

# Elenia's risk management policy

## Our mission

Electrifying life

## Our vision

The most responsible innovator  
of energy services and markets

## Our values

Close to the customer | Accountable partner  
Achieving together | 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.**

### Scope of application

This risk management policy applies to Elenia Ltd and Elenia Network Plc. This policy reflects the objectives, responsibilities and operating methods of our procurement activities. This risk management policy describes the purpose and application of Elenia's risk management as well as its integration with Elenia's strategy and risk management organisation. This policy reflects the objectives of our risk management.

### Purpose

The purpose of risk management is to promote the achievement of business objectives. Risk management is aimed at the advance identification and management of potential problems as well as the identification and exploitation of business opportunities. Risk management supports the development and execution of Elenia's strategy.

### Approval and application

The risk management policy has been approved by Elenia's Management Team. The Board of Directors' 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. This risk management policy applies to all Elenia Group companies and businesses. The need to update the risk management policy is assessed regularly. In particular, risk appetite is regularly assessed relative to changes in the Group's objectives and strategy. This risk management policy is supplemented by separate risk management procedures. The Group's business units apply the risk management procedures to implement this risk management policy in practice.

### Risk strategy

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, the risk positions of the businesses are influenced by Elenia Group's financing programme and the related obligations and restrictions on business.

The assessments carried out as part of risk management measures are based on Elenia's objectives and strategy. 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 management organisation and risk management process

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

1. The first line of defence consists of the business units.
2. The second line of defence consists of the organisation's service and support functions.
3. The third line of defence is the internal audit, which monitors the effectiveness of the risk management of the first two lines of defence via separately defined audit subjects.

The risk management process is focused on the identification, valuation and assessment of risks and opportunities as well as control measures and monitoring (residual) risk and opportunities relative to the selected control measures.

*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.*