CONSUMPTION (MWh)

	2017	2018	2019	2020	2021
Network losses in Elenia's network	258,863	271,166	272,430	268,336	307,658
Own consumption of network operations	3,574	3,713	3,689	3,521	4,067
Valmisvalo	569	551	550	525	71
Electricity used in Elenia's offices					54
Electricity, total	263,006	275,430	276,669	272,382	311,850
Reserve power generators, used diesel				130	36
Elenia cars, used diesel				151	109
Diesel (reserve power generators, cars)				281	145
Heating in Elenia's offices			144	126	136

Valmisvalo streetlight network in Vierumäki was owned by Elenia, the business was sold 31.1.2021.

The calorific value of the used diesel in MWh, estimated by the number of liters and the electricity generated by reserve power.

# RECYCLED MATERIALS (tn)

	2017	2018	2019	2020	2021
Aluminium	1,322	1,562	1,775	2,220	1,930
Iron	686	715	801	1,190	1,100
Transformers	661	664	861	737	841
Other materials	238	271	418	542	385
Poles	2,259	1,582	2,093	2,469	2,957
Total	5,166	4,793	5,948	7,158	7,212
Nominal waste (tn/km)	1.7	1.4	1.3	1.7	2.1
Material efficiency: the amount of cable ordered relative to the amount of cable installed (%)	94	91	92	96	94
Reuse of decommissioned network materials: directing to be used as raw materials for new products (%)	n/a	n/a	n/a	75	69

# WASTE GENERATED (t)

						Target	Target
	2017	2018	2019	2020	2021	2021	2024
Hazardous*	3,376	3,661	4,576	5,548	5,662	5,000	2,764
Non-hazardous	2,907	3,293	3,938	4,709	4,332	4,000	2,486
Total	6,283	6,954	8,514	10,257	9,994	9,000	5,250

<sup>\*</sup> includes contaminated soil

# WASTE DIVERTED FROM AND DIRECTED TO DISPOSAL (t)

						Target	Target
	2017	2018	2019	2020	2021	2021	2024
Re-use	868	1,894	2,223	2,948	2,627	2,800	1,430
Recycling	2,907	3,211	3,855	4,689	4,255	4,100	2,424
Composting	0	0	0	0	0	0	0
Waste to energy recovery	2,259	1,582	2,093	2,469	2,957	2,000	1,195
Landfill	249	267	343	150	155	100	201
Diverted from landfill (%)	96	96.2	95.8	98.5	98.5	96	96

#### **KEY FIGURES**

# Sustainability key figures

# MATERIALS USED (t)

	2018	2019	2020	2021
Aluminium in purchased cables	4,740	5,130	4,959	4,485
PE plastic in purchased cables	5,040	5,805	5,661	5,206
Copper in purchased cables	17	14	175	145
Oil in transformers	416	426	421	464

# BIRD MARKERS INSTALLED IN THE NETWORK (pcs)

	2017	2018	2019	2020	2021
Bird markers installed	227	309	399	139	299

# **ENVIRONMENTAL INCIDENTS**

	2017	2018	2019	2020	2021
Oil leaks (kg)	1,292	1,300	1,790	1,163	1,104
Transformer failures, total (pcs)	30	35	19	33	33
Transformer failure / damage			4	12	18
Damaged by thunder			4	10	4
Damaged by third party			0	4	1
Damaged during demolition			1	3	1
Transformer explosion / fire			2	2	2
Vandalism in the contractor's storage area			4	1	4
Damaged by a squirrel			3	0	1
Damaged hydraulic hose of an excavator			1	1	3

The contaminated soil due to environmental incidents is cleaned up and transported to a waste management facility.

