FINGRID OYJ
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4 March 2025

FINGRID OYJ

ANNUAL REVIEW AND FINANCIAL STATEMENTS

1 January 2024–31 December 2024

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1 REPORT OF THE BOARD OF DIRECTORS

1.1 Financial result and financing

Fingrid's consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS). Unless otherwise indicated, the figures in parentheses refer to the same period of the previous year. Fingrid's consolidated financial statements have been drawn up in accordance with the same accounting principles as in 2023.

The emissions from the electricity consumed in Finland have decreased from the previous year, and the price of electricity has fallen. Following the growth in renewable electricity production, variations in the price of electricity have increased. Demand for electricity started to grow in 2024. The transmission reliability of the main grid continued to be high despite the several planned transmission outages required by the construction of the electricity network. Annual investments in the main grid were record high.

The Group turnover grew to EUR 1,269.3 (1,193.2) million. Income from grid service fees grew to EUR 275.4 (164.5) million, due largely to Fingrid waiving the grid service fees for three months in 2024, while the grid service fees were waived for six months in 2023. In addition, Fingrid concluded new grid connection agreements and the electricity consumption on which grid service revenue is based grew to 82.7 (80.0) terawatt hours in Finland.

The maintenance and investment costs for a growing power system rose, which increased Fingrid's turnover. Fingrid's balance services segment accounted for 52 (59) per cent of the turnover. Large fluctuations are typical in the imbalance power amount and sales price and procurement costs, owing to an increase in weather-dependent electricity production, and the uncertainty related to market participants' electricity production and consumption forecasts.

The congestion income from the cross-border transmission links between Finland and Estonia and Finland and Sweden amounted to EUR 265.3 (260.1) million, of which Fingrid's share was EUR 242.0 (220.9) million. Fingrid's income on the financial transmission rights (FTR) issued on the Finland–Estonia border amounted to EUR 62.3 (57.0) million, and the congestion income credited to the holders of corresponding transmission rights was EUR 85.5 (96.2) million. A total of EUR 301.0 (284.7) million in congestion income was recognised in turnover to cover the waiving of grid service fees and increased operating expenses, and EUR 130.1 (118.0) million in other operating income to cover FTRs and cross-border capacity costs and EUR 30.4 (2.3) million in investments to improve cross-border transmission capacity. The accrued congestion income on Fingrid's balance sheet amounted to EUR 841.8 (975.7) million at the end of the year.

The Group's costs, including depreciation and amortisation without the change in the value of commodity derivatives, amounted to EUR 1,163.8 (1,126.8) million. Imbalance power procurement costs fell to EUR 457.4 (491.1) million. Mainly driven by larger area price differences for electricity early in the year, the congestion costs resulting from the surplus in the national electricity balance amounted to EUR 19.5 (15.5) million. Loss power costs grew to EUR 81.1 (75.2) million, due to an increase in the grid transmission needs. The amount of loss power procured was 1.7 (1.7) terawatt hours, and the average price was EUR 47.37 (45.09) per megawatt hour. The cost of reserves to safeguard the grid's system security and power balance was EUR 217.6 (185.6) million. The growth was driven by the increased amounts of reserves procured and the procurement price emerging from reserve scarcity situations. Due to the progress made in the company's extensive investment programme, depreciation and amortisation grew to EUR 128.7 (123.3) million. The increase in grid maintenance costs grew to EUR 39.8 (22.5) million. The significant growth in costs was mainly due to the repair of the EstLink 2 cross-border transmission cable,

which sustained damage in January. Personnel costs grew to EUR 47.6 (42.8) million, which can largely be explained by the increase in the number of personnel required for the expansion of the operations and the increasing complexity of the power system.

The Group's operating profit excluding the change in the fair value of derivatives was EUR 238.9 (186.1) million. The Group's profit before taxes was EUR 186.4 (1.3) million. The profit was improved by the company reaching its larger allowed regulatory profit. The market value of electricity derivatives fell, driven by a drop in the market price of electricity. The amount of electricity derivatives hedging the procurement of loss power grew to 4.5 TWh (4.0 TWh) at the end of 2024. Profit for the financial year was EUR 149.2 (1.2) million. The equity ratio at the end of the financial year fell to 16.1 (20.1) per cent.

The company is implementing a EUR 4 billion investment programme for the next ten years. In 2024, the company's gross investments grew to EUR 520.9 (322.0) million as the Group increased its capital expenditure to enable the green transition and growing electricity consumption. This included a total of EUR 491.8 (303.8) million invested in the transmission grid and EUR 8.3 (2.8) million for reserve power. IT system and other investments amounted to EUR 20.8 (15.4) million. A total of EUR 3.1 (2.4) million was used for R&D projects during the year under review.

The parent company's turnover was EUR 1,272.6 (1,209.7) million, profit for the financial year EUR 135.0 (141.4) million and distributable funds EUR 172.2 (174.4) million.

The allowed regulatory profit in line with the regulatory method regulating reasonable profit in transmission grid operations rose in 2024 from the previous year, which was the result of a higher interest rate level and the company's increased investments. The regulatory methods that determine the company's reasonable profit for 2024–2031 entered into force on 1 January 2024. The methods included the revaluation of grid assets carried out for 2024. The regulatory methods that entered into force in 2024 include several changes that reduce the company's profit and weaken its ability to invest compared to previous methods. Fingrid is appealing to the Market Court against the confirmed methods. Based on the company's own calculations, the allowed regulatory profit amounts to a surplus of around EUR 5 million for 2024. Cumulatively, no deficit or surplus has been created in the allowed regulatory profit, considering the deficits carried over from the previous periods.

The Energy Authority decides on the use of the congestion income received by Fingrid for investments, to cover costs and for use as turnover in line with EU regulation. A regulatory letter submitted to Fingrid by the Energy Authority in 2023 specified the use of congestion income in 2024. The Energy Authority has specified the use of congestion income for 2024 and determined the use for 2025 with its new regulatory letter in December 2024. The decision concerning the use of congestion income is issued in conjunction with the regulatory decision given for the company's regulatory period, after each regulatory period. Fingrid's unused congestion income is recorded on the balance sheet under short- and long-term non-interest-bearing liabilities. Congestion income will be used for future investments increasing cross-border transmission capacity, allocated to costs related to cross-border transmission capacity and by recognising it as revenue for the benefit of customers.

Turnover and other operating income, € million

	Jan-Dec/24	Jan-Dec/23	July-Dec/24	July-Dec/23
Grid service revenue	275.4	164.5	191.8	80.9
Sales of imbalance power	636.8	682.6	237.4	339.2
Congestion income	301.0	284.7	66.8	190.1
ITC income	10.8	20.8	5.0	6.7
Datahub income	20.9	20.6	10.5	10.4
Other turnover	24.2	19.9	11.2	11.2
Change in the value of derivatives	0.2		-0	
Other operating income	133.4	119.7	91.1	74.3
Turnover and other income total	**1,402.8**	**1,312.9**	**613.8**	**712.8**

Costs, € million

	Jan-Dec/24	Jan-Dec/23	July-Dec/24	July-Dec/23
Purchase of imbalance power	457.4	491.1	150.3	254.6
Loss power costs	81.1	75.2	38.3	41.2
Depreciation and amortisation	128.7	123.3	65.0	64.3
Cost of reserves	217.6	185.6	108.4	114.1
Personnel costs	47.6	42.8	23.5	21.5
Grid maintenance costs	39.8	22.5	29.4	13.9
Costs from transmission rights	85.5	96.2	59.2	61.2
ITC charges	18.7	20.7	4.8	7.0
Other costs	87.2	69.4	46.9	36.1
Change in the value of derivatives	38.5	185.1	12.0	18.5
Costs total	1,202.2	1,311.9	537.9	632.3
Operating profit excluding the change in the fair value of commodity derivatives	**238.9**	**186.1**	**87.9**	**99.0**
Operating profit of Group, IFRS	**200.6**	**1.0**	**75.9**	**80.5**

The Group's net financial costs were EUR 14.7 (0.2) million. The net financial costs grew due to growing debt. The change in the fair value of financial derivatives was EUR 5.5 million negative (EUR 4.9 million negative).

Interest-bearing borrowings totalled EUR 1,860.3 (998.1) million, of which non-current borrowings accounted for EUR 1,539.6 (654.7) million and current borrowings for EUR 320.7 (343.5) million. The growth of non-current

borrowings was due to the financing of the company's investment programme and the refinancing of matured loans through green bonds.

During the review period, the company's cash assets were negatively affected by gross investments exceeding those of the previous year and the use of congestion income for waiving grid service fees and for covering the rising costs of the grid operations. The cash assets were positively affected by two long-term EUR 500 million green bonds issued in 2024. Cash and cash equivalents and other financial assets totalled EUR 756.7 (387.0) million on 31.12.2024. The company's financial position remained strong.

Fingrid's key immaterial resources, their value-creating characteristics and how they are part of the company's business model are described as part of the sustainability statement's disclosure requirement SBM-1 Strategy, business model and value chain in the table 'Fingrid's business model and value creation'.

1.2 Operations

1.2.1 Strategy

Fingrid is a Finnish transmission system operator with system responsibility, whose main owners are the State of Finland and Finnish pension and insurance companies.

The company's operations are based on Finnish and EU legislation. In accordance with the Finnish Electricity Market Act, the company develops the main grid, connects new production and consumption to the main grid, maintains a balance between electricity consumption and generation, and promotes the electricity market.

The EU Regulation on the internal market for electricity obligates Fingrid to cooperate within ENTSO-E, the European Network of Transmission System Operators for Electricity, and also regionally with Nordic and Baltic transmission grid companies, to improve the effectiveness of the internal market in electricity. The company's task is to participate in the drawing up and implementation of the market, operating and connection codes and the proposals prescribed in them. Fingrid's operations are supervised and regulated nationally by the Energy Authority, which has granted the company a licence for the transmission grid operations.

Mission. Fingrid ensures reliable and cost-effective electricity for customers and society, and shapes the clean, market-oriented power system of the future.
Vision. The energy system is clean, secure and brings Finland economic wealth. Fingrid is the foundation of the energy system.

Values. Fingrid is open, fair, efficient and responsible in all its operations. These values guide Fingrid's operations and lay a solid foundation for corporate culture. The realisation of the values is measured and reported on.

The company's operations are guided by the following strategic choices

- Focusing on the core mission
- For the customer
- World-class expertise
- Market focus

- Efficiency and productivity
- Security and responsibility

Strategic focal points
Fingrid's strategy is based on the implementation of the company's statutory tasks in a rapidly changing operating environment. Fingrid's strategy defines four focal points: customers as enablers of the transition, efficiently utilised main grid, a large and proactive electricity market and ensuring resilience and risk tolerance. High-quality performance in fulfilling the company's core mission and a focus on the strategic focal points make it possible for the company to respond to the rapid changes in the operating environment, evolving customer needs and expectations on Fingrid's operations.

1.2.2 Customers

Fingrid's operations are largely based on performing statutory duties. This task is performed with maximum customer focus, but on impartial and equal terms. Fingrid's customers include distribution system operators (DSOs), electricity producers, industries consuming electricity, balance responsible parties and other electricity market operators. Fingrid produces grid and electricity market services for its customers.

Reliable electricity through grid services
Grid services guarantee customers smooth connections to the electricity network and reliable transmission of electricity in the main grid that meets consumers' needs. Grid services consist of connection into the main grid and developing, operating and maintaining the grid according to the customer's transmission needs.

Emissions from the production of electricity have fallen significantly in Finland, and they were 32 (40) gCO2/kWh. In 2024, the price of electricity and the emissions from the power system were among the lowest in Europe. Clean, affordable and reliable electricity creates the conditions for growing electricity consumption in Finland.

In 2024, Fingrid received grid connection enquiries on electricity generation for roughly 45 GW, on consumption for roughly 17 GW and on grid energy storages for roughly 18 GW. In various parts of Finland, numerous projects related to clean electricity consumption are under planning in the hydrogen and metals industries, for example. The growth in electricity consumption is currently driven by the electrification of heating and new data centre projects. Enquiries on the connection of new electricity consumption sites to the grid have grown significantly.

Growing electricity consumption creates a foundation for new electricity generation investments in Finland. Almost half of the enquiries received by Fingrid on connection points to the main grid for electricity generation are related to onshore wind power projects. The remaining connection enquiries are divided between offshore wind power and solar power plant connections. During 2024, 1,600 MW (1,920 MW) of new renewable production was connected to the grid.

Fingrid predicts that significant growth in electricity consumption will occur in the second half of this decade. Compared with earlier forecasts, the growth forecast of wind power production is slightly lower for the next few years. The growth forecast for solar power production has risen. The long-term growth trends for wind and solar energy remain largely unchanged, supporting growth in electricity consumption and the expansion of the power system. The forecasts carry uncertainty.

Fingrid is preparing for significant growth in electricity production and consumption. In spring and in autumn, the company published an updated development outlook, according to which both electricity consumption and

production in Finland will grow by the end of the decade. Along with the electrification of society, new industrial investments will be a source of significant growth.

The significant growth in electricity consumption is predicted to occur in the second half of this decade. The electricity consumption forecast updated by Fingrid for the 2030s is the same as the previous forecast. Electricity consumption over the next few years has been revised slightly down from the previous forecast. Compared with earlier forecasts, the growth forecast of wind power production is slightly lower for the next few years. The growth forecast for solar power production has risen. The long-term growth trends for wind and solar energy remain largely unchanged, supporting growth in electricity consumption and the expansion of the power system.

The large number of enquiries concerning the connection of both production and consumption to the main grid is an indication of Finland's good ability to compete in green transition investments. A large part of the green transition projects require a connection to the power system and reliable and affordable electricity. Fingrid plays a key role in enabling this development. Customers' needs for the electricity network can vary rapidly.

Electricity market services
Electricity market services offer all industry players a unified price area for electricity trade in Finland, electricity trade imbalance settlement and open deliveries to balance responsible parties for covering imbalances, electricity market data to ensure the efficiency improvement and transparency of the electricity market, as well as other solutions to ensure the high quality and functionality of the power system.

Electricity market services develop, maintain and expand the reserve markets required to balance the power system and give the players access to the benefits offered by the large European electricity markets. Along with building the electricity network, it is important to develop solutions that enhance the operation of the power system and the electricity network to accelerate the green transition. One of Fingrid's tasks is to develop the electricity market further and promote and implement European electricity market development in Finland.

The expansion and integration of the electricity markets is also promoted through grid investments that reinforce transmission links and services related to the allocation of cross-border capacity. Cross-border transmission links enable access to the wider European electricity markets. The objective is to offer the markets the maximum possible transmission capacity.

The two subsidiaries wholly owned by Fingrid Oyj, Finextra Oy and Fingrid Datahub Oy, produce services that are not part of actual transmission grid operations or system responsibility for the power system. Fingrid Datahub Oy offers an effective information exchange platform for retail market parties and Finextra Oy provides guarantee-of-origin services and peak load capacity services. The peak load capacity service secures the reliability of electricity transmission in Finland in power system situations where the planned electricity procurement is not sufficient to meet the anticipated electricity consumption. The peak load capacity system has no capacity during the following periods: 1 November 2023–31 October 2024 and 1 November 2024–31 October 2025.

Customer fees
Fingrid's key customer fees related to services are the connection fees, grid service fees and balance service fees. The service fees are essentially affected by the power system maintenance cost, the allowed regulatory profit, electricity network investments and growth in electricity consumption.

The company's pricing is based on cost recovery and the annual achievement of the company's allowed regulatory profit. Fingrid's allowed regulatory profit is determined for each year by applying the reasonable profit regulatory method in accordance with the Energy Authority's decision. The allowed regulatory profit and its achievement have

a significant impact on the company's ability to invest. The company updates its service fees to reflect any changes in the operating environment.

Fluctuations especially in the procurement costs of power system reserves have steered Fingrid to review balance service fees. At the start of March, balance service fees were reduced from EUR 1.50/MWh to EUR 1.33/MWh due to the lower-than-anticipated level of power system reserve costs. Correspondingly, as reserve procurement costs rose, Fingrid announced that it will raise balance service fees to EUR 1.73/MWh as of 1 January 2025. As renewable electricity production grows, balancing the reserves that ensure the power system's system security and power balance gains in importance and requires more resources than before.

During the period under review, Fingrid waived grid service fees for January, February and June. Fingrid allocated congestion income from cross-border links to investments that increase cross-border transmission capacity and used the congestion income to cover increased operational costs and the waiver of grid service fees.

In September 2024, Fingrid announced that it will raise grid service fees by an average of 8 per cent as of 1 January 2025. The increase is necessitated by investments in the main grid and the growing costs of managing the electricity system.

Fingrid is planning changes to the grid service fee structure. The objective of the changes is to make more efficient use of grid capacity, accelerate the connection of electricity production and consumption to the grid and create new methods for the grid's growing transmission management needs.

Fingrid surveys customer satisfaction annually. In the autumn 2024 survey, Fingrid's net promoter score from customers was +60 (+45). According to the survey, customers trust that Fingrid works for the good of the whole society and appreciate the competence, problem-solving skills and service-mindedness of the company's experts. Based on the annual reputation surveys, satisfaction with Fingrid's operations is high also among the company's other stakeholders.

1.2.3 Main grid

Fingrid develops and operates the grid to meet customers' and society's needs. Investments in the main grid will reinforce Finland's competitiveness in attracting industrial investments and promote the achievement of Finland's carbon neutrality goals by 2035. Roughly 80 per cent of the investment projects in the grid development plan are new investments based on customer needs.

The starting points are the anticipation of the grid development needs, correctly timed grid construction, promoting the effectiveness of the electricity market and managing the ageing of the grid while maintaining a high level of operational quality.

Customer needs can change at a rapid pace, but building the grid takes years. The building of the main grid must factor in the time required for the whole process, all the way from design and obtaining the permits for the projects to the completion of the construction work. This means that the grid building projects to be implemented over the next few years were planned years ago.

Fingrid's regulatory financial supervision, together with the increase in electricity consumption and the power system maintenance costs, determines the profitability of grid investments and the company's financial ability to invest. Fingrid has increased its ability to invest based on customer needs by increasing its own personnel and expanding its partner network and developing its procurement practices. The long-term development of the grid

ensures that the electricity transmission grid and the entire electricity system meet the requirements set for it in a changing operating environment. In addition to grid investments, the growth of the power system is supported through various flexibility solutions and electricity market development.

In 2024, grid investments reached a record-high level of EUR 500 million. The grid investments made during the period under review enabled new customer connections and electricity system growth, increased the whole power system's system security and improved the functioning of the electricity market.

A total of 560 kilometres of 400 kV transmission lines and roughly 150 kilometres of 110 kV transmission lines are currently under construction in the main grid. A total of 79 substation projects are being implemented. Finland's main grid consists of roughly 14,700 kilometres of transmission lines and 131 substations.

During the review period, Fingrid decided on investments to construct a 400-kilovolt transmission line named Lowlands Line. The Lowlands Line, running from Kalajoki to Jämsä, will be a new 400-kilometre-long 400-kV main transmission line to support the transmission of wind power, with production heavily concentrated on Finland's western coast, to consumers. The project is due for completion in 2027.

Of the investments decided earlier, the most significant projects entering the construction phase in 2024 were the Lake Line and a 400-kV underground cable connection in Helsinki. The Lake Line is a roughly 300-kilometre-long transmission link between Vaala and Joroinen, improving the transmission of electricity from production-heavy northern Finland to consumption-heavy southern Finland. The 400 kV underground cable connection to be built in Helsinki is a joint project between the City of Helsinki, Helen Sähköverkko and Fingrid, which will meet the needs of growing electricity consumption in the capital. The construction of the new cable connection began in spring 2024 and will be completed in 2026.

The Tammisto substation in Vantaa was expanded with a third transformer to also respond to the increase in electricity consumption in Helsinki. Fingrid will also expand a substation located in Kajaani and build new substations in Kouvola and Hamina to enable new customer connections. A substation located in Jyväskylä will be modernised to improve system security. During the period under review, Fingrid also made an investment decision on the procurement of 20 capacitors for nine of its substations, which will make it possible to increase the north–south electricity transmission capacity.

In spring 2024, Fingrid released a study of the possibilities to connect offshore wind power to the main grid. The results were elaborated further based on stakeholder feedback in the autumn. The study proposed six potential connection areas where linking offshore wind farms to the main grid on the Finnish mainland is technically possible. The proposed areas were Raisio, Ulvila, Närpiö, Vaasa, Kokkola and Raahe. The Ingå area In Uusimaa is another potential connection area if offshore wind power development becomes feasible also in Finland's southern sea areas.

Fingrid is committed to the mitigation of any negative climate impacts from grid construction. During the period under review, Fingrid decided to set a science-based greenhouse gas (GHG) emission reduction target and submit it to the Science Based Targets initiative (SBTi) for validation.

