

Elenia's Risk Management Policy

Our mission

Electrifying life

Our vision

The most responsible innovator
of energy services and markets

Our values

Responsibility for the future | Close to the customer
Open and reliable cooperation | The courage to renew

Our strategic objectives are to earn our customers' trust, operating efficiently, the renewal of the energy markets and services and mitigating climate change. Our Code of Conduct and management system promote responsibility and sustainable development in everything we do.

Commitments

We are committed to preventing accidents and incidents in accordance with the principles of the Zero Accidents Forum. The Zero Accidents Forum is a network of workplaces the aim of which is the continuous development of occupational safety and well-being at work and the dissemination of good practices.

We are committed to the UN Global Compact project and comply with its Ten Principles, which concern human rights, labour, the environment and anti-corruption.

We are committed to promoting the UN Sustainable Development Goals (SDG) of our choice in our operations.

We are committed to reducing our emissions in accordance with the Science Based Target (SBTi) initiative, while complying with the Paris Convention to reach our Net Zero goal.

We are committed to promoting energy efficiency in our business operations and services by participating in the national Energy Efficiency Agreements programme.

We are committed to complying with the procedures and environmental programme required by the Green Office certificate granted by WWF.

Scope of application

This risk management policy, which is based on the ISO 31000 standard, applies to the Elenia Group companies. This policy outlines the objectives of our risk management.

Risk management is essential part of Elenia's governance, leadership, and decision-making. It is also an integral part of Elenia's sustainable development and is reflected in our strategies, processes and everyday operations.

Objectives, management and responsibilities

The purpose of risk management is to support the development and execution of Elenia's strategy. Through risk management we promote the achievement of our objectives and ensure the continuity and safety of our operations in all situations

We comply with laws, regulations and good governance, and expect the same from our partners. Bribery and receiving bribes are strictly prohibited in all operations. We have zero tolerance for the black economy. We are involved in developing safety in the industry.

Those in the managerial and supervisory positions lead by example in ethical and responsible business operations as well as in integrating risk management into the daily operations and overall culture of the company.

Elenia is committed to respecting and promoting the human rights of its employees and stakeholders in all its operations in accordance with internationally recognised human rights. This is also expected from our partners. We promote diversity, equality and participation.

We facilitate the everyday life of our customers and ensure society's security of supply and continuity of operations at all times. We make preparations for the scarcity and decreased availability of natural resources. We continuously monitor and increase the safety of our electricity network.

We communicate about material sustainability-related risks and opportunities to our personnel, partners and, when necessary, customers and stakeholders.

We are committed to listening to and engaging with our employees and partners in risk management in accordance with their roles and responsibilities.

We are committed to the continuous improvement of our risk management and to assessing its suitability, adequacy and effectiveness.

Risk appetite

The Group's management and businesses together determine risk appetite and risk tolerance, which can vary between different functions and businesses. At the same time, Elenia's financing and financial terms impose restrictions on risk appetite and business activities.

Assessment of risk appetite is based on Elenia's strategy and objectives. If taking a particular risk is not in line with the Group's strategy and objectives, the threshold for risk-taking is high. At the same time, as a rule, the opportunities that are pursued need to be in line with Elenia's strategic objectives or support their achievement.

Risk appetite is regularly assessed considering changes in the Group's strategy and objectives.

Principles and practices of risk management

We identify, assess, treat and monitor risks and opportunities that may affect the achievement of Elenia's objectives and report them in accordance with Elenia's risk management process. Our risk management is systematic and comprehensive.

Identification, assessment and treatment of risks and opportunities related to responsibility and sustainable development is essential part of Elenia's risk management.

We assess climate-related risks and opportunities by using the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the climate scenarios of our choice.

We consider risks and opportunities in our strategy, operations and financial planning. We work actively to avoid and reduce undesired impacts of risks and to take advantage of new business opportunities.

We support decision making and proactive management through timely risk management which is based on best available information.

Risk management organization and responsibilities

Elenia's risk management is based on the three lines of defence model.

1. The first line of defence consists of the business units which are responsible for implementing risk management in their business activities.
2. The second line of defence consists of the organisation's support functions which support business units in implementation of risk management and oversee the compliance with guidelines and processes.
3. The third line of defence is the internal audit, which, as an independent and objective function, oversees the performance and effectiveness of risk management of the first two lines of defence via separately defined audit subjects.

Elenia's management is responsible for incorporating risk management into strategic and operative management, and business processes.

Elenia's Board of Directors and especially its Audit and Risk Committee oversees risk management and is responsible for the internal audit function, which is used to evaluate and develop the effectiveness of risk management.

Continuous improvement

We continuously improve our operations and search for new opportunities to develop our processes. We evaluate our sustainability work annually against the Global Real Estate Sustainability Benchmark (GRESB).

Elenia is Finland's second-largest distribution system operator and the largest customer service provider in the energy sector in Finland. We see to the maintenance and renewal of the electricity network, build electricity networks and connections together with our partner companies, measure our customers' electricity consumption and forward energy data to electricity suppliers. Our service business provides customer service as well as diverse services related to the electricity market for the energy sector and other infrastructure companies.