# POLE MOUNTED TRANSFORMER SUBSTATION IN THE GROUNDWATER AREA (pcs)

	2015	2016	2017	2018	2019	2020	2021
Pole mounted transformers in the ground water areas, pcs	1,252	1,161	1,052	953	848	720	555

# HABITAT MANAGEMENT (ha)

						Target	Target
	2017	2018	2019	2020	2021	2021	2024
Habitat removed (forest management in side areas of networks)	1,965	2,229	1,089	333	472	140	140
Habitat enhanced or restored (dismounted overhead network)	749	823	922	1,430	1,375	700	700
Habitat protected (on-site)	9	9	9	9	9	9	104
Habitat protected (off-site)	0	0	0	0	0	5	1,700

# CO<sub>2</sub>-EMISSIONS (tCO<sub>2</sub>e)

						Target	Target
	2017	2018	2019	2020	2021	2021	2035
Scope 1 (car fuel emissions, fixed reserve power generators and SF6 gas)	66	227	576	351	464		
Scope 2 (electricity usage for network losses, own use and Valmisvalo service)	69,444	79,784	68,972	63,305	72,478		
Total, Scope 1 & 2	69,510	80,011	69,548	63,656	72,942	< 69,000	< 1,000
Scope 3*			120,909	120,345	121,350	less than in 2020	4.2% reduction
							per year from 2020 level
Total, Scope 1–3			190,457	184,001	194,292	less than in 2020	< 45,500

<sup>\*</sup>Scope 3 calculation first started in 2020 Scope 2 emissions for 2019 have been updated afterwards according to the residual mix multiplier published by Energy Authority.

#### **KEY FIGURES**

# Sustainability key figures



# ECONOMIC PERFORMACE AND TAXES (m€)

	2018	2019	2020	2021
Revenue	272.7	295.6	306.3	328.6
TAXES AND LEVIES PAID	10.3	11.0	10.4	10.7
Corporate income tax	6.0	5.6	5.4	5.4
Pension insurance contributions	4.0	5.0	4.6	4.9
Network payment	0.3	0.4	0.4	0.4
TAXES COLLECTED AND REMITTED	155.0	156.1	167.5	173.4
Electricity tax	112.1	112.5	107.6	107.3
Value added tax	37.6	39.1	54.9	60.9
Withheld taxes and sickness insurance contributions	5.3	4.5	5.0	5.2

The paid corporate income taxes include advance payments made during the year, final taxes for previous financial years and allocated taxes, and exceludes deferred taxes.

# WAGE EXPENSES OF ELENIA GROUP (m€)

	2018	2019	2020	2021
Wage expences	11.4	11.5	11.9	12.3

# PROCUREMENT OF CONTRACTING SERVICES (m€)

	2018	2019	2020	2021
Procurement of contracting services, total	88.5	97.6	99.5	92.7
Small enterprises	22.6	26.0	34.1	31.3
Medium-sized enterprises	20.2	24.9	29.7	25.9
Large companies	45.7	46.8	35.7	35.5

# ECONOMIC VALUE CREATED AND DISTRIBUTED (m€)

	2021
Economic value created	449
Electricity tax	108
Revenue from customers	341
Economic value distributed	449
Taxes and tax-like items*	118.6
Investments	156.6
Purchases from partners:	91.9
Banks, other financiers and shareholders	69.6
Personnell	12.3

<sup>\*</sup> Does not incl. VAT.

# Sustainability key figures

# ELENIA'S TOTAL INVESTMENTS IN ITS ELECTRICITY NETWORK (m€)

	2014	2015	2016	2017	2018	2019	2020	2021
Investments in the electricity network (M€)	105.0	107.1	119.2	137.5	148.1	152.7	165.0	172.2

# RENEWABLE ENERGY CONNECTED TO ELENIA'S NETWORK (MWh)

									Target	Target
	2014	2015	2016	2017	2018	2019	2020	2021	2021	2024
Wind power	32,808	352,275	632,925	1,178,011	1,385,990	1,388,545	1,692,945	1,768,799	1,773,469	4,750,000
Hydroelectric power	160,941	226,931	196,147	192,676	130,125	142,242	212,835	198,006	166,687	180,000
Other renewable	25,561	23,969	24,994	23,487	79,370	71,118	28,716	24,609	22,254	35,000
Solar power	0	0	402	1,321	3,251	5,680	10,143	12,887	9,340	35,000
Renewable energy total	219,310	603,175	854,468	1,395,495	1,598,736	1,607,585	1,944,639	2,004,301	1,971,750	5,000,000
Energy distributed to customers	6,112,038	5,994,156	6,330,493	6,342,805	6,439,102	6,361,863	6,031,793	6,643,471	6,183,590	6,500,000
Solar energy in Elenia's network (cumul. nr)			584	1,498	2,456	3,937	5,752	7,136	7,552	16,000