In transmission line construction, agreements extending until 2027 were concluded on the supply of low-emission aluminium conductors. At substations, Fingrid continued work to reduce the growth of sulphur hexafluoride (SF6) gas volumes by focusing on SF6-free gas-insulated switchgears. The company acquired for the first time steel structures made from recycled steel for three new substations. The company's climate-related targets, climate benefits and GHG emissions are disclosed, in their entirety, in the sustainability statement.

1.2.4 Power system

Electricity consumption in Finland grew 3,4 per cent in 2024 compared to the previous year. The growth in consumption was mainly driven by data centres and the electrification of heating. Fingrid's share of the electricity transmitted in Finland also grew from the previous year to 84.4 (82.9) per cent of the electricity consumed in Finland. Self-sufficiency in electricity increased in 2024. On an annual level, Finland is almost self-sufficient in terms of electricity production and consumption, but in periods of freezing cold or little wind, imported electricity is required to ensure sufficiency. The exports of electricity from Finland were restricted by outages in the cross-border links due to failures and construction work.

The grid's system security remained at a high level, despite brief disturbances, more connections and extensive construction work. The transmission reliability rate during the year under review was 99.9995 (99.99995) per cent. The transmission reliability rate remains at an excellent level, with the slight drop from the previous year mainly resulting from a few faults occurring in the main grid.

The table below shows key figures for electricity consumption and electricity transmission for the review period.

Power system operation	**Jan-Dec/24**	**Jan-Dec/23**	**July-Dec/24**	**July-Dec/23**
Electricity consumption in Finland TWh	82.7	80.0	39.6	40.0
Inter TSO transmission in Finland, TWh	3.8	6.5	2.3	3.2
Transmission within Finland, TWh	86.6	86.5	41.9	43.2
Fingrid's transmission volume TWh	73.0	71.7	36.9	36.7
Fingrid's electricity transmission to customers, TWh	66.1	62.4	32.6	32.1
Fingrid's loss power volume TWh	1.6	1.6	0.8	0.8
Electricity transmission Finland - Sweden				
Exports to Sweden TWh	3.0	2.2	1.6	0.8
Imports from Sweden TWh	9.7	10.7	4.0	5.3
Electricity transmission Finland - Estonia				
Exports to Estonia TWh	3.9	7.0	2.7	3.8
Imports from Estonia TWh	0.3	0.1	0.0	0.0
Electricity transmission Finland-Norway				
Imports from Norway TWh	0.3	0.4	0.2	0.2

The long and exceptionally cold spell during the first week of the year, combined with failures in thermal power plants, resulted in the most challenging period of the winter in terms of adequate supply of electricity. Due to the strained power balance, Fingrid raised its state of readiness on 4 January 2024. Despite the challenging circumstances, there was enough electricity and Fingrid cancelled the heightened state of readiness on 5 January 2024. A significant factor at that time was the price flexibility of consumers, which also played a part in ensuring the availability of electricity.

The electricity consumption peak for 2024, 14,993 MWh, was reached in winter, on Wednesday 3 January 2024 between 7 and 8 pm. The production peak of the winter, also Finland's all-time high in electricity production, 14,246 MWh, was measured on 26 January 2024 between 6 and 7 pm. This peak production hour of the winter was comprised of large amounts of wind power (roughly 80% of the installed capacity) and the nuclear power plants running at full power.

In July, a major grid failure occurred in Loimaa, where a wooden tower of a 110-kilovolt transmission line fell down as a result of a technical fault. The disturbance resulted in delivery interruptions at roughly 10,000 points of electricity consumption in the form of outages of varying length, up to 23 hours. No back-up transmission link was available in the main grid during the repair. The construction of a new transmission line and substation expansions had already been started in the area before the failure.

A November storm had the exceptional result of knocking down two 400-kV transmission line towers located in an exposed field in Eurajoki. The duration of the disturbance was very brief. The investigation showed that the fall had been affected by structural weakness due to corrosion in the guy wires. Because of this, Fingrid investigated the condition of the transmission line towers in the area.

In 2024, disturbance-clearing readiness was raised a few times due to weather conditions, for example forecasts predicting freezing rain, potential crown snow-load or heavy wind. The transmission capacity between Finland and Sweden operated reliably in 2024. The link with northern Sweden was constricted in spring and autumn 2024 due to construction and maintenance work in the Finnish and Swedish main grids and due to the construction of the new Aurora Line transmission connection.

The transmission capacity between Finland and Estonia operated under limitations due to a failure of the EstLink 2 link on 26 January 2024. The location of the fault was pinpointed off the Estonian coast and, under the lead of the Estonian transmission system operator Elering, the repair work was completed in September and the EstLink 2 resumed commercial operation on 4 September 2024. The EstLink2 failed again on 25 December 2024. The failure is suspected to have been caused by the m/s Eagle S oil tanker. The incident is being investigated by authorities. This time, Fingrid is leading the cable repair work together with the Estonian transmission system operator Elering.

In 2024, Fingrid expended EUR 7.1 (0.9) million in countertrade. Countertrade costs arise from, among other things, transmission grid disturbances and problem situations. Fingrid secures system security through countertrade. Fingrid additionally guarantees transmissions in the cross-border transmission links it has confirmed by carrying out countertrades, i.e. purchasing and selling electricity, up until the end of the 24-hour usage period.

Counter trade	**Jan-Dec/24**	**Jan-Dec/23**	**July-Dec/24**	**July-Dec/23**
Counter-trade between Finland and Sweden, €M	0.9	0.1	0.9	0.1
Counter-trade between Finland and Estonia, €M	5.2	0.7	3.4	0.6
Counter-trade between Finland's internal connections, €M	1.0	0.1	0.2	-0.0
Total counter-trade, €M	**7.1**	**0.9**	**4.5**	**0.7**

1.2.5 Electricity market

Fingrid's task is to develop the electricity market and to implement European electricity market development in Finland. Several significant modernisations are currently being implemented on the electricity market and this will continue in upcoming years, taking the electricity market in a more real-time and market-driven direction. Development projects are under way especially to promote the market entry of flexible resources that support the effectiveness of the electricity system. Electricity market development and new electricity market solutions, together

with grid construction, enable a more rapid implementation of the green transition and cost-effective growth of the power system.

In the reporting year, the price of electricity was affected in particular by the exceptionally cold period at the start of 2024, the failure of EstLink 2 in late January 2024 and the delays in the Olkiluoto 3 nuclear power plant's annual maintenance in April-May. In 2024, the number of hours when the price of electricity was at or below zero was double compared to the previous year.

Electricity price fluctuations have increased in Finland. Significant drivers of this development are the growth in weather-dependent production and the limited flexibility in electricity consumption. The limited capacity of the cross-border links increased price volatility in the period under review. This creates new kinds of business opportunities for production and consumption flexibility solutions and grid energy storages.

Area price differences between Finland and Sweden have increased, which resulted in EUR 164.5 (114.9) million in congestion income. The failure of the EstLink 2 cable reduced the electricity transmission capacity between Finland and Estonia. The links between Finland and Estonia generated EUR 100.7 (145.1) million in congestion income.

Electricity market	**Jan-Dec/24**	**Jan-Dec/23**	**July-Dec/24**	**July-Dec/23**
Nordic system price, average €/MWh	36.06	56.44	25.42	42.69
Area price Finland, average €/MWh	45.57	56.47	34.84	52.64
Congestion income between Finland and Sweden, € million*	331.5	229.9	158.7	129.4
Congestion hours between Finland and Sweden %**	53.8	37.8	61.8	39.3
Congestion income between Finland and Estonia, € million*	201.5	290.2	150.1	185.5
Congestion hours between Finland and Estonia %	67.3	53.6	74.5	60.7

* The congestion income between Finland and Sweden and between Finland and Estonia is divided equally between the relevant TSOs. The income and costs of the transmission connections are presented in the tables under 'Financial result'.
** The calculation of a congestion hour between Finland and Sweden refers to an hour during which Finland's day-ahead area price differs from Sweden's SE1 or SE3 area price.

The go-live of the new auction system of the intraday electricity markets took place in June 2024. The Intraday Auctions provide more adequate price formation and balance the demand and supply closer to the time of production. The auction system is part of the common European intraday electricity markets, which aim to promote the effectiveness and integration of the internal energy market.

A new automatic Frequency Restoration Reserve (aFRR) marketplace also went live in Finland in June 2024. The change offers reserve suppliers in Finland trading closer to the time of consumption of the energy and brings new opportunities to optimise the supply of reserves. This makes balancing the power system more efficient, as reserves play an increasingly important role in this. The activations of the aFRR energy market now determine, together with the mFRR market, the price for the balance responsible parties' imbalances (open deliveries). However, the planned extension of the Frequency Restoration Reserve to PICASSO, the European platform for the exchange of aFRR energy, has been postponed due to technical issues on the new marketplace.

Of the market reforms, the long-prepared flow-based capacity calculation methodology was introduced in trading on the day-ahead market at the end of October 2024. The introduction was a success and met the objectives. The

reform has increased the opportunities to offer electricity transmission capacity at the borders of the bidding areas. The reform has had no significant impact on the price of electricity in Finland.

The planned launch of the shared mFRR energy activation market by the Nordic transmission system operators was also postponed to 2025. The new Nordic mFRR energy market with a 15-minute time unit for the activation of balancing bids is an important step before the Nordic countries' entry into the European mFRR energy market.

The decision to transition to a 15-minute market time unit was made between Nordic and European transmission system operators during the review period. The transition is scheduled to take place in January for the cross-border link between Finland and Estonia and in March 2025 for the cross-border links between Finland and Sweden. The day-ahead market will transition to the 15-minute market time unit in June 2025.

In 2024, the liquidity of the reserve market improved thanks to increased supply. Fingrid concluded new reserve contracts with 24 operators.

1.3 Personnel

The Group's total headcount has increased as a result of the expansion of Fingrid's operations and the growth of the power system. The number of employees averaged 597 (544), with an average of 534 (493) in a permanent employment relationship. There are several reasons behind the growth in the number of employees. The extensive possibilities of renewable energy production and the growing consumption of clean electricity in Finland, the historic scale of the main grid construction programme enabling the energy transformation, and the requirements for the development of the electricity market have increased the workload. As business requirements increase, the activities supporting business operations also need to expand.

Fingrid received an excellent employee net promoter score (eNPS) of +74 (on a scale of -100 to +100) in the review period's personnel surveys. Highly rated aspects included the content of jobs, the company as an employer and supervisory work. MIELI Mental Health Finland awarded Fingrid with its 'A feel-good workplace' (Hyvän mielen työpaikka) label for the efforts promoting mental health and well-being.

In summer 2024, Fingrid employed a total of 66 summer employees in various summer jobs throughout Finland. As in previous years, the company was part of the Responsible Summer Job campaign, which challenged employers to offer young people successful and high-quality summer job experiences.

1.4 Internal control and risk management

Fingrid's risks are managed according to the internal control and risk management principles approved by the Board of Directors.

1.4.1 Organisation of internal control

Fingrid's internal control is an integral part of the company's operations and addresses all those operating methods and procedures whose objective it is to ensure:

- effective and profitable operations in line with the company's strategy,
- the reliability and integrity of the company's financial and management information,
- protection of the company's assets,

- compliance with the applicable legislation, guidelines, regulations, agreements and the company's own governance and operating guidelines as well as the quality thereof, and
- a high standard of risk management.

Risk management is planned holistically, with the objective of comprehensively identifying, assessing, monitoring and safeguarding the company's operations, the environment, personnel and assets from various threats and risks. Sustainability risks, including climate and human rights, are addressed as part of Fingrid's enterprise risk management.

Continuity management is a part of risk management. Its objective is to improve the organisation's capacity to prepare and to react in the best possible way should risks occur, and to ensure the continuity of operations in such situations. Further information on internal control, risk management and the foremost risks and factors of uncertainty is available on the company's website.

Board of Directors
The company's Board of Directors is responsible for organising internal control and risk management, and it approves the principles of internal control and risk management every two years or more often, if necessary. The Board defines the company's strategic risks and related management procedures as part of the company's strategy and action plan and monitors their implementation. The Board decides on the operating model for the company's internal audit. The Board regularly receives internal audit and financial audit reports as well as a status update at least once a year on the strategic risks, major business risks and continuity threats relating to the company's operations, and their management and realisation.

Line management and other organisation
Assisted by the executive management group, the President & CEO is responsible for implementing and steering the company's governance, decision-making procedures, control and risk management, and for the assessment of strategic risks, major business risks and continuity threats at the company level, and their related risk management.

The heads of functions are responsible for the practical implementation of the governance, decision-making procedures, controls and risk management for their areas of responsibility, as well as for the reporting of deviations and the sufficiency of detailed guidelines. The directors appointed to be in charge of threats to continuity management are responsible for drawing up and maintaining continuity management plans and guidelines, and for arranging sufficient training and practice.

The Chief Financial Officer is responsible for arranging procedures, controls and monitoring at the company level as required by the harmonised operating methods of internal control and risk management. The company's General Counsel is responsible at the company level for assuring the legality and regulation compliance of essential contracts and internal guidelines, taking into account the company's interests, as well as for the procedures these require. Each Fingrid employee is obligated to identify and report any risks or control deficiencies she or he observes and to carry out the agreed risk management procedures.

Financial audit
An authorised public accounting company selected by the Annual General Meeting acts as auditor for the company. The company's financial auditor inspects the accounting, financial statements and governance for each financial period and provides the AGM with reports required by accounting legislation or otherwise stipulated in legislation. The financial auditor reports on his or her work, observations and recommendations for the Board of Directors and may also carry out other verification-related tasks commissioned by the Board or management.

Internal audit
The Board of Directors decides on the operating model for the company's internal audit. The internal audit acts on the basis of plans processed by the audit committee and approved by the Board. Audit results are reported to the object of inspection, the President & CEO, the audit committee and the Board. Upon decision of the Board, an internal audit outsourced to an authorised public accounting company acts within the company. From an administrative perspective, the internal audit is subordinate to the President & CEO. The internal audit provides a systematic approach to the assessment and development of the efficacy of the company's risk management, monitoring, management and governance processes, and ensures their sufficiency and functionality as an independent party. The internal audit has the authority to carry out reviews and to access all information that is essential to the audit. Fingrid's internal audit carries out risk-based auditing on the company's various processes.

1.4.2 Foremost risks

Since Fingrid plays a significant role in Finnish society, the impact of risks is assessed from both the company's and society's perspective. Strategic risks are considered to be events that may lead to a material deterioration in the company's ability to operate or in its corporate image or, in the worst-case scenario, events that may lead to the company's operations being called into question by society.

The most significant of the company's three identified strategic risks is a severe disturbance related to the functionality of the power system, leading to a regional or nationwide blackout. Extensive disturbances to the power system can be caused by, among other things, a technical malfunction, an extreme weather event, human error, an accident, vandalism or the simultaneous occurrence of several of these events. A blackout can paralyse society's functions and cause major damage to Finnish business and industry.

A significant negative change in regulation constitutes a material strategic risk for the company's operations, affecting the company's responsibilities, scope of its mission and financial operating conditions. Financial regulation directly impacts shareholder value, financing and credit ratings, thus creating the framework for the company's investment programme and mitigation of financial risk.

The third strategic risk for the company's operations is the possibility of a distortion in the corporate culture under the cover of monopolistic operations, which can surface in the form of disregard for sustainability requirements or other unprofessional behaviour.

In addition to the strategic risks, the Board of Directors regularly receives reports on business risks that have been identified as material and which are related to financial regulation, the electricity market, customer activities, the investment programme, information security, personnel and safeguarding the company's assets. This category additionally includes various risks linked with major financial value, such as compliance, the management of electricity transmission, solvency and liquidity, the management of loss power and reserves, and counterparty risks.

As the company's operating environment changes, the risk of the operations has grown. A weather-dependent, expanding electricity system and large-capacity production units increase the significance of power system management and balance service business in the company's operations. The expanding, increasingly complex electricity system will increase the share of market-based costs, such as reserve, loss power and congestion costs, of the company's total costs and also their significance in corporate finances. Predicting the market-based costs will be increasingly difficult due to the volatility of electricity prices and transmission conditions. The company's major investment programme will increase the number of planned outages and the related transmission restrictions and risks from the outages. Fingrid assumes a significant financial risk of the balance responsible parties by maintaining the national power balance. The changes in the price of imbalance power can also unexpectedly increase the

company's counterparty risks, which the company mitigates mainly by the collaterals required from the balance responsible parties and by other operational terms specified in the terms and conditions of the balance service.

In 2024, Fingrid's enterprise risk management (ERM) was subject to an internal audit. The audit did not reveal any major shortcomings in the company's risk management. The company's ERM development programme was completed. The key development areas concerned the reform of the risk management model and risk criteria, as well as data and technology solutions.

Risk management at Fingrid is described in more detail on the company's website. Fingrid's financing risks are described in more detail in sections 6.2 and 6.3 of the consolidated financial statements. No substantial risks were realised in 2024.

1.5 Board of Directors and corporate management

Fingrid Oyj's Annual General Meeting was held in Helsinki on 21 March 2024. In 2024, the Board of Directors consisted of Hannu Linna (Chair), Leena Mörttinen (Deputy Chair), Jero Ahola, Anne Jalkala, Mikko Mursula (as of 21 March 2024) and Jukka Reijonen (until 21 March 2024).

Authorised Public Accountants KPMG Oy Ab was elected as the auditor of the company, with Heidi Hyry, Authorised Public Accountant KHT, serving as the responsible auditor.

The Board of Directors has two committees: the audit committee and the remuneration committee.

The members of the audit committee were Leena Mörttinen (Chair), Jero Ahola (until 21 March 2024), Hannu Linna and Mikko Mursula (as of 21 March 2024). The members of the remuneration committee were Hannu Linna (Chair), Jero Ahola (as of 21 March 2024), Anne Jalkala and Jukka Reijonen (until 21 March 2024).

Asta Sihvonen-Punkka served as President & CEO of the company. Fingrid has an executive management group which supports the President & CEO in the company's management and decision-making.

A Corporate Governance Statement, required by the Finnish Corporate Governance Code, has been provided separately. The statement and other information required by the Code are also available on the company's website at www.fingrid.fi.

1.6 Share capital

The company's share capital is EUR 55,922,485.55. Fingrid shares are divided into Series A shares and Series B shares. The number of Series A shares is 2,078 and the number of Series B shares is 1,247. The voting and dividend rights related to the shares are described in more detail in the notes to the financial statements and in the articles of association available on the company's website.

1.7 Legal proceedings and proceedings by authorities

On 2 January 2024, Fingrid appealed to the Market Court against the Energy Authority's decision on the terms and conditions of balance service. The appeal mainly concerns the collateral model for balance responsible parties presented in the decision. In November 2023, the Energy Authority issued a decision on the terms and conditions for balance responsible parties, which include the principles for how collateral requirements are determined. The Energy Authority's decision includes major changes to the current collateral terms and conditions and sets apart Finland's collateral model from that used in other Nordic countries. The most significant changes to the current

collateral model include a major reduction in the required collaterals, elimination of the requirement to provide an adequate additional collateral and a possible collateral ceiling.

On 29 January 2024, Fingrid appealed to the Market Court against the Energy Authority's decision on the methods concerning the specification of the profit for the electricity transmission grid operations for the sixth regulatory period 1 January 2024–31 December 2027 and seventh regulatory period 1 January 2028–31 December 2031. According to Fingrid's assessment, the decision on the regulatory methods is a significant weakening of the electricity transmission grid operations' reasonable profit regulatory method that expired at year-end. In Fingrid's view, the assessment of impacts in preparing the regulatory model decision has been deficient and there are still issues open to interpretation related to the presented decision. The decision weakens Fingrid's ability to invest. Fingrid's goal is a solution that would also enable the future development of the grid, allowing the hundreds of billions in green transition investments in Finland to be implemented as planned.

On 15 February 2024, Fingrid appealed to the Market Court against the decision given by the Energy Authority on 11 January 2024 on the scope of the national transmission system operator's systems responsibility regarding the grid connection of the OL3 nuclear power plant. Teollisuuden Voima Oyj ("TVO") lodged a request for an investigation with the Energy Authority on 25 May 2022 related to the claims by TVO that Fingrid has neglected its obligation to develop the main grid as stated in the Finnish Electricity Market Act and/or other applicable legislation, and that, as a result, it has placed unlawful restrictions on connecting the Olkiluoto 3 nuclear power plant to the grid, and that Fingrid is in breach of its administrative obligations linked to carrying out its public administrative task. The Energy Authority states in its decision of 11 January 2024 that Fingrid fulfilled its development, connection and transmission obligations in accordance with the Electricity Market Act. The Energy Authority also found the 1,300 MW power limit specified in Fingrid's connection terms justified and did not find Fingrid to have restricted Olkiluoto 3's access to the grid. In its decision, the Energy Authority sees, however, that Olkiluoto 3's protection scheme falls under Fingrid's responsibility based on a transmission system operator's protection scheme as intended by legislation and that Fingrid is in breach of Article 9 of the Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation and its obligation in line with Section 10, Subsection 1 of the Act on the Control of the Electricity and Natural Gas Market (2013/590) to bring the determination principles for fees it applies before the Energy Authority for approval prior to their implementation.

In accordance with the Energy Authority's decision, Fingrid submitted its proposal concerning the determination principles for fees related to the OL3 protection scheme on 30 April 2024. The Energy Authority issued its decision on the determination principles for fees on 30 December 2024. According to the decision, TVO shall bear the costs for reimbursements to response resources connected to system protection and for the construction, maintenance and use of data communication connections. The decision states that Fingrid shall bear the costs for acquiring the response resources and awarding contracts, managing the protection scheme and the tests to be carried out on the response resources for system protection, as well as for the maintenance of the measurement and monitoring system for system protection in Fingrid's operation control system. Fingrid and TVO have agreed on provisional fee arrangements for Olkiluoto 3's protection scheme as of 1 January 2025. The agreement is based on the decision issued by the Energy Authority on the costs for the protection scheme on 30 December 2024. The provisional fee arrangements for the protection scheme do not directly affect the legal proceedings concerning the protection scheme's extent, which are still ongoing in the Market Court.

Fingrid received an expropriation permit for the widening of the Torna–Lautakari right-of-way for the neutral line on 27 October 2022. In the kick-off meeting for the expropriation procedure on 1 December 2022, the expropriation committee decided that the expropriating party is obligated to assume responsibility for the tree stands within the scope of the rights and restrictions set in the expropriation permit, unless otherwise agreed. The final meeting of the expropriation procedure was held on 16 November 2023. Fingrid appealed against the decision concerning the

Torna–Lautakari tree stands' expropriation to the Southwest Finland District Court's Land Rights Court on 22 December 2023.

1.8 Events after the review period and future outlook

Fingrid Group's result for the 2025 financial period, excluding changes in the fair value of derivatives and before taxes, is expected to be on the same level as in 2024. This estimation includes the recognition of congestion income in the company's turnover and other operating income. The implementation of the investment programme is advancing. The investment level is estimated to be lower than in the previous year. The power system is expanding and its complexity is increasing, and the availability of electricity production and consumption flexibility is subject to uncertainty. This, coupled with growing electricity transmission needs, will increase the costs of Fingrid's operations and the uncertainty related to the costs in 2025. At the same time, fluctuations in the national power balance will increase. The grid's connection capability will be affected by the location of the customer projects to be connected, flexibility in electricity production and consumption and changes in customer needs. The company's financial position is expected to remain stable.

The company's balance sheet contains a significant amount of congestion income, mostly from 2022 from the cross-border links between Estonia and Finland and Sweden and Finland. Also going forward, Fingrid's goal is to use congestion income actively for investments that will increase cross-border transmission capacity and to cover operating costs to benefit Fingrid's customers. The use of congestion income is decided by the Energy Authority based on an EU regulation.

Concerning the damage to the EstLink2 submarine cables, the maritime court ordered, on 3 January 2025, the seizure of the vessel suspected of causing the damage, Eagle S, to secure the claims of Fingrid and the other parties applying to the court for the seizure. Fingrid has decided to waive enforcement of the seizure of the Eagle S oil tanker due to the financial risk involved. The decision to waive enforcement of the seizure does not affect further legal actions. Fingrid will sue for damages caused by the Eagle S.

On 29 January 2025, Fingrid appealed to the Market Court against the decision issued by the Energy Authority on 30 December 2024 concerning the confirmation of the determination principles for fees for the OL3 nuclear power plant's system protection scheme. In Fingrid's view, the OL3 system protection scheme is not included in its statutory system responsibility, which means that it is not responsible for the implementation of the OL3 system protection scheme or any fees.

1.9 Board of Directors' proposal for the distribution of profit

The guiding principle for Fingrid's dividend policy is to distribute substantially all of the parent company profit as dividends. When making the decision, however, the economic conditions, the company's near-term capital expenditure and development needs as well as any prevailing financial targets of the company are always taken into account.

Fingrid Oyj's parent company's profit for the financial year was EUR 134,979,777.26 and distributable funds in the financial statements total EUR 172,219,414.81. Since the close of the financial year, there have been no material changes in the company's financial position and, in the Board of Directors' view, the proposed dividend distribution does not compromise the company's solvency.

After the closing date, the Board of Directors has proposed to the Annual General Meeting of shareholders that, on the basis of the balance sheet adopted for the financial period that ended on 31 December 2024, a dividend of EUR 53,400.00 at maximum per share be paid for Series A shares and EUR 19,500.00 at maximum for Series B shares, for

a total of EUR 135,281,700.00 at maximum. The dividends will be paid in two instalments. The first instalment of EUR 35,600.00 for each Series A share and EUR 13,000.00 for each Series B share, totalling EUR 90,187,800.00 in dividends, shall be paid on 7 April 2025. The second instalment of EUR 17,800.00 at maximum per share for each Series A share and EUR 6,500.00 at maximum per share for each Series B share, totalling EUR 45,093,900.00 at maximum in dividends, will be paid according to the Board's decision after the half-year report has been confirmed, based on the authorisation given to the Board in the Annual General Meeting. The Board has the right to decide, based on the authorisation granted to it, on the payment of the second dividend instalment after the half-year report has been confirmed and it has assessed the company's solvency, financial position and financial development. The dividends that have been decided on with the authorisation given to the Board will be paid on the third banking day after the decision. The authorisation is proposed to remain valid until the next Annual General Meeting.

1.10 Annual General Meeting 2025

Fingrid Oyj's Annual General Meeting is scheduled to be held on 2 April 2025 in Helsinki.

In Helsinki, on 4 March 2025
Fingrid Oyj
Board of Directors

1.11 Sustainability statement

1.11.1 General information

1. Basis for preparation

BP-1 General basis for preparation of sustainability statements

The sustainability statement covers information on Fingrid Group. The Group comprises, in addition to the parent company Fingrid Oyj ("Fingrid"), two subsidiaries that are wholly owned by Fingrid, Finextra Oy ("Finextra") and Fingrid Datahub Oy ("Fingrid Datahub"). The scope of consolidation is the same as for the financial statements. The report essentially covers the upstream and downstream value chain information, which, as described in more detail elsewhere in this report, focuses on the climate, the grid building materials, the value chain workers especially in Finland, the landowners as an affected community, and data protection, information security and system security from the perspectives of consumers and end-users. No information has been omitted based on, for example, classified and sensitive information or innovation. The calculation principles are presented in connection with each sustainability topic.

BP-2 Disclosures in relation to specific circumstances

Any sustainability information that has been estimated using indirect sources is addressed in connection with the relevant disclosures (Preparation and calculation principles).

The sustainability statement includes Fingrid's corporate responsibility ESG targets that the company has used to track the effectiveness of measures related to the management of sustainability matters from 2021 until the end of 2024. The company's ESG targets cover climate and environmental responsibility (E), social responsibility (S) and good governance (G). Each material topic has had short-term targets extending to 2025 and long-term targets extending to 2035. Fingrid signed the Global Compact initiative of the United Nations (UN) in 2016. The company's ESG targets contribute especially to the UN's global Sustainable Development Goals (SDGs) related to energy (SDG 7), infrastructure (SDG 9) and climate action (SDG 13). Through its business, the company also contributes more

clearly to six other SDGs related to equality (SDG 5), work and economic growth (SDG 8), consumption (SDG 12), life on land (SDG 15), good governance (SDG 16) and partnerships (SDG 17).

A Communication on Progress (COP) report in compliance with the UN's Global Compact initiative is prepared separately from the sustainability statement. The contents of the industry-specific SASB standard are also reported separately. SASB, or the Sustainability Accounting Standards Board, has published the sustainability reporting topics and indicators that are material for the Electric Utilities & Power Generators sector.

2. Governance

GOV–1 The role of the administrative, management and supervisory bodies

In Fingrid's sustainability work, the highest responsibility for sustainable development principles and promoting them lies with the company's Board of Directors, which approves the company's Code of Conduct. Based on the materiality assessment, the Board of Directors adopts the corporate responsibility ESG targets and monitors their implementation. Corporate responsibility reporting to the Board of Directors takes place regularly and as a part of risk management as well. Compliance and corporate responsibility management is integrated into Fingrid's strategy, management system, risk management and financial steering.

In accordance with the articles of association, the Board of Directors consists of five members. The Board of Directors does not include representatives of management or other employees. All Board members are independent of the company. Two of them are not independent of the company's owners. The information on the composition and diversity of the members of Fingrid's highest governance body is described in the following table.

Members of the Board of Directors	2024
Number of board members	5
Number of board members, female	2
Number of board members, male	3
Number of board members, female (%)	40
Number of board members, male (%)	60
Those involved in business management	14
Other members	0
Percentage of independent board members (%)	60

Fingrid's executives include the Group's executive management group and the members of the Board of Directors.

The company's Board of Directors is responsible for organising internal control and risk management, and it approves the principles of internal control and risk management at least every two years and more often, if necessary. The Board defines the company's strategic risks and related management procedures as part of the company's strategy and action plan and supervises their implementation. The Board decides on the operating model for the company's internal audit. The Board members regularly receive information on the internal audit and internal audit results as well as a status update at least once a year on the strategic risks, major business risks and continuity threats relating to the company's operations, and their management and realisation.

To ensure the effective fulfilment of the Board of Directors' supervisory tasks, the Board has two committees: the audit committee and the remuneration committee. The audit committee is appointed by the Board of Directors to assist the Board. The Board has specified the duties of the audit committee in its working orders in accordance with recommendation 16 of the Corporate Governance Code. The remuneration committee is another committee appointed by the Board of Directors to assist the Board. The Board has specified the duties of the remuneration committee in its working order in accordance with recommendation 17 of the Corporate Governance Code.

The members of the company's Board of Directors have adequate and mutually complementary experience and expertise in the areas essential for the company's business and societal role, and sustainability matters. The sectors and areas of expertise and experience represented in the Board include industry and the energy sector, corporate responsibility and sustainability matters, financing and accounting, as well as state administration. The Board members have also accumulated experience in the sector and its sustainability-related impacts, risks and opportunities through operations and positions of trust. Regular reporting on sustainability matters in accordance with the annual cycle and a corporate responsibility review conducted once a year contribute to ensuring that the Board and its committees have expertise in sustainability-related impacts, risks and opportunities. Where required, in-house expertise is complemented with external expertise.

The President & CEO is responsible for arranging corporate responsibility management and its integration in business operations. The President & CEO and the heads of functions are each responsible for compliance and corporate responsibility management within their areas of responsibility. The executive management group regularly reviews corporate responsibility issues, and alongside financial profitability, social issues and environmental impacts are taken into account in decision-making. In terms of the ESG targets of corporate responsibility, each target has a director appointed by the President & CEO from the executive management group. The appointed director is responsible for development and monitoring together with the General Counsel in charge of corporate responsibility. The Compliance and Responsibility Team headed by the company's General Counsel is responsible for developing corporate responsibility and coordinating sustainability work within the company.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors is informed about material sustainability-related impacts, risks and opportunities through regular reporting in accordance with the annual cycle and an annual corporate responsibility review summarising sustainability matters by the General Counsel. Corporate responsibility aspects are included in the Board of Directors' decision-making on investments, for example, and other strategic decisions. When reviewing investment proposals, the Board of Directors is informed about the material risks, but also about potential positive sustainability-related impacts. When making investment decisions, the Board of Directors reviews, where necessary, the trade-offs concerning the impacts, risks and opportunities in relation to the targets.

During the financial year 2024, the Board of Directors convened twelve times and addressed the following sustainability topics that had been prepared in the executive management group or in the committees:

- the company's strategy and strategic choices (focusing on the core mission, customer focus, world-class expertise, market focus, efficiency and profitability, and security and sustainability) presented by the President & CEO and the monitoring of these, including the company's sustainability in a tighter risk environment presented by the CFO. The following were discussed as Fingrid's strategic priorities: (1) Customers as enablers of the transition, (2) Efficiently utilised main grid, (3) A large and proactive electricity market and (4) Ensuring resilience and risk tolerance
- the audit plan for internal audit presented by a member of the audit committee
- the remuneration committee matters presented by the chair of the Board of Directors
- the remuneration principles presented by the President & CEO and the actual remuneration of personnel and the executive management group in 2023
- the personnel review presented by the director in charge of HR
- The ICT and information security-related reviews presented as regularly monitored items by the ICT director, including cybersecurity and the impacts of the NIS2 directive on Fingrid's operations
- the annual risk management review, internal control and risk management principles and the reform of the risk management model presented by a leading expert
- the company's Code of Conduct presented by the General Counsel

- the corporate responsibility review for 2024, including the double materiality assessment, presented by the General Counsel. The review included a company-level summary of the management of Fingrid's sustainability work, performance against the targets and key measures in 2024 related to the climate, nature, materials, own workforce, value chain workers, landowners, data protection, information security, business practices and system security
- the Corporate Governance Statements for 2023 and 2024 presented by the General Counsel
- the investment reviews and investment proposals presented by the deputy managing director.

Occupational safety targets and measures were monitored regularly. Occupational safety was addressed from various perspectives by the Board of Directors, the audit committee and the shareholders' meeting. The Board of Directors addresses, for example, in the beginning of each year, the exact occupational safety figures for the previous year, and occupational safety is considered when making investment decisions.

The audit committee convened four times during 2024. The President & CEO, the CFO, the director in charge of power system operations, the HR director and the General Counsel participated in the committee's meetings. In its meetings, the audit committee addressed issues such as the audit plan for internal audit, assurance of sustainability reporting, the company's strategic risks, the risk management annual review, internal control and risk management principles, the status update on sustainability reporting, and the Corporate Governance Statement. In addition, the committee addressed the review of the strategic risk "distortion of corporate culture" presented by the HR director.

In 2024, the remuneration committee convened three times. The President & CEO and the HR director participated in the committee's meetings. The remuneration committee addressed in its meetings, among other issues, the remuneration principles, which include the sustainability indicators described in connection with disclosure requirement GOV-3 (Integration of sustainability-related performance in incentive schemes). In addition, the committee addressed the actual remuneration of personnel and the executive management group in 2023 and the remuneration for 2025.

GOV-3 Integration of sustainability-related performance in incentive schemes
Sustainability-related factors have an impact on the remuneration of the President & CEO and other executives, as most of the metrics used in the remuneration schemes are also the company's key metrics for ESG targets. The key metrics for the short-term remuneration of the management in particular include social responsibility metrics, such as customer NPS, and as regards personnel, the personnel survey results. The long-term remuneration metrics are linked especially with climate change mitigation and focus on high system security, functional markets and connecting wind power to the main grid.

Responsibility for human rights is considered by using the system security of electricity transmission, which is related to protecting life and health, as a company-level KPI for remuneration. In addition, management and supervisors have a management KPI that covers themes related to the promotion of human rights. Sustainability targets accounted for 64 per cent of management's variable pay. Climate targets accounted for 0 per cent of management's variable pay. From a climate change perspective, performance is not evaluated in relation to the GHG emission reduction target.

The Board of Directors approves the conditions of the company's incentive schemes.

GOV-4 Statement on due diligence

The following table summarises the core elements and steps of the due diligence process with regard to sustainability matters applied by Fingrid and the company's actual due diligence practices, with reference to the location of the information in the sustainability statement.

The materiality assessment took into account Fingrid's sustainability due diligence process, which the company uses to observe, prevent and mitigate actual and potential negative impacts on people and the environment. This continuous due diligence process is based on the human rights impact assessment, which identified the company's existing practices and their development needs in order to integrate responsibility for human rights into the company's functions, monitoring and communication.

CORE ELEMENTS OF DUE DILIGENCE	SECTIONS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	As described in the sustainability statement section 'EU taxonomy', Fingrid started to further sharpen its human rights focus with an overall assessment in accordance with the UN's Guiding Principles in 2016. Based on that, the company has worked to embed human rights work in its governance, strategy and business model. Sustainability-related risks, including the climate and human rights, are part of Fingrid's enterprise risk management (ERM), which is elaborated further in connection with disclosure requirement IRO-1 (Description of the process to identify and assess material impacts, risks and opportunities). Considering human rights responsibility in management's and personnel's remuneration is described in connection with disclosure requirement GOV-3 (Integration of sustainability-related performance in incentive schemes). The due diligence principle is embedded in Fingrid's Code of Conduct, which is described in more detail in connection with disclosure requirement G1-1 (Business conduct policies and corporate culture).
b) Engaging with affected stakeholders in all key steps of the due diligence process	Affected stakeholders are involved in planning measures to mitigate human rights risks. These stakeholders include, in particular, own workforce, service providers' employees, and landowners on whose land Fingrid has acquired a right-of-use for transmission lines through an expropriation procedure. The processes for engaging with affected communities about impacts are described in more detail in connection with the following disclosure requirements: - **with regard to own workforce** S1-2 (Processes for engaging with own workforce and workers' representatives about impacts), - **with regard to value chain workers** S2-2 (Processes for engaging with value chain workers about impacts), - **with regard to landowners** S3-2 (Processes for engaging with affected communities about impacts), - **with regard to consumers and end-users** S4-2 (Processes for engaging with consumers and end-users about impacts) and - **with regard to service providers** G1-2 (Management of relationships with suppliers).

c) Identifying and assessing adverse impacts	The latest human rights impact assessment in accordance with the UN's Guiding Principles was carried out jointly with external human rights experts in 2023. This is elaborated further in the section 'EU taxonomy'. The most significant human rights issues for Fingrid as Finland's transmission system operator are related to the protection of life and health, data protection and the responsibility of supply chains. The most material impacts related to the protection of life and health are described in more detail in the sections 'Impacts, risks and opportunities', in standards S1 (own workforce), S2 (value chain workers), S3 (landowners) and in the section 'Entity-specific material disclosures' (system security). Data protection and secure personal data processing are addressed in standard S4 (consumers and end-users). The responsibility of supply chains is covered in connection with disclosure requirements G1-1 (Business conduct policies and corporate culture) and G1-2 (Management of relationships with suppliers).
d) Taking actions to address those adverse impacts	Incorporating the results of the human rights impacts assessments in the processes linked to the human rights risks that were brought to light. As the processes change, it is ensured that they do not give rise to negative human rights impacts. Activities harming human rights are addressed in compliance with the company's human rights commitment, including corrective action when needed. Updating the company's human rights action plan annually. The implementation of measures with regard to protecting life and health is described in more detail in the sustainability statement in connection with the following topic-specific disclosure requirements: - **with regard to own workforce** S1-3 (Processes to remediate negative impacts and channels for own workforce to raise concerns) and S1-4 (Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions), - **with regard to value chain workers** S2-3 (Processes to remediate negative impacts and channels for value chain workers to raise concerns) and S2-4 (Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions), - **with regard to landowners** S3-3 (Processes to remediate negative impacts and channels for affected communities to raise concerns) and S3-4 (Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions), - **with regard to data protection and secure personal data processing** S4-3 (Processes to remediate negative impacts and channels for consumers and end-users to raise concerns) and S4-4 (Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions), and - **with regard to the responsibility of procurement** G1-1 (Business conduct policies and corporate culture) and G1-2 (Management of relationships with suppliers).

e) Tracking the effectiveness of these efforts and communicating	Tracking of the measures and communicating on them as well as the potential negative human rights impacts are raised in this sustainability statement. Communications overall serve to ensure awareness of the reporting channel available to anyone on Fingrid's public website and of the procedures designed to protect whistleblowers. Tracking to protect life and health is carried out continuously through personnel and landowner surveys and by safety metrics. These cover, for example, personnel's well-being and the employee Net Promoter Score (eNPS), absences due to illness and the lost-time injury frequency (LTIF). The metrics also cover compliance in data protection and secure processing of personal data. In procurement, tracking is implemented through audits and corrective action to remedy any deviations. The metrics and targets are described in connection with the following disclosure requirements: - **with regard to own workforce** S1-5 (Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities), S1-9 (Diversity metrics), S1-13 (Training and skills development metrics), S1-14 (Health and safety metrics), S1-15 (Work-life balance metrics) and S1-16 (Remuneration metrics [pay gap and total remuneration]), - **with regard to value chain workers** S2-5 (Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities), - **with regard to landowners** S3-5 (Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities), - **with regard to data protection and secure personal data processing** S4-5 (Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities), and - **with regard to the responsibility of procurement** G1-2 (Management of relationships with suppliers).