# CAPACITY AND ENERGY OF NETWORK OPERATIONS

						Target	Target
	2017	2018	2019	2020	2021	2021	2024
Power capacity (kVA)	2,900,000	2,950,000	2,964,500	2,994,500	3,069,500	3,069,500	3,285,500
Imported energy (MWh)	7,535,569	7,802,277	7,711,094	7,635,049	8,346,740	7,875,605	11,000,200
Exported energy (MWh)	7,273,132	7,527,398	7,434,975	7,362,911	8,034,857	7,604,281	10,700,000
Consumed energy (MWh)	262,437	274,879	276,119	272,138	311,883	271,324	300,000

In addition to electricity, the 2021 figures include diesel used by reserve power and Elenia's cars (purchased and used energy), it has been added to 2020 figures too retrospectively.

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Topic	Accounting metrics	Unit of measure	Code	Elenia 2021	GRI
Greenhouse Gas Emissions & Energy Resource Planning	Gross global Scope 1 emissions	tCO <sub>2</sub> -e	IF-EU-110a.1	Scopel: 464 tCO <sub>2</sub> e	305-1
	Percentage covered under emissions-limiting regulations, and emissions-reporting regulations	(%)			
	Greenhouse gas (GHG) emissions associated with power deliveries	tCO <sub>2</sub> -e	IF-EU-110a.2	Scope2: 72,478 tCO <sub>2</sub> e	305-2
	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		IF-EU-110a.3	Elenia has committed, and the commitment has been validated, to the Science Based Targets initiative (SBTi) and is taking part in the ambitious Net Zero target. Elenia is committed to reducing its greenhouse gas emissions by 42% by 2030, including Elenia's own emissions and emissions arising from purchased energy (Scope 1 and 2). Elenia's carbon roadmap illustrates its emission reduction targets. Elenia has made its first TCFD report.	
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Number, Percentage (%)	IF-EU-110a.4	Not applicable	
Air quality	Air emissions of the following pollutants: (1) NOx (excluding $N_2O$ ), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb) (5) mercury (Hg)		IF-EU-120a.1	Not relevant in Elenia's operations	305-7
	Percentage of each in or near areas of dense population				

Topic	Accounting metrics	Unit of measure	Code	Elenia 2021	GRI
Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress		IF-EU-140a.1	Not relevant in Elenia's operations	303-3, 303-4 303-5
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Number	IF-EU-140a.2	No leakages to groundwater	303-2
	Description of water management risks and discussion of strategies and practices to mitigate those risks		IF-EU-140a.3	The contaminated areas have been identified and are monitored regularly. The environmental authorities have stated that the current land use in these sites doesn't require further actions. A new risk assessment will be made in case the land use changes.	303-1
				The groundwater areas have been classified according to the criticality of the water management, and the company's goal is to reduce the number of pole-mounted transformers in the critical areas.	
				In connection with underground cabling, the old pole-mounted transformers are replaced with new kiosk-style secondary substations equipped with oil collector trays that prevent oil leaks. All the main transformers in the groundwater area are equipped with a separate oil collector tray.	
				We monitor the environmental damage incidents carefully. In a potential oil leak incident, a systematic soil investigation process will be made by an external environmental consulting company. Oil leaks are reported monthly in the environmental report which is being monitored at the board level. Water abstractions and their criticality are taken into account in power outages and prioritized in the order of repair.	
Coal ash management	Amount of coal combustion residuals (CCR) generated, percentage recycled		IF-EU-150a.1	Not relevant in Elenia's operations	
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment		IF-EU-150a.2	Not relevant in Elenia's operations	
Energy affordability	Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers	Rate	IF-EU-240a.1	1.1) Residential: Holiday home, 1,000 kWh/year 31.61 cent/kWh 1.2) Residential: Single-family-house, 5,000 kWh/year 12.72 cent/kWh 1.3) Residential: Single-family-house with electricity heating, 19,000 kWh/year 8.92 cent/kWh 2) Commercial: 50,000 kWh/year 9.60 cent/kWh 3) Industrial: 180,000 kWh/year 5.69 cent/kWh	
	Typical monthly electric bill for residential customers	Euros	IF-EU-240a.2	1) Residential: Summer house, 1,000 kWh/year 26.34 €/month 2) Residential: Single-family-house, 5,000 kWh/year 53.02 €/month 3) Residential: Single-family-house with electricity heating, 19,000 kWh/year 125.37 €/month	
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Number, Percentage (%)	IF-EU-240a.3	3,400 pcs 74%	
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory		IF-EU-240a.4	In connection with disconnection notices, we advise customers to contact Kela if non-payment is due to payment difficulties caused by serious sickness, unemployment or other reason mainly through no fault of one 's own. In Finland Kela is responsible for admitting social assistance and can support customers in order to avoid disconnection of electricity. In addition, we always follow the winter disconnection ban for customers so that heating of the permanent residence is not cut in the winter.	