GOV-5 Risk management and internal controls over sustainability reporting

The internal control systems relating to the sustainability reporting process are part of the overall system of Fingrid's internal control, as is the control of the financial reporting process. Controls pertaining to risk management are set throughout the Group, at all levels and all units of the Group. Examples of the controls include internal guidelines, approval procedures and authorisations, cross-checking with cost accounting, matching, verifications, assessment of operative efficiency, securing of assets, and differentiation of tasks. The CFO is responsible for the control environment related to both the financial reporting process and sustainability reporting. The General Counsel is responsible for the compliance of sustainability reporting.

The identified risks related to sustainability reporting are equated with other sustainability risks and are considered as important as the other risks mentioned and identified in the sustainability statement. An integrated model related to risk management is applied to sustainability reporting. With regard to the sustainability reporting process, the completeness and integrity of the data and the integrity of the reporting chain have been identified as risks. The observations related to sustainability reporting are reported regularly to the Board of Directors by the General Counsel.

3. Strategy

SBM–1 Strategy, business model and value chain

Fingrid is Finland's electricity transmission system operator, whose tasks are defined in the Finnish Electricity Market Act. The company's obligations are to maintain, operate and develop its electricity network and connections to other networks, connect new electricity production and consumption to the electricity network, transmit electricity and maintain a balance between electricity consumption and production. In addition, the company has the obligation to develop the electricity market.

The EU Regulation on the internal market for electricity obligates Fingrid to cooperate within ENTSO-E, the European Network of Transmission System Operators for Electricity, and also regionally with Nordic and Baltic transmission grid companies, to improve the effectiveness of the internal market in electricity. Fingrid's operations are supervised and regulated nationally by the Energy Authority, which has granted the company a licence for the transmission grid operations. Through its operations, the company enables the green transition and maintains the high quality of the power system. The company develops the power system and the electricity market in a changing operating environment, improving the operating conditions of the electricity market. In 2024, Fingrid had 597 employees only in Finland, as reported in disclosure requirement S1-6 (Characteristics of the undertaking's employees).

As a transmission system operator, Fingrid influences sustainability matters through its strategy and basic tasks, especially by securing the social and financial well-being of Finnish society and enabling the cleaning up of the energy system. The goal of grid investments is to create the conditions for Finland's competitiveness in industrial investments and to enable the achievement of Finland's carbon neutrality goal. The most material impacts of business are reflected positively in a well-functioning power system and electricity market and successful climate change mitigation in Finland.

Fingrid's customers include distribution system operators (DSOs), electricity producers, industries consuming electricity, balance responsible parties and other electricity market operators. The company produces grid and electricity market services for its customers. Grid services consist of connection into the main grid and developing, operating and maintaining the grid according to the customer's transmission needs. The electricity market services offer all industry players a unified price area for electricity trade in Finland, balance services, reserve marketplaces and open electricity market data. The subsidiary, Fingrid Datahub Oy, offers an effective information exchange platform for retail market participants. Finextra manages statutory public service obligations that are not part of actual transmission grid operations or transmission system responsibility. These tasks include peak load capacity services and guarantee-of-origin services for electricity.

Through its operations, the company creates shared value for its customers, employees, contractual partners, shareholders and Finnish society as a whole. The value of the basic tasks of a transmission system operator and critical electricity infrastructure for social well-being is evident for every person living in Finland through a secure supply of electricity and a clean power system. The social value translates into competitiveness for Finland based on clean, reliable and affordable electricity. Fingrid enables this competitiveness by investing in the main grid, cross-border transmission connections and electricity market solutions. Fingrid is 100% under Finnish ownership, and the dividends the company pays to its shareholders and its taxes return to Finnish society. In the business model, the core expertise of own personnel is combined with that of other actors, which means that some of the value created also benefits the contractors and suppliers employed in Fingrid's projects.

<table>
<tr><th colspan="4">Fingrid's business model and value creation</th></tr>
<tr><th>Inputs</th><th>Services and business processes</th><th>Outputs</th><th>Outcomes (creation of value)</th></tr>
<tr>
<td rowspan="3">- Suppliers and business partners
- Income and debt financing
- Electricity from power plants and neighbouring countries
- Power system flexibility from electricity market participants
- Grid transmission lines, substations and reserve power plants
- Land required for transmission lines, natural resources and materials
- ICT structures and processes
- Knowledge capital on electricity, markets and customers
- Personnel and expertise</td>
<td>Services for customers
- Grid services
- Electricity market services</td>
<td rowspan="3">- Enabling a carbon neutral energy system and the achievement of climate goals
- Reliable and clean electricity for society and industry
- Efficiently functioning electricity market
- Power system growth and promoting Finland's competitiveness
- Developing the electricity sector and expertise
- Financial benefits for stakeholders and the national economy
- Employment impacts and other local benefits of investments
- Local changes in land use and the environment, and energy losses in electricity transmission</td>
<td rowspan="3">- Fingrid's nationwide main grid creates a platform for a clean power system. Around 331 kilometres of new grid transmission lines and 25 new or expanded substations.
- Investments in the grid approx. EUR 500 million.
- Electricity transmission reliability 99.9995%.
- The average emission factor for the electricity consumed in Finland is 33 g CO_2/kWh.
- The electricity transmitted in Fingrid's network accounts for 85% of Finland's electricity transmission.
- Wind and solar power was connected to the main grid in the amount of 1,600 megawatts, which will indirectly result in an annual emissions reduction of 150,818 carbon dioxide equivalent tonnes in the future. The reliability of cross-border transmission connections is 83.9%.
- Customers perceive that Fingrid works for the benefit of the whole of society (4.4).
- Personnel feel their work is meaningful and are ready to recommend their employer (eNPS 74). Combined lost time injury frequency (own personnel and service providers) 4.8.
- Dividends EUR 135,3 million (Board of Directors' proposal to the Annual General Meeting) and corporate income tax EUR 34,4 million. Payments to financers and shareholders EUR 182,9 million.
- Fingrid personnel's person-years 566 and service providers' person-years 1,043.
- Carbon dioxide emissions 249,021 carbon dioxide equivalent tonnes (Scope 1-3). 98% utilisation rate and 71% recycling rate for waste.</td>
</tr>
<tr>
<td>Ensuring transmission capacity
- Identifying customer needs
- Main grid design and development
- Grid building
- Grid maintenance</td>
</tr>
<tr>
<td>Promoting the electricity market
- Electricity market solutions in a changing operating environment
- Ensuring the functioning of the electricity market
- Maintaining the regional electricity markets

Power system operation
- Planning of the operation of the power system
- Monitoring and control of the power system
- Managing disturbances and the continuity of the power system</td>
</tr>
</table>

SBM-2 Interests and views of stakeholders

Fingrid's operations as the party charged with system responsibility for the power system impact many stakeholders. Society is becoming increasingly reliant on electricity, as clean energy replaces fossil fuels. A large part of the electricity used in Finland is transmitted through Fingrid's main grid, which highlights the company's important task in achieving climate goals. The development of the power system and Fingrid's investments are a prerequisite for many investments related to the use, production and storage of electricity. In addition to reliable electricity transmission and the power system's balance management, stakeholders' main expectations for the company are related to the development of the power system. Due to the diversity of the stakeholders, individual expectations for the company can be conflicting.

The company's customer base has diversified following the energy transformation. New actors have joined the customer base, representing new forms of electricity production, electricity consumption and storage and electricity market services. The role of electricity consumers in balancing the power system has grown, and demand for flexibility in electricity demand and production has increased, creating new business opportunities for a number of actors.

The scope of Fingrid's operations has increased rapidly. New investments require planning; developing and implementing electricity market solutions requires work; and the growing main grid requires maintenance. The pace of growth in wind power production in Finland has been among the fastest in Europe, and this requires new kinds of solutions and cooperation models from Fingrid to respond to the high demand for connections and the rapid change in the power system. This development creates new opportunities not only for the company's own personnel but also for partners, such as contractors, supplier, financers and various developers. A key stakeholder group in terms of grid construction are landowners from whom Fingrid expropriates a right-of-use for transmission line areas. Implementing a major investment programme requires not only a lot of expertise and workforce, but also financial backers. The company's investments are financed using equity and debt, which has significantly increased the number of the company's debt investors. The change in the operating environment and adapting the company's operations to the legislation and economic regulation in force at any given time require close cooperation with the supervisory authority.

Close and long-term customer and stakeholder cooperation helps Fingrid better understand the expectations for the company's operations and create solutions to promote Finland's carbon neutrality and improve the nation's competitiveness. Continuous dialogue with stakeholders creates preconditions for the growth and high quality of the power system and is a key component of Fingrid's responsible and ethical business practices.

The executive management group and Board of Directors regularly review feedback on customer and stakeholder interaction and the company's success in its targets and related measures. The expectations of key stakeholders and the stakeholder interaction measures are listed in the following table.

Based on the double materiality assessment under sustainability reporting regulations, Fingrid has not identified a need to change the company's strategy and/or business model to take into account the interests and views of stakeholders. In accordance with the due diligence process, stakeholder interaction also ensures that it is possible for the company to consider, in its strategy and business, the interests, views and rights of its own workforce, value chain workers, affected communities and consumers and end-users, including respect for their human rights.

	Stakeholders' expectations	Fingrid's measures 2024
Owners and financers	• Responsible business and good governance • High productivity • Shareholder value and stable return development • Debt service consistent with agreements • Transparent and high-quality reporting • A high A-level credit rating	The company created shareholder value and paid a dividend in accordance with the dividend policy to the shareholders. Financing the company's investment programme by expanding the debt investor base, including two green bonds worth EUR 500 million. Strengthening high credit ratings. Active and transparent financial communications on the company's strategy, finances and business.
Customers	• Reliable electricity and a well-functioning electricity market • Services that meet customers' needs • Connecting new electricity production and consumption to the main grid • Pricing of efficient operations and right service quality • A predictable operating model	Two large Fingrid Current events and several webinars on projects to develop the electricity market and grid services were organised for customers. Face-to-face meetings were held with various customer groups both within the scheduled performance review programme and based on matters that came to light. In addition to wind turbine owners, meetings were also held with many new customer groups: industrial investors, solar power plants and battery storage systems. Fingrid's advisory committee convened four times, and the grid committee and the market committee four times each. Customer communication also took place through newsletters and the customer magazine.
Personnel	• Equal treatment and rewards • Well-being in the work community • Occupational safety • Professional development opportunities • Stable employment	Fingrid Academy offered diverse training for the personnel. A coaching event for the entire personnel took place in May, focusing on resilience. Fingrid applied for and was awarded the Feel-good workplace recognition.
Policymakers	• Reliable electricity • Shaping the clean and market-oriented power system of the future • Well-functioning electricity market • Participation in the electricity market	Regular engagement with policymakers as recorded in the public transparency register. The topics have included offshore wind power, the capacity mechanism and, generally, Finland's situation when it comes to production, industry and electricity networks. An event was organised for the parliamentary Commerce Committee, covering Fingrid's operations, investment programme, issues

		related to the sufficiency of electricity and market projects.
Authorities and organisations	• Promotion of common interests • Clear, reliable and timely communication • Expertise	Meetings with national and local authorities and decision-makers concerning the development of the electricity network and connections, offshore wind power connections, the sufficiency of electricity and capacity mechanisms. Cooperation in environmental impact assessments and environmental permit matters.
Contractors and service providers	• Occupational safety • Responsible treatment of suppliers • Predictability and continuity	Several info events, training sessions, and meetings of safety supervisors and the suppliers' occupational safety group were organised. Newsletters were sent to worksites to support safety communications. In addition, an occupational safety campaign was launched. The management had meetings with key service providers.
Landowners and neighbours	• Responsible operating methods in land use and environmental matters to reduce negative impacts • Proactive and reliable engagement	Communications and direct engagement in different stages of transmission line projects and during maintenance. In EIA procedures, events for the general public, letters to landowners and advertisements in local newspapers, and online feedback system.
Other partners	• Expertise • Promotion of common interests	The company was active in the European Network of Transmission System Operators for Electricity, ENTSO-E. The cooperation between Nordic and the Baltic Sea region's TSOs was particularly active. Several multi-year development projects were underway.
Consumers and end-users	• Reliable and affordable electricity	Communications to consumers on Fingrid's electronic communication channels. Participation in various trade fairs and a panel in SuomiAreena on electricity prices.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
Fingrid's material sustainability-related impacts, risks and opportunities are described on an aggregate basis in the text below and in the following table of material sustainability matters. In addition, the disclosures are elaborated further for each topic in connection with the relevant topical standards.

The material sustainability-related impacts, risks and opportunities are taken into account in Fingrid's strategy, management system and risk management. This integrated approach implements the interaction of sustainability topics with the strategy and business model. Fingrid has not identified any material risks and opportunities that would have materially affected the company's financial position, financial result and cash flows during the reporting period, except for the opportunity for climate change mitigation and related investments. Fingrid has also not identified any material risks and opportunities for which there would be a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related

financial statements. The company's material sustainability-related impacts described below were already realised during the reporting period.

Fingrid enables climate change mitigation through grid investments, electricity market solutions and customer flexibility. Fingrid creates a positive climate impact through its operations by reinforcing the main grid and developing the electricity market to meet the needs of clean electricity production and the electricity-consuming industries and other societal parties. This enables the growth of a clean power system and helps indirectly avoid GHG emissions. Developing the main grid and ensuring the quality of electricity transmission are necessary for both the functioning of society and the achievement of climate goals. However, building the transmission grid causes land use change, deforestation and biodiversity loss. Risks can be associated with the grid construction materials needed to build a clean power system, as they can be subject to cost increases or availability challenges.

In addition to the occupational well-being and safety of the company's own personnel, the impacts on the workers in the value chain are material in Fingrid's business model, which is based on partnership. Partners are, for example, responsible for grid construction and maintenance work. Safe working conditions and reasonable contract policies for contractors and suppliers are at the core, especially at worksites and projects in Finland, but also when making international equipment and materials procurement.

Landowners of the main grid transmission line areas are a key affected community. Fingrid expropriates a right-of-use to the transmission line area from private landowners in order to be able to build, operate and maintain a transmission line, and this is associated with a risk of erosion of general acceptance. The company also plays a central role in relation to consumers and end-users, as the Fingrid Datahub maintains and manages Finland's consumer customers' data regarding electricity use, enabling the efficient functioning of the retail market. Material impacts in this activity are related to privacy and data protection.

Transition risks, i.e. changes resulting from the transition to a clean power system, include the growing complexity of the power system as weather-dependent production increases and variations in electricity consumption and production intensify. Finland's transition towards a clean and growing power system has been one of the fastest in Europe. Part of this development can be seen in Fingrid's operations and on the electricity market. The described development is reflected in the increase and variation of power system maintenance costs, such as reserve and transmission loss costs, which results in uncertainty in the pricing of Fingrid's services, requiring corporate financing sustainability. The number of different power system disturbances has also grown, increasing risks in the operation of the power system and availability of electricity. Fingrid aims to offer its customers high-quality electricity transmission, electricity transmission capacity and opportunities to connect to the main grid to meet Finland's climate targets in a sufficiently fast and cost-effective manner. This requires developing the electricity market, balancing electricity consumption and production, building the main grid and creating various flexibility solutions together with customers. A key to success in this is a regulatory framework that enables the green transition and well-functioning cooperation between Fingrid, the company's customers and various stakeholders.Sufficient building of grid infrastructure also requires proactive environmental impact assessments, fast project permit processes and effective project management. Fingrid's extensive investment programme requires, in addition to income financing, a lot of debt financing, for which the company uses the Green Finance Framework.

The implementation of the green transition and the growth of the power system can be subject to risks from changes in legislation and other regulations that restrict the company's operating conditions. Some of these risks are climate-related transition risks. A significant negative change in the regulatory landscape is identified as a strategic risk for the company, in addition to a serious electricity disturbance and the warping of the corporate culture. The needs of different stakeholders for developing the main grid are increasing sharply. Fingrid's corporate financing together with the company's financial controls sets limitations on annual investment levels. The progress of the green transition is at the core of Fingrid's strategy and business model. In 2024, the company analysed, through

scenario analyses on the investment programme that enables the green transition, its strategy's and business model's resilience and ability to address material sustainability-related impacts, risks and opportunities. The scenarios are based on alternative electricity production and consumption projections, which are determined by the progress of the green transition in Finland. The implementation of the investment programme depends on the growth of electricity production and consumption. In the company, a warping of the corporate culture in a rapidly changing operating environment and in meeting a number of different stakeholder needs, as well as breaches of the company's Code of Conduct or values could impair the company's capacity to function and weaken the transmission system operator's reputation as an enabler of the green transition. Fingrid's risk management is based on holistic risk and continuity management, in which event impacts are extensively assessed within the company and risk management is designed accordingly.

Material sustainability matters in Fingrid's own operations and value chain

Topic	Sub-topic	Sub-sub-topic	Impact materiality	Financial materiality	Upstream value chain	Own operations	Downstream value chain
ESRS E1 Climate change	Climate change adaptation		↓	-		•	
	Climate change mitigation		↑	+	•	•	•
	Energy		↓	-	•	•	•
ESRS E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate change	↓			•	
		Land-use change, fresh water-use change and sea-use change	↓			•	
ESRS E5 Resource use and circular economy	Resource inflows, including resource use			-	•	•	
ESRS S1 Own workforce	Working conditions	Health and safety	↑/↓			•	
	Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	↑/↓			•	
ESRS S2 Workers in the value chain	Working conditions	Working time	↑/↓		•		
		Adequate wages	↑/↓		•		
		Health and safety	↑/↓		•		
ESRS S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts		-			•
ESRS S4 Consumers and end-users	Information-related impacts on consumers and/or end-users	Privacy	↓				•
Entity-specific topics	Protection of business critical and personal data			-			•
	System security			-			•
	Corporate culture		↑	-		•	

Material sustainability matters in Fingrid's own operations and value chain							
Topic	**Sub-topic**	**Sub-sub-topic**	**Impact materiality**	**Financial materiality**	**Upstream value chain**	**Own operations**	**Downstream value chain**
ESRS G1 Business conduct	Protection of whistleblowers		↑↓			•	
	Corruption and bribery	Prevention and detection including training	↑			•	
		Incidents	↓			•	

↑ Positive impact / ↓ Negative impact / + Opportunity / - Risk

4. Impacts, risks and opportunities management

4.1 Disclosures on the materiality assessment process

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
In 2023, Fingrid carried out a double materiality assessment with support from an external expert. The impacts, opportunities and risks identified in the assessment, as well as the related sustainability topics, form the basis for the sustainability reporting that will be required on Fingrid's corporate responsibility work. With regard to the 2024 reporting period, the double materiality assessment was found to be up to date by the executive management group and the Board of Directors.

Fingrid carries out enterprise risk management in accordance with the internal control and risk management principles decided by the Board of Directors, combining proactive risk management, continuity management and contingency planning for a state of emergency in society. Sustainability risks are not prioritised in relation to other risks; instead, these risks, including climate-related risks, are part of the company's enterprise risk management. The assessment of business risks is developed further by also including the assessment of human rights risks where applicable. The sustainability materiality process also takes into account the connection to risk management. The selected approach ensures that addressing sustainability risks is a natural part of the company's management and decision-making.

The materiality process was based on the Finnish Accounting Act and other national legislation implementing the CSRD, the ESRS reporting standards and the advice provided by the European Financial Reporting Advisory Group (EFRAG) concerning double materiality assessments. The double materiality assessment concerned the sustainability topics, sub-topics and sub-sub-topics listed in Appendix A of ESRS 1 General requirements, which were supplemented with entity-specific sustainability topics material for Fingrid. The input parameters used in the assessment were the key risks and the related financial impacts identified in Fingrid's proactive risk management, maintained in the company's risk register and reported to the company's Board of Directors, as well as other relevant internal and external information sources, such as the SASB's industry-specific reporting standard. The materiality analysis conducted by Fingrid when applying the GRI reporting guidelines (Global Reporting Initiative, Sustainability Reporting Standards) was also used in the assessment. As for stakeholders, the input data included the results of the corporate responsibility stakeholder survey 2022 and up-to-date feedback on Fingrid's consultation and cooperation with its affected stakeholders.

For the assessment of materiality related to pollution, water resources, biodiversity and resource use and circular economy, the company had access to information about the location of its sites, its holdings and its operations as a

whole. The geospatial coordinates of the assets in relation to areas that are sensitive in terms of biodiversity are managed in the company's geographic database. The environmental impacts of transmission lines, substations and reserve power plants are known, and impact assessments take place continuously in, among other things, the statutory environmental impact assessments of transmission line projects and through the reserve power plants' environmental permit obligation. In this context, regular consultation with authorities and affected communities also takes place, including impacts on pollution, water resources, biodiversity and ecosystems, and resource use and circular economy. Transmission line areas are known to have the potential to both reinforce and weaken the ecosystem services provided by nature. In the assessment of overall materiality, both the direct impact drivers and the impacts on the state of species, ecosystems and the services offered by them were considered. To assess biodiversity-related risks and opportunities, no separate scenario or resilience analysis was performed, but the assessment acknowledged the connections between the changing climate and the loss of biodiversity as described in connection with disclosure requirement E4-1 (Transition plan for climate change mitigation).

As for the relevant business conduct criteria, the starting point was the company's operations in Finland in the electricity transmission sector. Fingrid's business consists of grid and balance services, in addition to which the company offers other electricity market-related services, such as information exchange, financial transmission rights and a market related to power system reserves.

The double materiality assessment consisted of three elements: initial charting, assessment of Fingrid's impacts on people and the environment, and identification and assessment of the financial impacts on Fingrid. The assessment covered short-term, medium-term and long-term impacts, risks and opportunities, taking into account Fingrid's business relationships and the entire value chain in all material respects. With regard to the value chain, the impact assessment essentially covered international goods procurement, the operations of contractors and service providers and the electricity market. The impact assessment was performed as workshop work by Fingrid's management and experts. A large number of Fingrid's management and experts from different functions participated in the workshops.

The initial charting consisted of a broad review of Fingrid's material sustainability topics from the perspectives of actual and potential impacts on the environment or people and financial impacts on Fingrid's business. Fingrid identified the negative and positive impacts of its own operations and those resulting from its business relationships with upstream and downstream value chain actors on people and the environment (impact materiality) and the financial risks and opportunities resulting from sustainability factors for Fingrid's business. The initial charting utilised information from Fingrid's regular stakeholder interaction about the information needs of key affected stakeholders and users of the sustainability statement. The initial charting resulted in a preliminary list of the impacts, risks and opportunities related to sustainability factors for prioritisation.

Thereafter, Fingrid's management and experts assessed the identified negative and positive impacts on people and the environment (impact materiality) based on scale, scope and irremediability. For potential impacts, the likelihood of their materialisation was also assessed. Negative and positive impacts were assessed separately, and for negative human rights impacts, the assessment was primarily based on their severity, considering Fingrid's impacts in accordance with the due diligence process.

Fingrid's management and experts also assessed the actual and potential risks and opportunities for Fingrid's business (financial materiality) based on the size and likelihood of the anticipated impact. The assessment was performed as workshop work where Fingrid's management and experts placed the identified impacts, risks and opportunities related to sustainability factors in order of importance. An understanding of the connections of the identified impacts to the risks and opportunities being assessed had been built with the help of the input data for the assessment and the workshop work.

Finally, Fingrid's executive management group ensured the commensurability of the assessments and set threshold values to determine which sustainability topics are material for reporting. Fingrid's executive management group validated the results of the materiality assessment in June 2023. The Board of Directors discussed it in June 2023.

The materiality assessment will be reviewed for the next time in the first half of 2025. In accordance with the company's annual management cycle, the results of the annual review of the materiality assessment (impacts, risks and opportunities) will be incorporated in the company's risk management and strategy preparation process. Fingrid will also update its sustainability metrics and targets for 2025.

E1 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

At Fingrid, risk management is planned using a holistic approach. The objective is to comprehensively identify, assess and monitor threats and risks on the company's operations, the environment, personnel and assets, and protect them against such threats and risks. This enterprise risk management (ERM) includes a process to identify and assess climate-related impacts, risks and opportunities as part of the company's annual enterprise risk management process. This covers addressing climate risks in the short term for different asset classes in Finland's already extreme climate conditions, with temperatures varying from +40 to -50°C, for example.

Based on a GHG inventory covering the whole value chain, its previous reporting and its climate engagement work, the company has identified the sources of its GHG emissions and the other drivers of its climate-related impacts, including land use. The company is aware of the size of the emissions, impacts and opportunities to affect, and locked-in emissions as stated in the standard E1 disclosure requirements (E1-4 Targets related to climate change mitigation and adaptation and E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions). This information was available during the materiality assessment and the process to identify and assess climate risks.

With the support of an external expert, work was performed at Fingrid in 2024 to develop the process to identify and assess material climate-related impacts, risks and opportunities. The overall objective of the work was to develop Fingrid's risk assessment through the incorporation of climate scenarios and to ensure that climate risk management can be embedded in the company's risk management in the manner required by evolving regulations.

Fingrid's current risk assessment and climate risk management, best practices and legal requirements (CSRD/ESRS and the EU taxonomy) were taken into account in the structure, key elements and assumptions used in the climate risk assessment methodology. The work was performed using the TCFD's (Task Force on Climate-related Financial Disclosures) approach, with the participation of Fingrid's key businesses and the persons responsible for risks.

Based on the methodology developed, the transition risks and physical risks resulting from climate change and their impacts in terms of the risk portfolio and the development of risk management were identified and validated. For physical risks, both acute and chronic climate risks were considered. Transition risks were addressed in four categories: politics and legislation, technology, markets and reputation. Physical risks were reviewed at the level of Fingrid's key asset classes: transmission lines, substations, reserve power, ICT and real estate. Transition risks were reviewed at the company level. The key steps of the review consisted of identifying material risks, describing the risks in more detail and assessing the likelihood and impacts of the risks, based on which a risk rating was given to each risk identified as material. The work resulted in an operating model for climate risk assessment, which is repeated every year and is based on materiality and likelihood, and in which an estimated financial impact is also determined for the risks.

Applicable climate scenarios (Intergovernmental Panel on Climate Change IPCC and International Energy Agency IEA) aligned with the latest scientific information and based on the most recent research data, adapted to Finland's conditions, were used in the work. Fingrid considers that the scenarios used and their time horizons cover its

plausible risks and uncertainties, and they have not been identified to include any particular restrictions to be considered. From the perspective of ensuring the compatibility of the climate scenarios, Fingrid has not identified any critical climate-related assumptions to be presented in its financial statements. In the risk review, one input data was a regional breakdown but the differences did not require moving away from a nationwide review.

The development of physical risks was assessed in a scenario where the efforts to limit emissions fail and the impacts of climate change gain momentum and become more extreme (IPCC high emissions, SSP5-8.5). Physical risks were reviewed on a long time horizon of around 30–50 years, which corresponds with the expected life cycle of key assets and the capital allocation plans as these assets are at the core of the main grid development plan. The main grid development plan implements the company's strategy and vision, in which a short (1 year) or medium-term (1–20 years) time horizon is not material for a review of physical risks, due to the long lifetime of Fingrid's key assets. The physical risk review assessed the extent to which the company's key assets and business operations may be exposed and are sensitive to the identified climate-related hazards, taking into consideration the likelihood, magnitude and duration of the hazards as well as the geospatial coordinates of the company's assets in Finland.

The development of transition risks was assessed on the company level in a scenario where global emissions decrease sharply thanks to determined emission reduction measures and the worst climate change impacts are kept in check (IPCC Paris-aligned, SSP1-2.6 and IEA SDS). Transition risks were reviewed based on likelihood, magnitude and duration with a time horizon of around 20 years. The time horizon is shorter than in the review of physical risks, because in the climate policy operating environment, only a few national or international, legally binding milestones are scheduled for the period from 2030–2050. The review of short-term transition risks is included in the company's normal annual enterprise risk management process. The work did not identify the company to have any significant assets or business operations that are not compatible with the transition to a climate neutral economy.

The input data and assumptions used in the IPCC scenarios were used as input parameters in the risk descriptions of the work. The work resulted in a climate risk assessment methodology suitable for Fingrid, which uses climate scenarios based on the latest research data and covers both transition risks and physical risks. The results of the work were integrated in Fingrid's enterprise risk management process, in which the heads of business are responsible for the risks in their areas of responsibility and for the measures to manage them, and for regular reporting with the support of the persons responsible for risks in the businesses.

Risk assessment of climate-related physical risks
Fingrid prepares for the physical risks of more frequent and more powerful extreme weather phenomena in grid construction and operations. Due to the critical security of supply aspect of its operations, Fingrid has used this approach for a long time already. The management of physical climate risks has long been integrated in Fingrid's processes, taking into consideration natural weather variations and the already experienced impacts of climate change. The contingency measures related to physical climate risks have focused on various context-specific risks as part of the company's enterprise risk management since 2023, including, in accordance with the EU taxonomy, temperature-related, wind-related, water-related and solid mass-related chronic and acute risks. The physical climate risks are largely hazards already identified by Fingrid for the company's key assets and business activities. These are primarily related to the rise in temperature (heatwaves, rise in heat load), changes in precipitation patterns (freezing rain, heavy precipitation, flood), an increase in the likelihood of wildfires and changes in the likelihood of storms and ground frost. Of the assets, physical risks primarily affect transmission lines, substations and reserve power.

Risk assessment of climate-related transition risks
When reviewing climate risks through scenarios, transition risks are top of the list in the assessment of total risk, especially as a systemic risk for the power system. Transition risks are a fairly new challenge for all green transition actors, and Fingrid is in many ways at the core of this transition. This requires proactive and continuous monitoring

from Fingrid, because many transition risks still involve significant uncertainties. Transition risks are a material sustainability matter for the company. That is why the matter is addressed already in connection with disclosure requirement SBM-3 (Material impacts, risks and opportunities and their interaction with strategy and business model).

Climate change transition risks consist of events related to regulations and policies, technological development, market changes and/or reputation, and often of combinations thereof. The risks that are considered critical in the risk assessment included many of the system level challenges faced by Finland's electricity system, especially the management and controllability of the system when different technologies need to be integrated in new ways to maintain the balance of electricity production and consumption. Simultaneously, new electricity production technologies are changing the system's operating principles and increasing the risk level of operation as the renewable, more weather-dependent electricity system becomes less controllable. The impact of climate policies on the carbon price and the spill-over effect on investment costs and the costs of own emission reduction measures is one of the significant transition risks with a cross-cutting dimension. Together with this development, another significant risk is that Fingrid would not be able to enable the green transition in Finland in an adequate manner.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement
The list of the ESRS standards' disclosure requirements that have been followed when preparing the sustainability statement based on the materiality assessment (content index) can be found in Appendix 1.

The list of data points listed in standard ESRS 2 Appendix B based on other EU legislation can be found in Appendix 2.

Fingrid's material sustainability topics, taking into consideration the value chain in its material parts, are presented on an aggregate basis in connection with disclosure requirement SBM-3 (Material impacts, risks and opportunities and their interaction with strategy and business model).

In addition, Fingrid reports, beyond the disclosure requirements, the targets and metrics included in the company's previous set of corporate responsibility ESG targets related to the ESRS standards that, based on the double materiality assessment, are still identified as material for the company on the sustainability topic level. The company has used these targets and metrics included in its set of ESG targets to track the effectiveness of measures related to the management of its sustainability matters from 2021 until the end of 2024.

1.11.2 Environmental information

EU taxonomy
The EU taxonomy is designed to support sustainable finance by channelling money into projects that are sustainable in terms of climate change and the environment. Fingrid has calculated its taxonomy KPIs in compliance with the Delegated Regulation (EU) 2139/2021, Annex 1. The company has identified relevant activities in both climate change mitigation and climate change adaptation, but the taxonomy-eligible and taxonomy-aligned activities were only assessed in terms of the most material environmental target.

One aspect of the assessment was to verify that Fingrid's operations contributing significantly to climate change mitigation **does not significantly harm** the other environmental taxonomy targets applicable to electricity transmission. Climate change adaptation requires the identification, assessment and management of the physical risks arising from climate change, and this is addressed in connection with disclosure requirement E1 IRO-1 (Description of the processes to identify and assess material climate-related impacts, risks and opportunities). The Do No Significant Harm (DNSH) principle for the transition to circular economy requires a waste management plan to ensure re-use or recycling to the maximum extent possible according to the waste management hierarchy. Fingrid's systematic and goal-oriented waste management complies with this by means of contract terms for suppliers and

waste specification documents, as described in connection with disclosure requirement E5-1 (Policies related to resource use and circular economy). To prevent and reduce pollution, Fingrid has in place an occupational health and safety management system based on the ISO 45001 standard, which is considered to meet the principles of the International Finance Corporation's (IFC) environmental, health and safety guidelines. Fingrid complies with the applicable standards and operational methods to reduce any health impacts from electric and magnetic fields. The limit values set by the Finnish Ministry of Social Affairs and Health for public exposure, based on the recommendation of the Council of the European Union, are not exceeded in the vicinity of transmission lines. Taxonomy alignment additionally requires that no polychlorinated biphenyls (PCBs) are used in the operations. Fingrid does not use any PCBs in its overhead lines. Due to the often long lifetime of grid equipment, PCBs have still been detected, generally in small concentrations, in a limited part of oils in old equipment. This equipment will be dismantled using appropriate methods as their service life ends. Fingrid's operations also do not do significant harm to the protection of biodiversity and ecosystems and restoring them. Fingrid carries out environmental impact assessments in compliance with the EIA Directive and implements the harm reduction and compensation measures identified as necessary to protect the environment as described in connection with disclosure requirement E4-3 (Actions and resources related to biodiversity and ecosystems). Appropriate assessments in compliance with the Habitats Directive and the Bird Directive are carried out in vulnerable areas and their vicinities (including the Natura 2000 network of protected areas, UNESCO world heritage sites, biodiversity hot spots and other nature reserves), and the necessary mitigation measures are implemented.

As a minimum level of protection, the Taxonomy Regulation requires measures to ensure that the OECD Guidelines for Multinational Companies and the UN Guiding Principles on Business and Human Rights are complied with. Fingrid has revised its procedures regarding human rights, bribery, competition and taxation. The company estimates that it meets the minimum safeguards of social responsibility and has in place procedures to oversee their compliance in the company's own operations as well as in business relationships, in compliance with the due diligence obligation. In 2016, Fingrid signed the UN Global Compact initiative and defined the Code of Conduct for its personnel in compliance with these principles and the UN's Guiding Principles on Business and Human Rights. The public Code of Conduct approved by the company's Board of Directors also includes Fingrid's human rights commitment drawn up with assistance from a third-party specialist. Fingrid requires its service providers and suppliers to commit to the Supplier Code of Conduct, which covers issues such as business practices, human rights, labour rights, occupational safety, the environment, and anti-corruption in compliance with the United Nations' Global Compact initiative. The Supplier Code of Conduct is also publicly available on Fingrid's website. As early as 2016, Fingrid started to further sharpen its human rights focus with an overall assessment in compliance with the UN's Guiding Principles. Since then, Fingrid has annually updated its human rights action plan drawn up on the basis of the assessment and reviewed the need for an overall update of the assessment. In 2023–2024, the human rights impact and risks assessment on which the Human Rights Due Diligence (HRDD) process is based was updated with support from third-party experts. At the same time, the human rights impact assessment (HRIA) was carried out for Fingrid's entire value chain to assess actual or potential negative human rights impacts. The human rights responsibility of the subsidiaries Finextra and Fingrid Datahub was taken into consideration in the assessment. The human rights assessment focuses on ensuring responsible procurement, because the company's business model is based on combining its core expertise with that of its partners. The descriptions of other areas in the HRDD process were also edited for more clarity and more concrete specifics in Fingrid's operations.

Anti-corruption and the prohibition to offer or accept an undue benefit, including anti-money laundering, anti-extortion and anti-bribery, are included in the Supplier Code of Conduct and in Fingrid's Code of Conduct, which obligate the entire personnel, with various practices in place to oversee compliance at the company level. The Code of Conduct also prohibits any support to religious or political activities by Fingrid. More detailed instructions linked to the Code of Conduct for areas such as business gifts and ensuring impartiality include other principles, policies and guidelines, and induction programmes. The internal control and risk management principles define the operating models to be used in internal control and risk management, and the control measures also applicable to

bribery, demands of bribes and prevention of extortion. The risk of warping of the corporate culture is reported annually to the Board of Directors, covering any behaviour in conflict with the Code of Conduct and Fingrid's values. The company-level public reporting includes corruption or bribery cases, if any.

Fingrid complies in all its operations with the principles and regulations of Finnish and EU competition law. Each person working at Fingrid has the duty to contribute to ensuring that Fingrid complies with the competition legislation in force. This obligation also applies to the company's customer organisations. Separate public guidelines on the compliance of competition law are in place for Fingrid's advisory committee, other committees and similar working groups. Tendering of services in an honest, ethical, professional, market-based and transparent manner is included in the company's Code of Conduct.

As regards taxation, Fingrid honours its Code of Conduct by being a responsible tax payer and does not make special arrangements to minimise taxes. Fingrid commits, for its part, to prevent the grey economy. The company has no taxation risk strategy approved by the Board of Directors, because the company has not identified any material risks related to taxation.

According to the assessment of the operations in 2024, a substantial proportion of Fingrid's operations is both taxonomy-eligible and taxonomy-aligned and significantly reduces the GHG emissions from other sectors. Taxonomy-aligned activities accounted for 95.6 per cent of turnover, 97.2 per cent of CapEx and 86.2 per cent of OpEx. There are no significant changes in the calculation compared to the previous year. Section 4.3 of the financial statements contains a more detailed breakdown of the turnover and changes during the reporting period. The investment programme is addressed in disclosure requirement E1-3 (Actions and resources in relation to climate change policies). Taxonomy-aligned operational expenditure was EUR 3.1 million (EUR 2.4 million), grid maintenance costs were EUR 45.6 million (EUR 29.1 million) and lease expenses were EUR 1.3 million (EUR 1.1 million). The increase in grid maintenance costs was mainly due to the repair of the EstLink 2 cross-border transmission cable, which sustained damage in January.

Electricity transmission is classified as a taxonomy-eligible sustainable economic activity, which has technical assessment criteria in place for assessing taxonomy-alignment. In terms of climate change mitigation, the transmission of electricity has been defined as an enabling activity with which other sectors' GHG emissions can be significantly reduced.

Calculations have been made on the portions of Fingrid's operations that are taxonomy-eligible and meet the assessment criteria related to climate change mitigation. The three key performance indicators (KPIs) required by the taxonomy have been calculated: turnover, capital expenditure and operational expenditure. The starting point for the assessment is the fact that electricity transmission has been classified as a taxonomy-eligible sustainable economic activity. However, the peak load capacity income from Fingrid's operations is not taxonomy-eligible because it is not directly related to the transmission and use of electricity in the main grid and, according to Fingrid's interpretation, there are no other taxonomy-eligible activities (in compliance with the Taxonomy Regulation) that could be applied in this case. Due to the same reason, the Datahub income and the guarantee of origin certificate service are also not classified as taxonomy-eligible even though they have a positive impact on climate change mitigation.

When assessing the taxonomy-alignment of Fingrid's operations, an essential criterion is met in that the transmission system is an interconnected European system. However, a Fingrid operation is not taxonomy-aligned if it includes infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more GHG intensive than 100 g CO_2e/kWh measured on a life cycle basis. Such direct connections are rare and are excluded from the calculations of taxonomy-aligned operations. Fingrid's reserve power activities are also excluded from the calculations, on the same grounds.

The intelligent measurement systems in use at Fingrid have been verified to comply with the criteria set in the Electricity Directive.

In the taxonomy-alignment calculations, the proportion of the equipment containing PCBs has been deducted from the power and instrument transformer groups. The production and import of PCBs have been prohibited in Finland since 1990. The detected PCB concentrations have generally been low. The lifetime of grid equipment is often long, which is why PCBs have been detected in a limited part of old equipment when sampling oils in power transformers and dismantling oil-insulated equipment.

Turnover of taxonomy-eligible activities

Financial year 2024		Year		Substantial Contribution Criteria						'Does Not Significantly Harm' criteria (DNSH criteria)									
Economic Activities	**Code (a)**	**Turnover**	**Proportion of Turnover, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023**	**Category enabling activity**	**Category transitional activity**
		M€	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity transmission and distribution	CCM 4.9	1,213	95.6 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	95.8 %	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,213**	**95.6 %**	**96%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**95.8 %**		
Of which Enabling		1,213	95.6 %	96%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	95.8 %	E	
Of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity transmission and distribution	CCM 4.9	34	2.7 %	KEL	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								2.4 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**34**	**2.7 %**	**3%**	**0%**	**0%**	**0%**	**0%**	**0%**								**2.4 %**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**1,247**	**98%**	**98%**	**0%**	**0%**	**0%**	**0%**	**0%**								**98.2 %**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		22	1.7 %																
TOTAL		**1,269**	**100%**																

N/EL = Non-eligible

EL = Eligible

Capex of taxonomy-eligible activities

Financial year 2024		Year		Substantial Contribution Criteria						'Does Not Significantly Harm' criteria (DNSH criteria)								
Economic Activities	**Code (a)**	**Turnover**	**Proportion of Turnover, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023**	**Category enabling activity**	**Category transitional activity**
		M€	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity transmission and distribution	CCM 4.9	449	97.2 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	98.7 %	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**449**	**97.2 %**	**97.2 %**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**98.7 %**		
Of which Enabling		449	97.2 %	97.2 %	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	98.7 %	E	
Of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity transmission and distribution	CCM 4.9	13	2.8 %	KEL	E/KEL	E/KEL	E/KEL	E/KEL	E/KEL								1.3 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**13**	**2.8 %**	**2.8 %**	**0%**	**0%**	**0%**	**0%**	**0%**								**1.3 %**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**462**	**100%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**100%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		0	0.0 %																
TOTAL		**462**	**100%**																

N/EL = Non-eligible
EL = Eligible
Capital expenditure and total investments in accordance with figures reported by Fingrid Group. Fingrid Group's accounting principles for capital expenditure can be found in section 4.3 and 5.2 of the financial statements.