Topic	Accounting metrics	Unit of measure	Code	Elenia 2021	GRI
Workforce Health & Safety	<ul><li>(1) Total recordable incident rate (TRIR)</li><li>(2) fatality rate, and</li><li>(3) near miss frequency rate (NMFR)</li></ul>	Rate	IF-EU-320a.1	Reported as LTIF, report here: TRIR, fatality rate, NMFR (note: per 200,000 hours worked) KPIs calculated per million (1,000,000) hours worked 1) TRIR Elenia = 0, Contractor partners = 28.7 2) Fatality Rate Elenia = 0, Contractor partners = 0 3) NMFR Elenia = 42.0, Contractor partners = 194.4	403-9, 403-10
End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	%	IF-EU-420a.1	100% of revenues. The allowed return is not dependent on volymes of electricity distributed.	
	Percentage of electric load served by smart grid technology	%, MWh	IF-EU-420a.2	100%, 6643 GWh	
	Customer electricity savings from efficiency measures, by market	MWh	IF-EU-420a.3	Elenia participates in the national energy efficiency agreement for 2017–2025. Elenia is committed to reducing its annual network losses in electricity distribution by six per cent by 2025. This means reducing of annual network losses by 13.2 GWh which corresponds the annual electricity consumption of more than 700 families of 4. Our target is to continuously improve the energy efficiency of our own operations as well as our customers. We achieved this target in full with the actions we took in 2020. We will continue to improve the energy efficiency of our electricity network and promote the energy efficiency of our customers by among other things the Elenia Aina service. Every act that makes energy use more efficient is important.  Computational reductions of network losses in 2021  Distribution substations 1,607 MWh  Medium-voltage lines 806 MWh  Low-voltage lines 3,524 MWh	
Nuclear Safety & Emergency	Total number of nuclear power units		IF-EU-540a.1	Not relevant in Elenia's operations	
Management	Description of efforts to manage nuclear Discussion and safety and emergency preparedness		IF-EU-540a.2	Not relevant in Elenia's operations	

Topic	Accounting metrics	Unit of measure	Code	Elenia 2021	GRI
Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	0	IF-EU-550a.1	Reported	418-1
	<ul> <li>(1) System Average Interruption Duration Index (SAIDI),</li> <li>(2) System Average Interruption Frequency Index (SAIFI), and</li> <li>(3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days</li> </ul>		IF-EU-550a.2	1) SAIDI 111 min, without major disruptions 67 min 2) SAIFI 3.0 pcs, without major disruptions 2.5 pcs 3) CAIDI 36 min, without major disruptions 27 min	EU28, EU29
Activity metrics	Number of: (1) residential, (2) commercial, and (3) industrial customers served	Number	IF-EU-000.A	Residential; Housing 371,535 Commercial; Agriculture, services, construction 57,909 Industrial 6,013 Other 24	EU3
	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	MWh	IF-EU-000.B	Housing 2,905,973 MWh Agriculture, services and construction 1,891,441 MWh Teollisuus 1,501,285 MWh Other 344,772 MWh	
	Length of transmission and distribution lines	km	IF-EU-000.C	76,000 km	EU4
	Total electricity generated, percentage by major energy source, percentage in regulated markets	MWh, %	IF-EU-000.D	Not relevant in Elenia's operations	
	Total wholesale electricity purchased	MWh	IF-EU-000.E	Electricity imported to our network (power plants + other networks) 8,346,582 MWh	