Oapex of taxonomy-eligible activities

Financial year 2024	Year			Substantial Contribution Criteria						'Does Not Significantly Harm' criteria (DNSH criteria)								
Economic Activities	**Code (a)**	**Turnover**	**Proportion of Turnover, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023**	**Category enabling activity**	**Category transitional activity**
		M€	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity transmission and distribution	CCM 4.9	51	86.2 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	82.3 %	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**51**	**86.2 %**	**86.2 %**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**82.3 %**		
Of which Enabling		51	86.2 %	86.2 %	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	82.3 %	E	
Of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Electricity transmission and distribution	CCM 4.9	8	13.8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								17.7 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**8**	**13.8 %**	**13.8 %**	**0%**	**0%**	**0%**	**0%**	**0%**								**17.7 %**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**59**	**100%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**100%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0.0 %																
TOTAL		**59**	**100%**																

N/EL = Non-eligible

EL = Eligible

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

ESRS E1 – Climate Change

Material impacts, risks and opportunities related to climate change

When it comes to climate change, material sub-topics for Fingrid include climate change adaptation, climate change mitigation and energy. Fingrid is implementing its largest ever investment programme, which will enable the electrification of society and the transmission of clean electricity from production to consumption required to reduce GHG emissions. To support this change, the company must succeed in developing the electricity market and the solutions serving it. The material positive climate impact of Fingrid's business operations shows as an indirect decline in GHG emissions, as climate change mitigation in Finland becomes possible. The green transition creates an investment opportunity, but at the same time the company has to manage material systemic risks related to the transition to a clean power system. Transition risks primarily arise from regulations and the realisation of the system responsibility for the electricity network in the carbon neutral energy system of the future, when balancing the power system will be more challenging than today. The company must also be able to build new grid infrastructure with the pace and magnitude required by the green transition.

ESRS standard	Material topics	Impact	Financial impact	Identified impacts	Risks and opportunities	Fingrid's policies for impacts, risks and opportunities management
E1 Climate change	↑Climate change mitigation ↓Climate change adaptation ↓Energy	•	•	↑Enabling climate change mitigation and indirect reduction of GHG emissions by connecting new renewable energy production and consumption to the grid ↑/↓Flexibility and functionality of the electricity market	+Investment need arising from the green transition -Risks arising from the transition to a clean power system, such as system responsibility and adequacy of grid building	Principles of ensuring transmission capacity Principles for promoting the electricity market Internal control and risk management principles Loss power procurement policy Transmission capacity allocation and congestion management policy Grid planning, building and maintenance management policies Land use and environmental policy

↑ Positive impact / ↓ Negative impact / + Opportunity / - Risk

E1-1 Transition plan for climate change mitigation

Fingrid's transition plan for climate change mitigation is a set of targets and measures, which includes as key elements the company's grid investments, the reduction of the company's own GHG emissions aligned with the Paris Agreement and climate change adaptation as part of the company's risk management. The transition plan that they form and its compatibility with Fingrid's business strategy and financing are described in this sustainability statement.

From a sustainable development perspective, the most impactful aspect of Fingrid's climate work is the positive impact – the climate benefit – created by the company through its business. The EU taxonomy also defines the transmission of electricity as an enabling activity with which other sectors' GHG emissions can be significantly reduced. By making grid investments, Fingrid enables the reduction of GHG emissions in Finland through electrification. The company's power system vision is based on the achievement of Finland's climate goals and the low-carbon roadmaps of different industries. When Fingrid implements grid investments as approved by the Board of Directors, the connection of renewable production and consumption becomes possible and GHG emissions in Finland decrease. In addition to grid investments, climate change mitigation is enabled through electricity market solutions and customer flexibility. Through its operations, Fingrid supports society's transition to a sustainable economy and the limiting of global warming and acts as an enabler in achieving climate goals, and therefore, there is no need for the company to change its strategy or business model in this respect.

The planned investments are managed through the grid development plan, which covers the new and replacement investments in the main grid for the next ten years. The development plan is the current best estimate of future investments and it determines the size, schedule and estimated annual costs of the investment projects. The company finances the investments included in its development plan using the cash flow of operating activities and essentially with balance sheet financing using green financing. The company's debt financing does not include any preconditions or covenants based on financial ratios. Fingrid's development plan is assessed as a continuous process and updated several times a year. The development plan is reported to the steering group tasked with ensuring transmission capacity, the executive management group and the Board of Directors at least twice a year. The Board of Directors approves the plan as required. Every year, the Board of Directors approves the investment budget for the next year and the financial investment ability that outlines the company's investments for the next few years. The development plan was last approved on 19 June 2023. The investment budget for 2025 was approved on 30 October 2024. The decision outlining the investment ability for the next few years was made by the Board of Directors on 20 December 2024. The set of targets and measures included in the transition plan for climate change mitigation is approved by the Board of Directors in connection with sustainability reporting.

In 2024, according to the EU taxonomy review, a substantial proportion of Fingrid's operations is both taxonomy-eligible and taxonomy-aligned activity, which significantly reduces the GHG emissions from other sectors. The same applies to capital and operational expenditure, and the company has no specific targets or plans to adapt its operations in this respect. In 2024, the operational expenditure (OpEx) allocated to the implementation of the transition plan, aligned with the taxonomy's climate change mitigation criteria, was EUR 51 million. The capital expenditure (CapEx) allocated to the implementation of the transition plan, aligned with the taxonomy's climate change mitigation criteria, was EUR 449 million. The amounts above are also significant monetary amounts of CapEx and OpEx required to implement the actions taken or planned. The taxonomy reporting in its entirety is addressed in a separate section (EU taxonomy).

The grid building and maintenance work by Fingrid also leads to GHG emissions that result in negative climate impacts. The company aims to reduce these emissions in line with the Paris Agreement. Direct GHG emissions result from the sulphur hexafluoride (SF6) needed as an insulating gas at substations and the light fuel oil needed at reserve power plants. Indirect emissions result from electricity consumption and the power losses in electricity transmission. Material GHG emissions are also generated in the upstream value chain, especially from the building materials of transmission line and substation investments.

The locked-in of GHG emissions and the limited range of decarbonisation levers are currently related to the use of sulphur hexafluoride at substations and the use of light fuel oil at reserve power plants. Fingrid has also decided to reduce its SF6 amount as the equipment reaches the end of its service life and new technology enables new solutions. It is not possible to switch out the SF6 gas without modernising the equipment. For the time being, the large-scale use of new solutions is restricted by technical requirements, a lack of technology suitable for higher

voltage levels and a lack of practical experience. However, the SF6 emissions are not estimated to compromise the achievement of the company's current and future GHG emission reduction targets. The functionality of Fingrid's reserve power plants is key in implementing the company's system responsibility in severe disturbances. Based on previous studies, it has not been possible to switch over to renewable fuels at the plants.

The company has not set GHG emission reduction targets that would be science-based and compatible with limiting global warming to 1.5°C. In 2024, Fingrid decided to set a science-based GHG emission reduction target and submit it to the Science Based Targets initiative (SBTi) for validation. The key emission reduction measures to achieve the target are the procurement of aluminium conductors produced using fossil-fee electricity and the switch over to renewable diesel in reserve power production, which is currently being looked into.

The reduction of Scope 3 emissions in the value chain is addressed in connection with disclosure requirement E1-3 (Actions and resources in relation to climate change policies). The most effective way to reduce emissions occurring in the value chain is to choose low-emission materials.

Fingrid is not excluded from the EU Paris-aligned Benchmarks.

Fingrid's progress in investments implementing the transition plan is addressed in note 5.1 to the financial statements (Grid assets). In the reporting year, Fingrid decided to invest in building a 400-kilovolt transmission line named Lowlands Line from Kalajoki to Jämsä. The company started building a 400-kilovolt Lake Line transmission line between Vaala and Joroinen and a 400-kilovolt underground cable connection in Helsinki. The construction of the Aurora Line cross-border connection between Northern Finland and Northern Sweden progressed on schedule in 2024. The development of GHG emissions and the achievement of emission reduction targets are monitored as part of sustainability reporting.

E1-2 Policies related to climate change mitigation and adaptation

Fingrid's key policies for the management of impacts, risks and opportunities related to climate change mitigation and adaptation are the principles of ensuring transmission capacity, the principles for promoting the electricity market, the principles for internal control and risk management, the loss power procurement policy, the transmission capacity allocation and congestion management policy and the grid planning, building and maintenance management policies. In addition, the land use and environmental policy focuses on climate change and land-use change as drivers and covers the lifetime of all of the company's assets and its value chain in its material parts. The aforementioned principles are approved by the company's Board of Directors, and the policies are approved by the President and CEO. From a climate change perspective, their content is essentially related to the company's relevant position in climate change mitigation and enabling renewable energy deployment.

The principles of ensuring transmission capacity cover the life-cycle management of the entire main grid. The objective of the principles is to ensure the adequacy of the transmission capacity, the efficiency and safety of operations and the correct level of quality. The principles for the promotion of the electricity market describe the legislation that forms the basis for promoting the electricity market, the targets for the activities and the principles followed at Fingrid when promoting the electricity market. The principles for internal control and risk management describe the company's enterprise risk management, which covers proactive risk management, continuity management and the precautionary and contingency planning required from a company critical in terms of security of supply. The management of physical climate risks and transition risks related to climate change adaptation is part of the company's enterprise risk management.

The management of the reserve power plants' environmental impacts is supported by the ISO 14001 environmental management system. Fingrid's reserve power plants are subject to an environmental permit, and they are covered by the EU's emissions trading scheme.

Fingrid is a signatory of the Finnish Energy Efficiency Agreement for Industries. The voluntary energy efficiency agreements are Finland's primary method for meeting the obligations laid down in the EU's Energy Efficiency Directive for a more efficient use of energy.

E1-3 Actions and resources in relation to climate change policies

The positive impact of the indirect climate benefit created by Fingrid through its business operations is difficult to measure, but it is clear that this systemic climate benefit far outweighs the negative carbon footprint from the operations. The clean energy production connected to the main grid offers one way to estimate the future indirect climate benefits enabled by Fingrid's operations. In 2024, a total of 1,509 megawatts of wind power and 91 megawatts of solar power was connected to Fingrid's main grid, which will help to indirectly avoid annual emissions of around 150,818 CO_2 equivalent tonnes in the coming years. During the year, Fingrid additionally concluded new agreements on connecting a total of roughly 904 megawatts of wind power and 631 megawatts of solar power production to the electricity network. Once realised, this will lead to a substantial positive climate impact, indirectly avoiding annual emissions of around 109,213 CO_2 equivalent tonnes.

Fingrid has estimated the carbon dioxide emissions from Finland's power system in real time since 2019. The calculation formula in use for the emission factor is based on real-time production, import and export data, and emission factors for specific types of production. The average emission factor for the electricity consumed in Finland in 2024 was 33 g CO_2/kWh. The emission factor continued to decrease from the previous year, indicating positive progress in achieving Finland's climate targets.

From a carbon footprint perspective, Fingrid's GHG emissions totalled around 249,021 CO_2 equivalent tonnes in 2024. The calculation also includes the indirect emissions from procurement and supply chains (location-based Scope 1, 2 and 3). Total GHG emissions grew 22 per cent compared to the previous year, mainly due to the higher number of commissioned transmission lines.

The building of the grid required by the green transition increases the GHG emissions from the company's operations. The emissions from construction are highly dependent on the number of investment projects during a reporting year. They create a 'carbon peak' for the specific year, even though the grid construction materials will last for several decades. More than 70 per cent of Fingrid's GHG emissions were generated in the upstream value chain (Scope 3). Transmission line and substation investments caused the majority of the value chain's emissions and represented around 36 per cent of the total emissions (Scope 1, 2 and 3).

The company currently has a EUR 4 billion investment programme under way for the next ten years. With this programme, the company contributes to enabling the connection of clean electricity, produced using, for example, wind or solar power, to the electricity network. It is not possible for the company to specify time horizons, estimated results or significant costs for each measure. The company's significant actual expenditures related to the implementation of the transition plan for climate change mitigation are described in connection with disclosure requirement E1-1. In 2024, some EUR 500 million were invested in the main grid. Around 331 kilometres of new grid transmission lines and 25 new or expanded substations were deployed. In reducing the upstream value chain's GHG emissions (Scope 3), the key measure was the procurement of low-emission aluminium for the conductors needed for the transmission line projects. Fingrid buys them directly from the conductor manufactures. In 2024, low-emission aluminium was set as one of the criteria in the tendering of conductors. As a result, agreements on the supply of low-emission aluminium conductors extending until 2027 were concluded. The new agreements cover the

entire conductor procurement volume. In addition, low-emission recycled steel structures were tested at three new substations. Their procurement was the responsibility of the substation supplier.

A considerable proportion, 20 per cent, of the company's carbon footprint consists of emissions (scope 2) from the production of the electricity acquired from the electricity market to replace power losses taking place during electricity transmission. The key means of reducing the carbon dioxide emissions caused by transmission losses is to build the main grid to accommodate new clean electricity production. This will also reduce the carbon footprint from energy lost during grid transmission. The greenhouse gas emissions due to transmission losses were 49,605 CO_2 equivalent tonnes in 2024.

The measures carried out in 2024 to improve the energy efficiency of substations and reserve power plants saved 43,904 megawatt hours of electricity or heat (Scope 2). Within the Finnish industries' energy efficiency agreement period 2017–2025, Fingrid has saved a total of roughly 226,539 megawatt hours. The company achieved the 12.9 per cent savings target set for the agreement period already in 2022.

From the perspective of reducing own direct emissions, the switch-over to renewable diesel was looked into at reserve power plants. At substations, Fingrid continued work to reduce the growth of SF6 gas volumes by focusing on SF6-free gas-insulated switchgears. SF6-free technology is used in the new 110-kilovolt gas-insulated projects always when technically possible using commercially available products. At the end of 2024, Fingrid had roughly 60 tonnes of SF6 gas at its substations. In 2024, Fingrid's SF6 gas emissions totalled some 1,796 CO_2 equivalent tonnes. This means a gas volume of around 71 kilograms and a leakage rate of 0.12 per cent. The long-term annual leakage rate has been very low, less than 0.2 per cent on average, which is among the top results in the international comparison of TSOs.

Achieved greenhouse gas (GHG) emission reductions	**2024**
Achieved greenhouse gas emission reductions (scope 1-3)	N/A
Indirect climate benefit (renewable connected to main grid, tCO2eq./year)	150,818
Expected greenhouse gas emission reductions	
Expected greenhouse gas emission reductions (scope 1-3)	N/A
Indirect climate benefit (signed connection agreements, tCO2eq./year)	109,213

N/A = The information cannot be reported yet.

E1-4 Targets related to climate change mitigation and adaptation

Fingrid has not set GHG emission reduction targets that would be science-based and compatible with limiting global warming to 1.5°C. In line with its transition plan, Fingrid decided in 2024 to set a science-based GHG emission reduction target and submit it to the Science Based Targets initiative (SBTi) for validation.

The company's set of corporate responsibility ESG targets includes several climate change-related targets, whose metrics and outcomes are presented in the table below. Fingrid's ESG metrics are defined by the company's management and are voluntary. They help track targets whose topics are based on the previous materiality assessment performed on the company's strategy and business in accordance with the global GRI reporting guidelines. The materiality assessment took into consideration the expectations of stakeholders. Concerning these targets set by Fingrid prior to the publication of the ESRS reporting standards and their metrics, not all of the information required under the standards' minimum disclosure requirements is available for disclosure. The environmental targets are not required by legislation and are not based on scientific evidence. Stakeholders have not been directly engaged in setting the targets.

Targets set by Fingrid (2021–2025)	2021–2025 targets	2024 outturn
Well-functioning markets: Finland remaining as a single electricity pricing area	Yes	Yes
Connecting emission-free production: Connecting wind power to the main grid (MW)	+ 5 000	904
Third AC connection to Sweden: Project's degree of completion in 2025 (%)	100	90
North- South transmission: Lake Line II: Project's degree of completion in 2025 (%)	60	50
All markets in 15-minute periods: Project's degree of completion in 2025 (%)	100	75
SF6-emissions: emission/volume (%)	0.1	0.12
CO2 emissions of transmission losses (tCO2eq.)	84,000	49,605
Energy efficiency: Energy savings (MWh)	181,000	43,904

Around 904 megawatts worth of wind power connection agreements were concluded in 2024. The SF6 emission leakage rate was 0.12 per cent. Finland started to use the energy marketplace for 15-minute automatic Frequency Restoration Reserve on 12 June 2024. The technical capability for the 15-minute manual Frequency Restoration Reserve marketplace was achieved during 2024. The energy efficiency measures carried out in 2024 saved 43,904 megawatt hours. During the Finnish industries' energy efficiency agreement period 2017–2025, the company has saved a total of roughly 226,539 megawatt hours.

The above-described targets and their metrics are related to the following list of Fingrid's ESG visions.

Responsibility vision: Finland carbon neutral by 2035, targets

- Fingrid's investments and development projects enable the reduction of carbon dioxide emissions in electricity production.
- Grid investments to be carried out to integrate emission-free electricity production to the grid are completed on schedule, the market development projects are implemented and the grid's system security remains good.

Responsibility vision: Emission-free transmission losses, targets

- Fingrid's grid investments have enabled the integration of new emission-free production into the grid, reducing the CO_2 emissions of transmission losses without any carbon offsets
- Improved energy efficiency based on commitments

Responsibility vision: Zero SF6 emissions from the grid, targets

- Reducing SF6 gas emissions using modern technologies and preparing for adoption of new technologies
- The roadmap for new technologies has been drawn up and a pilot project is underway
- The main grid's SF6 emissions are low compared with other TSOs

E1-5 Energy consumption and mix

In Fingrid's business, direct energy consumption is caused by the fuel needed at the reserve power plants. The majority of indirect energy consumption is caused by the power loss during electricity transmission. Other indirect energy consumption results from the use of electricity and district heating at the premises, substations and reserve power plants.

The reserve power plants owned by the company are not used for commercial electricity production. The plants are only used in severe disturbances of the power system and in test runs to ensure their reliable operation.

Energy consumption and mix	2024
(1) Fuel consumption from coal and coal products (MWh)	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	20,666
(3) Fuel consumption from natural gas (MWh)	0
(4) Fuel consumption from other fossil sources (MWh)	0
(5) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)	1,285,308
(6) Total energy consumption from fossil sources (MWh)	1,305,974
Share of fossil sources in total consumption (%)	81
(7) Total energy consumption from nuclear sources (MWh)	223,704
Share of nuclear energy in overall energy consumption (%)	14
(8) Fuel consumption for renewable sources including biomass [also comprising industrial and municipal waste of biologic origin], biofuels, biogas, hydrogen from renewable sources, etc. (MWh)	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	85,702
(10) Consumption of self-generated non-fuel renewable energy (MWh)	0
(11) Total energy consumption from renewable sources (MWh)	85,702
Share of renewable energy in overall energy consumption (%)	5
Total consumption of energy (MWh)	1,615,380

In defining the energy mix, the market-based method was used for purchased electricity.

Self-generated energy (MWh)	2024
Energy generated from non-renewable sources	5,317
Own reserve power plants	5,317
Energy generated from renewable sources	0
Own reserve power plants	0

Energy intensity	2024
Energy intensity (MWh/EUR)	0.00127
Net revenue from activities in high climate impact sectors (including NACE D 35.1 Electric power generation, transmission and distribution) (EUR)	1,269,277,216

The energy intensity calculation is based on total turnover in accordance with figures reported by Fingrid Group. Fingrid Group's turnover and accounting principles for turnover are presented in the section 4.3 of the financial statements.

E1-6 Gross Scopes 1, 2, 3 and Total GHG

	Retrospective				Milestones and target years			
	Base year	Comparable (2023)	2024	Change-%	2025	2030	2050	Annual target
Scope 1 GHG emissions								
The gross Scope 1 GHG emissions in metric tonnes of CO2eq	N/A	5,841	6,955	+19	N/A	N/A	N/A	N/A
The percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	N/A	81	74	-10				
Scope 2 GHG emissions (tCO2eq)								
The gross location-based Scope 2 GHG emissions in metric tonnes of CO2eq	N/A	58,894	50,982	-13	N/A	N/A	N/A	N/A
The gross market-based Scope 2 GHG emissions in metric tonnes of CO2eq	N/A	741,391	884,309	+19	N/A	N/A	N/A	N/A
Significant Scope 3 GHG emissions (tCO2eq)								
Total gross indirect (Scope 3) GHG emissions	N/A	130,561	191,084	+46	N/A	N/A	N/A	N/A
1 Purchased goods and services	N/A	21,870	30,242	+38				
2 Capital goods	N/A	42,642	94,291	+121				
3 Fuel and energy related activities (not included in Scope 1 or 2 emissions)	N/A	60,484	61,373	+1				
4 Upstream transport and distribution	N/A	982	2,852	+191				
5 Operational waste	N/A	2,169	493	-77				
6 Business travel	N/A	923	898	-3				
7 Commuting of employees	N/A	468	408	-13				
8 Upstream leased assets	N/A	1,025	528	-48				
9 Downstream transport*								
10 Processing of products sold*								
11 Use of products sold*								
12 End-of-life processing of sold products*								
13 Downstream leased assets*								
14 Franchising*								
15 Investments*								
Total GHG emissions (tCO2eq)								
Total location-based GHG emissions	N/A	195,296	249,021	+22				
Total market-based GHG emissions	N/A	877,792	1,082,348	+19				

*non-material
N/A = The information cannot be reported yet.

GHG intensity based on net revenue (tCO2eq/EUR)	2024
Total (location-based) GHG emissions based on net revenue	0.00020
Total (market-based) GHG emissions based on net revenue	0.00085

The GHG intensity calculation is based on total turnover in accordance with figures reported by Fingrid Group. Fingrid Group's accounting principles for turnover can be found in the section 4.3 of the financial statements.

Biogenic GHG emissions (tCO2eq)	2024
Biogenic GHG emissions, Scope 1	0
Biogenic GHG emissions, Scope 2	81,743
Biogenic GHG emissions, Scope 3	N/A

N/A = The information cannot be reported yet. The Scope 2 biogenic emissions are calculated using the location-based method.

Share of Scope 3 emissions based on primary data (%)	2024
1. Purchased goods and services	0
2. Capital goods	96
3. Fuel and energy related activities (not included in Scope 1 or 2 emissions)	100
4. Upstream transport and distribution	100
5. Operational waste	100
6. Business travel	100
7. Commuting of employees	0
8. Upstream leased assets	100

E1-7 GHG removals and GHG mitigation projects financed through carbon credits
Fingrid does not have any measures related to GHG removals and storage.

E1-8 Internal carbon pricing
Fingrid does not apply internal carbon pricing systems.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
The disclosure requirement is omitted based on the transitional provision.

Preparation and calculation principles E1 energy consumption, GHG emissions and emission reductions

Energy consumption reporting includes as purchased electricity the transmission losses, the auxiliary energy of substations and reserve power plants and the electricity consumption at Fingrid's own premises. Purchased heat comprises the district heating of Fingrid's own premises. Energy consumption is expressed as energy end use. To describe **the energy mix,** purchased energy is divided into fossil energy, energy generated using nuclear power and energy generated with renewables in accordance with the national residual mix for electricity published by the Energy Authority for 2023.

Own energy production includes the electricity produced at the company's own reserve power plants during severe grid disturbances.

Energy intensity calculation includes the company's turnover in its entirety.

Gross Scopes 1, 2, 3 and total GHG emissions are calculated according to the GHG Protocol (GHG Protocol Corporate Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Accounting and Reporting Standard). The calculation includes all greenhouse gases covered by the GHG Protocol (CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3) to the extent that the information is available. The reporting covers direct GHG emissions from Fingrid's own operations (Scope 1), indirect GHG emissions (Scope 2) from the production of purchased energy and indirect GHG emissions from other parts of the value chain (Scope 3), including the material emission sources in the upstream value chain.

The Scope 1 emissions consist of fuels used by the reserve power plants and the SF6 leakages at the substations. The quantitative data is collected from Fingrid's asset management system. The emission calculation is based on the EU

Emissions Trading System's information, the fuel emission factors based on national statistics and the GWP factors published by the IPCC.

Scope 2 emissions are calculated using both the location-based and the market-based method. For electricity, **the location-based method** uses the real-time emission factor for electricity consumed calculated by Fingrid. In 2023, Fingrid discarded the arithmetic mean and instead adopted a volume-weighted annual average in its annual reporting. This more accurately reflects the average emissions level because the electricity production with a higher emission intensity takes place during periods with higher electricity consumption. The calculation of the emissions from loss power uses a more precise method, in which the amount of losses and the level of the emission factor are determined hourly. The emission factor used for district heating is the average published by Statistics Finland for the last three statistical years. **In the market-based method** for purchased electricity, the national emission factor for the residual mix electricity for 2023 published by the Energy Authority is used.

Biogenic carbon dioxide emissions (Scope 2) are generated by the wood fuels and other renewable fuels used in energy production, including the bio-waste in municipal waste. Fingrid has determined an average biogenic carbon dioxide emission factor for electricity produced in Finland and uses this for the reporting of the biogenic carbon dioxide emissions of its purchased electricity. The fuel classification published by Statistics Finland and energy statistics have been used for determining the factor.

In 2023, Fingrid implemented a GHG calculation development project, in which all 15 Scope 3 categories were reviewed and eight categories were identified to be material for Fingrid. The categories included in the calculation are listed in connection with disclosure requirement E1-6. The omitted categories were identified as non-material based on either the absence of the activity in question or the low level of emissions. Scope 3 emissions are calculated in CO_2 equivalent tonnes. The operational data used in the calculation is mainly obtained from Fingrid's internal systems. For transmission lines, the calculation includes the projects developed by Fingrid, but not purchased transmission lines, which account for a minor proportion of the total. Key source systems include the asset management information system, the type drawings of the transmission line structures, the energy market management system (auxiliary energy), HR systems and financial systems (monetary amounts of purchased products and services, project finance reporting). Other sources used include the emission data provided by leased reserve power plants and the travel agency, as well as the emission reporting of the waste management service provider.

The emission factors used in the calculation are mainly from national and global databases, such as ecoinvent 3.8, EXIOBASE 3.8.2, DEFRA's GHG conversion factors (full set 2022), Statistics Finland and the national Emissions database for construction. In addition, Environmental Product Declaration data provided by equipment suppliers has been used for substation equipment and generalised to cover other equipment in the same equipment group.

GHG gas intensity calculation includes the company's turnover in its entirety, and the intensity is determined for both location-based and market-based emissions.

Calculation of Scope 1 and 2 emissions in their entirety is based on primary data. For Scope 3 emissions, the emission sources that have been calculated using physical operational data collected from Fingrid's systems and not, for example, a cost-based method, have been defined as being based on primary data. The most significant Scope 3 emission sources are based on primary data.

Because Fingrid has so far not set a science-based emission reduction target and a related base year, Fingrid does not report the **achieved or anticipated Scope 1-3 GHG emission reductions** for 2024. However, Fingrid reports the indirect climate benefit created when clean wind and solar power production is connected to the main grid. **The achieved indirect climate benefit** is based on wind and solar power production connected to the main grid when production has started in 2024. The electricity production is calculated based on the plants' capacity and peak

consumption hours, and this emission-free amount is assumed to replace the average electricity consumed in Finland. It should be noted that this indirect positive annual impact will be repeated, after a single reporting year, also in the coming years. **Anticipated indirect climate benefit** refers to wind and solar energy production for which an agreement on connection to the main grid was made in 2024. Annual electricity production at the plants in question is estimated based on information publicly disclosed by the project developers. The calculation of the indirect climate benefit is based on the assumption of replacing the average electricity consumed in Finland, similarly to the actual climate benefit.

ESRS E4 – Biodiversity and ecosystems

Material biodiversity and ecosystem-related impacts, risks and opportunities

The material negative impacts caused by Fingrid's business on biodiversity and ecosystems are related to the loss of biodiversity as a result of grid building and maintenance. A key aspect from a biodiversity perspective is the transmission line areas of the nationwide main grid and the land-use change and deforestation occurring in them. The transmission line areas are not owned by Fingrid. Fingrid does not use the wood removed to implement the system responsibility for electricity transmission and to secure safe electricity transmission; instead, the transmission line area landowners decide on its use.

In expropriation, Fingrid obtains a restricted right-of-use, which is needed for building and maintaining the transmission line. The landowner retains all other rights to use the property. Some of the main grid transmission lines are located in biodiversity-sensitive areas as reported under the disclosure requirement E4-5 (Impact metrics related to biodiversity and ecosystems change). Grid building may also affect threatened species, and these negative impacts and the opportunities to mitigate them are considered when assessing the environmental impacts of projects. The impacts are most typically related to securing the protection of flying squirrels when building transmission lines in cases where it is warranted, in route planning for new transmission lines, to rely on the widening of the existing transmission line areas to mitigate the total impacts on people and the environment. In addition to what is described above, the company has not identified any material negative impacts with regards to land degradation, desertification or soil sealing.

ESRS standard	Material topics	Impact	Financial impact	Identified impacts	Risks and opportunities	Fingrid's policies for impacts, risks and opportunities management
E4 Biodiversity and ecosystems	↓Direct impacts of biodiversity loss • Climate change • Land-use change	•		↓Environmental impacts of transmission line and substation construction and removal of trees and clearings in the transmission line areas		Land use and environmental policy

↑ Positive impact / ↓ Negative impact

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The material impacts of Fingrid's business on nature are linked to the company's statutory responsibility for the power system's reliability and the development of the main grid. In addition to maintaining the current grid infrastructure, the operations involve building new transmission lines and substations, which leads to land-use change and negative impacts on biodiversity. This challenges the compatibility of the company's business and

strategy with the national and global targets related to biodiversity and ecosystems. The business's resilience in relation to biodiversity has been analysed considering own operations and the material parts of the value chain, but no actual scenario or resilience analysis has been performed. Since grid building and maintenance have a negative impact on biodiversity, transition risks may arise from increasing or tightening biodiversity regulations and potentially also from the accumulation of these impacts, transforming them into systemic risks.

The ongoing green transition underscores the overall understanding of not only the links between nature conservation and climate change mitigation, but also their social consequences and a just transition. Engagement of landowners, close neighbours of transmission lines and other stakeholders, including if required Indigenous peoples, takes place continuously, especially in the environmental impact assessments of transmission line projects, which the company regularly has underway.

Fingrid continuously works to align its strategy and business model with the national and global targets related to biodiversity and ecosystems. While regulations to protect biodiversity increase, Fingrid must be able to fulfil its statutory tasks also in the future. Securing the conditions for grid building and maintenance is necessary for both the functioning of society and climate change mitigation.

The company's land use and environmental policy, which is described in disclosure requirement E4-2 (Policies related to biodiversity and ecosystems) and which was updated in 2024 to reflect the requirements of sustainability reporting and ESRS standards, among other things, serves as a transition plan related to biodiversity. From the perspective of the nature-related impacts of grid building, the key is to minimise land-use change. Grid investments are always only implemented to meet the needs of society and clients. In addition to new investments, the company aims to increase the utilisation rate of the existing grid and adopt solutions that will increase the transmission capacity. In investments and maintenance, nature-related impacts are avoided and mitigated in many ways in accordance with the mitigation hierarchy, as described in the land use and environmental policy. Fingrid tracks the development of the offset practices for ecological compensation and impairment of nature-related values and assesses the need for them and their suitability for its business.

E4-2 Policies related to biodiversity and ecosystems

A key principle in relation to impacts on biodiversity and ecosystems is Fingrid's land use and environmental policy, in accordance with which the company reduces its negative impacts on the climate and the environment in the ongoing green transition. This policy, approved by the President & CEO, focuses on climate change and land-use change as drivers and covers the lifetime of all of the company's assets. In addition to the protection of biodiversity and ecosystems, the policy covers the principles for sustainable land use and for addressing deforestation. The policy enshrines the environmental precautionary principle, which is included in Fingrid's Code of Conduct and the UN's Global Compact initiative, which the company has committed to.

In accordance with the land use and environmental policy, the mitigation of environmental impacts begins from the preliminary planning of transmission line routes, when solutions are sought to avoid the immediate vicinity of residential areas, protected sites and sites that have been identified as biodiversity-sensitive. Route planning explores possibilities to reduce environmental impacts by using already changed areas, such as fields, instead of forests. However, the planning avoids any unnecessary lengthening of a transmission line route that would in principle increase land-use change, thus leading to higher negative overall impacts on nature and people. From the perspective of social consequences, the land use and environmental policy also addresses the consideration of landowners and other concerned parties in the grid's lifetime.

Fingrid does not have production that generates impacts on nature. The land use and environmental policy also does not specifically address the impacts on nature from the upstream value chain (procurement), because they have not

been identified as material for the company. Oceans or seas practices or policies are not material for the company. Climate change as a whole is reported in standard E1.

E4-3 Actions and resources related to biodiversity and ecosystems
Fingrid has well-established operating models in place for considering and protecting biodiversity in its business. The operating models have been continuously applied in the grid building investments underway in 2024 and in the regular grid maintenance carried out in the reporting year. In transmission line projects, the avoidance of impacts on flora and natural habitats that are the direct result of land-use change has been started from the preliminary planning of routes by avoiding sites that have been identified as valuable. In major projects, the impacts on nature and the possibilities to mitigate them have been established through an environmental impact assessment (EIA) required by law, which, through the interaction included in the procedure, brings the knowledge of local people and, if required, also of indigenous peoples to the project. In projects with minor impacts, the mitigation possibilities have been identified through an environmental assessment. In the planning phase of new substation projects, the area's nature-related values have also been assessed to avoid adverse impacts.

In the general planning phase of transmission line projects, impacts are mitigated through the location of towers. Construction is preferably scheduled in winter to leverage the protective effect of frozen soil and snow cover, which makes the construction work easier and reduces damage to the ground. The risk of birds colliding with transmission lines is reduced by installing diverters at valuable birdlife areas and, if necessary, disturbances can be avoided by limiting construction or maintenance work during the breeding season. The site-specific environmental guidelines ensure the implementation of mitigation measures throughout the entire lifetime.

The nature sites to be considered during work have also been assessed for the maintenance of and vegetation management at existing transmission lines carried out in the reporting year. A compensation policy has been used for the clearing of trees at the border zones during transmission line maintenance, aimed at increasing decaying wood valuable for biodiversity. The landowners will in the future receive financial compensation from Fingrid if they are willing to leave two-to-four-metre-high tree stumps on their property to increase decaying wood.

Grid building and maintenance is outsourced to contractors and service providers. Fingrid requires commitments in landowner engagement, respect of site-specific environmental values and proper waste and chemical handling from contractors and service providers by means of contract terms, environmental and safety training, and audits. All personnel working at Fingrid's worksites complete online training on environmental matters. Service providers receive environmental training when investment projects are started, and environmental aspects are monitored on-site as part of worksite monitoring.

Transmission line areas ways can also improve biodiversity. As part of its operating model, Fingrid therefore actively encourages landowners to make safe use of transmission line areas for the benefit of people and nature. Transmission line areas are kept open by regular selective clearing, which can replace the habitats of species threatened by disappearing meadows or drained peatlands. The selective clearing method means that junipers and short scrubs are left standing, taking into account the safety distances to live conductors and clearing cycles. In connection with the EIA procedure, potential rural biotopes are identified with the objective to encourage landowners to maintain and protect the scenic and nature values of transmission line areas. Fingrid offers financial support for the maintenance of traditional rural biotopes located in transmission line areas by means of initial funding and by drawing up a maintenance plan. Overall, the company offers information on utilising transmission line areas in the form of guidelines for land planners and idea cards intended for landowners.

The extensive grid investment programme enabling the green transition is directly reflected in the number of necessary statutory environmental impact assessments and other actions for promoting biodiversity described above. In 2024, Fingrid had several grid projects in the planning phase and several EIAs underway: Anttila-Länsisalmi,

Hausjärvi-Anttila, Hikiä-Inkoo, Juurikkaperä-Toivila, Kristiinankaupunki-Nokia, reinforcement of the Forest Line and Nuojuankangas-Seitenoikea. The EIA procedure is an important planning tool for Fingrid to find the environmentally best transmission line routes in cooperation with landowners, authorities and other stakeholders.

A study on shorter clearing cycles at selected transmission line areas sites for promoting biodiversity was continued in 2024. The work identified potential sites for piloting the shorter clearing cycle.

In the reporting year, the company did not use biodiversity offsets. A green corridor was planned as a new mitigation measure for transmission line projects. The green corridor secures especially the protection of flying squirrels, a threatened species, by enabling their movements across a broad transmission line area consisting of several transmission lines.

E4-4 Targets related to biodiversity and ecosystems

Fingrid's set of corporate responsibility ESG targets includes several targets related to the reduction of nature-related impacts, whose metrics and outcomes are presented in the table below. Concerning these targets set prior to the publication of the ESRS reporting standards and their metrics, not all of the information required under the standards' minimum disclosure requirements is available for disclosure as described in more detail in connection with disclosure requirement E1-4 (Targets related to climate change mitigation and adaptation). When setting the targets, the company did not use any offsets or give any particular consideration to ecological threshold values and specific biodiversity guidelines or frameworks, but the targets can be considered to meet these expectations concerning the mitigation of biodiversity loss. From the perspective of the nature-related impact mitigation hierarchy, the target of the company's projects to promote biodiversity is related to the avoidance and minimisation of the adverse effects from land-use change resulting from grid building through a positive impact mechanism, i.e. the opportunities of regularly and selectively cleared transmission line areas to increase biodiversity.

Targets set by Fingrid (2021–2025)	2025 target	2024 outturn
Completed projects promoting biodiversity (qty)	+1	1
Utilisation of existing transmission line routes: Utilisation percent (of new transmission line kilometers)	90	74
Positive environmental impacts of technical solutions: Number of adopted solutions increasing the transmission capacity of the existing grid (qty)	+1	1
Measures to reduce the environmental impact of office work (qty)	+1	1
Environmental deviations: Number of significant deviations (qty)	0	0

With regard to the biodiversity target, a study on shorter clearing cycles at selected transmission line areas sites for promoting biodiversity was continued in 2024. To promote the positive environmental impacts of technical solutions, shunt compensation was built to increase transmission capacity especially for the growing power requirement of Southern Finland and the Helsinki region. As measures to reduce the environmental impacts of office work, environmental aspects were considered in procurements and modifications of premises. No significant environmental deviations occurred during the reporting year.

The above-described targets and their metrics are related to the following list of Fingrid's ESG visions.

Responsibility vision: Reducing negative impacts on nature and improving biodiversity

- Successful EIA processes which take into account biodiversity and traditional rural biotopes
- Developing clearing practices and cooperation with landowners and environmental NGOs has improved biodiversity in transmission line areas
- Technical solutions (such as DLR and dynamic shunt compensation) have increased the transmission capacity of the existing grid

E4-5 Impact metrics related to biodiversity and ecosystems change

Some of the main grid transmission lines are located in biodiversity-sensitive areas as presented in the following table. The necessary mitigation measures have been assessed for these areas to implement transmission line maintenance.

Sites located in or near biodiversity-sensitive areas	2024
Number of sites owned, leased or managed	431
Area of sites owned, leased or managed (hectares)	1,345

The land-use change caused by building the main grid's transmission lines and substations is mostly the result of the establishment of new transmission line areas and the removal of trees from these areas. The following table describes the extent of the land-use change resulting from new transmission line areas in 2024 and the cumulative area of the company's transmission line areas at the end of the reporting year. The undergrowth below the transmission lines is cleared regularly during their lifetime. The height of the forests at the border zones of the transmission lines is controlled by helicopter sawing and felling operations so that any falling trees do not come into contact with the transmission lines, causing danger to people or disturbances in electricity transmission.

Total land-use area (hectares)	2024
Cumulative transmission line area at the end of the reporting year	62,768.00
Change in transmission line area during the reporting year	+ 1 350

Preparation and calculation principles E4

State- and private-owned nature reserves and Natura sites as per the datasets of the Finnish Environmental Institute are considered as biodiversity-sensitive areas. Geographic information analysis is used to review the overlapping of these areas in relation to the areas owned and leased by Fingrid and to areas for which the company has acquired rights-of-use through expropriation. The information of these areas is managed in the company's geographic database. In Fingrid's operations, transmission lines, substations, reserve power plants and properties where the company has activities that cause nature-related impacts are considered as sites causing nature-related impacts. For transmission lines, the calculation of the area includes the entire transmission line area, comprising the area below the transmission line and its border zones.