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	102 - GENERAL DISCLOSURES					
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102-4	Location of operations		Business operations in Finland only			
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102- 50-52	Reporting period and the reporting cycle		The report is published annually
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# Independent Assurance Report to the Management of Elenia Verkko Plc

This document is an English translation of the Finnish report

We have been engaged by the Management of Elenia Verkko Plc (hereafter "Elenia") to provide limited assurance on selected environmental indicators presented in Elenia Oy and Elenia Verkko Oyj's Sustainability Report 2021 (hereafter "Selected Environmental Information") for the year ended 31 Dec 2021.

The Selected Environmental Information consists of the following indicators:

- Scope 1 emissions
- Scope 2 emissions
- Energy consumption related to Scope 1 and Scope 2 emissions

# Management's responsibilities

The Management of Elenia is responsible for the preparation and presentation of the Selected Environmental Information in accordance with the reporting criteria, i.e. *GRI Sustainability Reporting Standards*, and the information and assertions contained within it. The Management is also responsible for determining Elenia's objectives with regard to sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate perfor-

mance management and internal control systems from which the reported performance information is derived.

# Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our assurance engagement on the Selected Environmental Information in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board IAASB. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Environmental Information is free from material misstatement.

KPMG Oy Ab applies International Standard on Quality Control ISQC 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants IESBA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

# Procedures performed

A limited assurance engagement on Selected Environmental Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Environmental Information, and applying analytical and other evidence gathering procedures, as appropriate. In the engagement, we have performed the following procedures, among others:

- Interviewed a member of Elenia's senior management and relevant staff responsible for providing the Selected Environmental Information;
- Assessed the application of the GRI Sustainability Reporting Standards reporting principles in the presentation of the Selected Environmental Information:

- Assessed data management processes, information systems and working methods used to gather and consolidate the Selected Environmental Information;
- Reviewed the presented Selected Environmental Information and assessed its quality and reporting boundary definitions and;
- Assessed of the Selected Environmental Information's data accuracy and completeness through a review of the original documents and systems on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

# Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial

data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

### Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the information subject to the assurance engagement is not prepared, in all material respects, in accordance with the *GRI Sustainability Reporting Standards*.

Helsinki, 26 April 2022 KPMG Oy Ab

Antti Kääriäinen Partner, APA Tomas Otterström Partner, Advisory ELENIA AND SUSTAINABILITY 2021 96 **KEY FIGURES** 

# Elenia and sustainability 2021 report was produced by

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Karila Kyösti, Key Account Manager

Koski Anmari, Product Developer

**Kovero Mikael**, Head of Treasury

Kämäräinen Sasu, Treasury Manager

Köttö Pekka, Business Development Manager

Laakso Jukka, Unit Manager, Procurement and Construction

**Linden Jarno**, Stakeholder Relations Manager

**Lope Mari**, Communications Specialist

Lähdeaho Tommi, Unit Manager, Asset Management

Mattila Ilona, Project Engineer, Safety

Minkkinen Riku, Product Manager

Muurinen Pasi, Unit Manager, Sales and Energy services

Mäkelä Tomi, Product Development Manager

Mäki Riku, Project Manager

Niemi Minna, Land Use Specialist

Paananen Heikki, Unit Manager, Operations

Repo Olli, DPO Senior Legal Counsel

**Salmi Tiina**, Development Coordinator

Salomäki Harri, Unit Manager, Partnerships and Innovations

Salovaara Pauliina. Process Coordinator

Sarhela Lasse, Key Account Manager

Seppänen Mirva, Safety Engineer

**Suutari Taru**, Finance Manager

Vaahtera Pirjo, Environmental Specialist

**Viljamaa Leena**, Senior Analyst

Vähäkuopus Santtu, Development Manager

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### MORE INFORMATION

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