The calculation of the area for land-use change covers the transmission line areas. The change is reviewed based on the year when the transmission line was commissioned.

ESRS E5 – Resource use and circular economy

Material impacts, risks and opportunities related to resource use and circular economy

From the perspective of resource use and circular economy, the inflow of resources needed for grid building are material for Fingrid's business. Resources are needed to build transmission lines and substations as part of the company's investment programme and transition plan for climate change mitigation. Rising material costs and availability challenges can cause material risks for the building of a main grid that enables climate change mitigation, while at the same time efforts are made to achieve low emissions and a transition from the use of primary resources to recycled resources.

From the perspective of resource outflows, the majority of dismantled materials can be recycled, and the company's waste management is arranged in a centralised manner with a single waste management provider. Resource outflows are not a material sustainability topic for Fingrid, but they are reported on as necessary in relation to the

EU taxonomy. The Do No Significant Harm (DNSH) principle for the transition to circular economy requires a waste management plan to ensure re-use or recycling to the maximum extent possible according to the waste management hierarchy.

ESRS standard	Material topics	Impact	Financial impact	Identified impacts	Risks and opportunities	Fingrid's policies for impacts, risks and opportunities management
E5 Resource use and circular economy	Resources inflows, including resource use		•		- Rising material costs and availability challenges	Land use and environmental policy

+ Opportunity / - Risk

E5-1 Policies related to resource use and circular economy

Fingrid's policies for the management of resource use and circular economy-related impacts, risks and opportunities include the land use and environmental policy approved by the company's President & CEO, the contract terms for suppliers and the waste specification documents. The land use and environmental policy contains guidelines for the management of the risks and opportunities related to the materials needed in grid building, when considering the target to reduce carbon footprint impacts and the use of primary materials.

The key materials used in building are mostly primary materials, because the availability of secondary materials meeting the technical requirements of grid building is so far limited. The purity requirements for electrotechnical aluminium and copper limit the use of recycled materials in the transmission line conductors and substation transformers. In terms of steel consumption, the guyed tower, which is currently used as the standard solution for Fingrid's transmission towers, is lightweight and material-efficient. The use of secondary materials can also be limited by availability, especially when it comes to steel. Fingrid works together with its contractors to reduce the consumption of primary natural resources needed for grid building. Contractors are encouraged through contract terms, for example, to favour recycled materials instead of primary materials, where possible.

As a client, Fingrid requires through contract terms that its contractual partners follow the waste hierarchy and the waste management prioritisation such that the primary means is to reduce the volume of waste generated. As required in the waste specification documentation, materials to be decommissioned and waste are recycled efficiently when building new grid sections or dismantling old structures.

E5-2 Actions and resources in relation to resource use and circular economy

Based on volumes, the key materials needed in Fingrid's grid investments to promote climate change mitigation are steel, aluminium, copper and concrete. In 2024, the company acquired for the first time steel structures made from recycled steel for three new substations. Based on the experiences gained from this test project concerning the availability and cost and climate impacts of the materials, Fingrid will assess potential further measures to use recycled steel on a broader scale in grid building. Generally, roughly a fifth of the globally manufactured steel is based on the reuse of recycled steel, which reduces the need for primary raw materials. However, the material for the workshop that currently manufactures transmission towers typically comes from wholesalers without detailed information or specifications concerning the proportion of recycled material.

E5-3 Targets related to resource use and circular economy
Fingrid does not have a target related to the inflows of materials, which has been identified as a material sustainability topic. Legislation does not require such target, but the company is developing the tracking of effectiveness in this area and assessing opportunities to set a voluntary target.

Fingrid's set of corporate responsibility ESG targets includes voluntary targets for materials recycling and recovery. These metrics related to waste management and the recycling step of the waste hierarchy and their outcomes in 2024 are presented in the following table. Concerning these targets set prior to the publication of the ESRS reporting standards and their metrics, not all of the information required under the standards' minimum disclosure requirements is available for disclosure as described in more detail in connection with disclosure requirement E1-4 (Targets related to climate change mitigation and adaptation).

Targets set by Fingrid (2021–2025) (%)	2025 target	2024 outturn
Material recycling: Recycling rate	90	71
Material recovery: Recovery rate	98	98

The above-described targets and their metrics are related to the following list of Fingrid's ESG visions.
Responsibility vision: Recycling materials and reducing waste

- The recycling rate for demolition material from Fingrid's operations is 90% and the utilisation rate is 98%
- Reduction of construction waste at worksites and reduction of office waste

E5-4 Resource inflows
The use of the key materials needed in grid investments (steel, aluminium, copper and concrete) for 2024 is presented in the table below.

No biological materials are used in the manufacture of grid building materials. The volume of secondary reused or recycled components, secondary intermediary products and secondary materials is insignificant.

Materials used during the reporting period (tonnes)	2024
Steel	9,628
Aluminium	2,952
Concrete	36,801
Copper	637
Total	50,018

E5-5 Resource outflows
The total volume of waste in 2024 was approximately 12,038 tonnes, of which hazardous waste made up roughly 944 tonnes. Of the resulting material, 71 per cent was recycled and 98 per cent was recovered. Non-recycled waste accounted for 29 per cent.

Waste flows that are relevant to the company's sector or operations result from investment projects, when new electricity transmission grid sections are built and old structures are dismantled. The most relevant materials included in waste, according to list-of-waste entries, are the following: concrete from construction and demolition, ferrous metal from recycling and waste management, wood from construction and demolition, and cables that do not contain hazardous substances from construction and demolition. The operations do not generate radioactive waste.

a) the total amount of waste generated (t)	12,038		
b) the total amount by weight diverted from disposal	**hazardous waste**	**non-hazardous waste**	**total amount**
i. preparation for reuse (t)	0	0	0
ii. recycling (t)	218	8,388	8,605
iii. other recovery operations (t)	535	2,656	3,192
total (t)			11,797
c) the amount by weight directed to disposal	**hazardous waste**	**non-hazardous waste**	**total amount**
i. incineration (t)	5	0	5
ii. landfill (t)	181	0	181
iii. other disposal operations (t)	6	50	56
total, (t)			241
	total amount (t)	**percentage**	
d) non-recycled waste	3,433	29	

E5-6 Anticipated financial effects from material resource use and circular economy-related risks and opportunities
Fingrid does not identify any specific financial effects that could arise for the company from a material risk related to resource use and circular economy.

Preparation and calculation principles E5
The calculation of inflowing materials includes the substation and transmission line assets commissioned in the reporting year. The quantity of commissioned assets is obtained directly from Fingrid's asset management system. The commissioned assets are grouped by calculation components, which, for transmission lines, are towers and foundations by type and conductors by type. At substations, the calculation components are the equipment groups by voltage level and the other substation infrastructure. The quantity of other substation infrastructure is estimated based on the number of circuit-breakers commissioned during the reporting year, and the estimated quantitative data includes the weight of steel support structures, the weight of the earthing network and the volume of cabling. In calculating the quantity of materials for buildings, the area of the building is used.

Copper, aluminium, steel and concrete have been identified as material inflowing materials in Fingrid's operations. An average calculation component-specific material factor has been calculated for these materials based on data obtained from the investment projects. The data is mainly obtained from equipment manufacturers and technical documents. The average material factors for the calculation components have been calculated separately for the voltage levels 400, 220 and 110 kilovolts.

The quantity of inflowing materials has been calculated by multiplying the quantity of the calculation component by its material factors in the reporting year.

Figures related to resource outflows are obtained from the reporting systems maintained by the waste management providers. If waste materials are delivered to be processed by actors outside waste management contracts, appropriate waste accounting documents and transfer documents are always requested for them. All quantities entered in waste reporting are based on waste weighing certificates. The waste processing methods are determined by the waste management provider. The waste reports of different actors are added together quarterly, which gives the final figures for outflowing materials for the reporting year.

1.11.3 Social information

ESRS S1 – Own workforce

Material impacts, risks and opportunities related to own workforce

Fingrid is an expert organisation in which operations are based on skilled, healthy and well-being personnel who recognise the importance of their work for the company, customers and society. From the perspective of own workforce, i.e. personnel and temporary workers who mainly work under Fingrid's work guidance, the material impacts are related to securing the working conditions, equal treatment and equal opportunities for personnel. In the area of human rights impacts, the most significant negative impacts and risks when it comes to life and health are related to, for example, worksite visits. In addition, the increase in duties and competence requirements due to the energy transformation and related transition plans increases the load caused by work, thus leading to higher risks for employees' health. When Fingrid's own workforce-related actions succeed, their identified impact on occupational well-being and safety is positive, while unsuccessful actions have a negative impact.

The input data for the double materiality assessment and workshop work have helped ensure an understanding that there are no specific workers to consider who would be more affected by a risk of negative impact than others. The impacts are related to Fingrid's own workforce in its entirety and are limited to individual cases. The company operates in Finland and its operations do not involve any significant risk of forced labour or child labour.

ESRS standard	Material topics	Impact	Financial impact	Identified impacts	Risks and opportunities	Fingrid's policies for impacts, risks and opportunities management
S1 Own workforce	↑/↓Working conditions • Health and safety ↑/↓Equal treatment and opportunities for all • Measures against violence and harassment in the workplace	•		↑/↓Well-being and safety of own personnel		Practices and goals of Fingrid's occupational health and safety management Occupational safety handbook Fingrid's Code of Conduct Management principles HR policy Equal opportunity and non-discrimination plan

↑ Positive impact /↓ Negative impact

S1-1 Policies related to own workforce

Key principles for the management of impacts, risks and opportunities related to own workforce include Fingrid's management principles, HR policy, equal opportunity and non-discrimination plan, Code of Conduct, and practices and goals of Fingrid's occupational health and safety management.

The Code of Conduct ensures equal management practices across the organisation and aims to ensure a health, well-being and high-performing work community. Taking care of personnel's physical and mental well-being at work promotes productivity and employee satisfaction, reducing absences due to illness and work-related injuries, among other things. Equal treatment creates trust and commitment towards the employer. The Code of Conduct supporting equality and diversity create a good foundation for a well-functioning corporate culture and for attracting the best

talent to the company. The aforementioned principles are approved by the company's Board of Directors, and the policies are approved by the President and CEO. The practices and goals of Fingrid's occupational health and safety management are approved by the President and CEO. The equal opportunity and non-discrimination plan is approved by the HR director. All policies cover Fingrid's entire own workforce.

Fingrid is committed to responsible and ethical business practices to promote sustainable development (Code of Conduct). These principles are based on the United Nations Global Compact initiative and the principles guiding business operations and human rights. The Code of Conduct also includes Fingrid's human rights commitment. The company follows due diligence and respects internationally recognised human rights. Fingrid avoids operating in a manner that leads to adverse human rights impacts, addresses any adverse human rights impacts when they occur, and takes remediation measures when required. As explicitly stated in its Code of Conduct, the company does not accept the use of child labour and forced labour. The company also does not accept human trafficking. Engagement with own workforce takes place in statutory cooperation bodies, i.e. the cooperation and dialogue meeting with shop stewards and the OHS committee.

The company's Code of Conduct includes the prohibition of all forms of discrimination, harassment and bullying. The company is committed to promoting diversity in everything it does. All employees are guaranteed equal opportunities, rights and treatment.

Personnel's occupational health and safety come first in all of Fingrid's activities. In an expert organisation, the hazards of work are not limited to the physical aspects of working, but work can also cause a mental load. Fingrid's occupational health and safety management is steered by Fingrid's occupational health and safety policy and goals. The company has in place an occupational health and safety management system based on ISO 45001, which is applied to the operations of Fingrid's own workforce, suppliers and sub-suppliers and materials, equipment and engineering ordered by Fingrid. Requirements for occupational health and safety management are established in the occupational safety manual, which is the responsibility of the President & CEO. It is important for the company that each employee returns home safely and healthy.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts
The statutory cooperation bodies are the cooperation and dialogue meeting and the occupational health and safety committee. The cooperation and dialogue meeting discusses personnel issues extensively. Statutory OHS matters are handled by the company's OHS committee, which includes elected personnel representatives. The employer's representative in the OHS committee is the OHS Manager appointed by the company.

Each year, the cooperation and dialogue meeting reviews matters required by the Co-operation Act, such as key figures related to personnel's occupational well-being and health, the results of the personnel survey and the equal opportunity and non-discrimination plan. The cooperation and dialogue meeting, which convenes four times a year, is comprised of the shop stewards of salaried employees and senior salaried employees, the HR manager and the HR director. Cooperation with the shop stewards has been constructive, as the company has concluded local agreements related to working time, remote work and travel allowances.

A briefing is organised for the entire personnel each year, with the representatives of the HR unit sharing information about the equal opportunity and non-discrimination plan and occupational well-being and safety. An extensive survey is also carried out at least once a year to measure employee satisfaction, and the results are shared with the entire personnel.

Fingrid has an agreement with occupational healthcare services that applies to all persons employed by Fingrid. The occupational healthcare services make workplace visits to the company's various locations and, in this way, take part as an external healthcare specialist in the identification and assessment of the risks affecting the company's

occupational health and work ability. In addition they provide recommendations for measures to prevent and mitigate the risks.

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

An annual review is prepared for Fingrid's executive management group on the effectiveness of the occupational health and safety management system and the results of internal audits. The OHS committee, comprised of personnel representatives, convenes three times a year and annually creates an action plan based on factors such as risk assessments, safety observations, occurred accidents and near misses. The entire personnel may also make suggestions to the OHS committee for developing occupational health and safety.

Training organised for personnel is planned annually depending on need. It is discussed in the internal occupational safety group and OHS committee. In addition, personnel are engaged in decision-making through HR development groups, and their opinions are heard through regular personnel surveys measuring, among other aspects, the well-being of personnel and their willingness to recommend the company as a workplace (eNPS).

Through the aforementioned engagement practices, Fingrid addresses, together with personnel, also the impacts on personnel from decarbonisation and a transition to greener and climate-neutral operations. These impacts show, in particular, as an increase in the load caused by expert work, as duties and competence requirements increase, with Fingrid as a company playing a key role in the implementation of the green transition and the growth of the power system.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns
Personnel has access to several feedback and reporting channels and has received instructions on their use. Personnel are supported in remediating negative impacts by their supervisor, their supervisor's supervisor, HR experts, trade union shop stewards and OHS representatives. They all have the obligation to take corrective action once they have been made aware of potential grievances or misconduct. In addition, personnel may turn to occupational health care professionals in all matters related to occupational well-being and health.

Personnel have the opportunity to give anonymous feedback in annual personnel surveys. In addition, a confidential and independent reporting channel is in place for personnel and third parties to make reports anonymously. This and the processing of whistleblower reports are discussed in connection with disclosure requirement G1-1 (Business conduct policies and corporate culture).

The investigation and reporting of occupational safety incidents and the division of responsibilities and follow-up regarding corrective action take place in the HSEQ reporting system. Safety observations can also be made anonymously on Fingrid's public website. Fingrid's OHS committee coordinates the risk assessments of the company's own personnel. Risk assessments are processed in the OHS committee.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
Several training sessions on occupational health, safety and well-being were organised in 2024. In accordance with the OHS committee's action plan, personnel were provided with training on first aid and response to violence and threats. The 'Together at work, healthy and well-being Fingrid employees' campaign addressed mental well-being and psycho-social load factors. In occupational safety, the shared theme with service providers was 'Safe work through planning', which is described in connection with disclosure requirement S2-4 (Taking action on material

impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions).

In accordance with the HR unit's action plan, personnel were coached in spring 2024 during the traditional coaching day, the theme of which was resilience. In addition, a development day, situational awareness reviews and HR management info flashes were organised for supervisors to harmonise management practices and ensure well-being at work. These actions are aimed at creating a positive impact on the well-being and safety of own personnel. In addition, a campaign was implemented to strengthen diversity and equality and to avoid negative impacts. The effectiveness of the actions is assessed regularly through a personnel survey.

The personnel training programme was reviewed with personnel representatives in the cooperation and dialogue meeting. Fingrid offers its entire personnel opportunities to develop and grow their competence. The aim is to secure competence by offering personnel internal and external training, job rotation and co-operation across organisational boundaries. Fingrid expects the green transition to increase the scope of the company's operations and thus the load caused by work on its own workforce. The personnel association Kehys and Young Professionals organised several recreational events to support personnel's well-being during 2024.

The company's human rights efforts included updating the company's human rights action plan to prevent potential negative impacts on the well-being and safety of own workforce. Implementing the own work force-related action plans described here does not require major OpEx or CapEx.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The company's own corporate responsibility ESG targets include several targets related to reducing the negative impacts on the occupational well-being and safety of own workforce, whose metrics and outcomes are presented in the table below. In addition, a diversified personnel structure is a target related to a diverse work community.

Targets set by Fingrid (2021–2025)	2025 target	2024 outturn
Result of the personnel survey	Among the best workplaces in Finland	eNPS 74
Cases of discrimination (pcs)	0	3
Combined occupational accident frequency (own personnel and service providers, LTIF)	< 5	4.8
Sickness absences (%)	< 2	1.7
Early retirements (pcs)	0	2

In the 2024 personnel survey, employee satisfaction measured with the eNPS index was high (74). Reports on three discrimination experiences were received through different channels. These reports were taken seriously, and the situations were resolved together with personnel representatives. The personnel had a healthy age structure. The service providers' and Fingrid's own workforce's combined lost time injury frequency (LTIF) was 4.8 absences due to workplace accidents per million hours worked. The frequency fell from the previous year and was below 5, in line with the target.

At Fingrid, the executive management group sets the targets related to own workforce. Fingrid's own workforce has not been directly consulted when setting the targets. The implementation of the targets is monitored in the cooperation and dialogue meetings together with shop stewards. Potential improvement actions are also planned together with shop stewards.

The above-described targets and their metrics are related to the following list of Fingrid's ESG visions.

Responsibility vision: An open, collaborative, renewing and high-performing work community

- Personnel survey's top result compared to other specialist organisations
- Leadership: Fingrid among the best workplaces
- Healthy and happy work community: low absences due to illness, no premature retirement
- Diverse work community: different educational and ethnic backgrounds, more even gender distribution, even age distribution

Responsibility vision, targets: Each of our employees and everyone working at a Fingrid worksite returns home healthy and in one piece – at the end of every workday

- Low LTIF (less than 5)
- No serious occupational safety deviations
- Fingrid is known for exceptional occupational safety

S1-6 Characteristics of the undertaking's employees

The number of Fingrid's employees has grown significantly in recent years. In 2024, the number of employees was 597. The characteristics of employees by gender, country and contract type are presented in the tables below.

Gender	Number of employees (by head count)
Female	161
Male	436
Other	0
Not reported	0
Employees in own workforce in total	597

Region	Number of employees (by head count)
Finland	597
Other countries	0
Employees in own workforce in total	597

In the financial statements, the headcount is stated in the section 4.8.

2024					
	FEMALE	MALE	OTHERS*)	NOT REPORTED	TOTAL
Number of employees (head count / full-time equivalent)					
	161	436	0	0	597
Number of permanent employees (head count / full-time equivalent)					
	134	400	0	0	534
Number of temporary employees (head count / full-time equivalent)					
	27	36	0	0	63
Number of non-guaranteed hours employees (head count / full-time equivalent)					
	16	17	0	0	33
Number of full-time employees (head count / full-time equivalent)					
	138	410	0	0	548
Number of part-time employees (head count / full-time equivalent)					
	7	9	0	0	16

The number of employees who left the company in 2024 was 14 and the rate of employee turnover was 2.3 per cent.

S1-7 Characteristics of non-employees in the undertaking's own workforce

Fingrid buys services, such as cleaning, security and consulting services from various service providers. If the persons working in these tasks spend the majority of their working time under Fingrid's work guidance, they are included in the company's own workforce as temporary workers. Fingrid's own workforce did not include any self-employed persons during the reporting year.

Number of non-employees	2024
Head count	4

S1-9 Diversity metrics

Gender distribution at top management	2024
Female (head count)	5
Male (head count)	9
Total	14
Female (%)	36
Male (%)	64

In what is presented above, the definition of Fingrid's senior management includes the members of Fingrid Group's Board of Directors and executive management group. The boards of directors or executive management groups of subsidiaries are not included in senior management.

Age distribution amongst employees	2024
under 30 years old (head count)	105
30–50 years old (head count)	340
over 50 years old (head count)	152
Total	597
under 30 years old (%)	18
30–50 years old (%)	57
over 50 years old (%)	25

S1-10 Adequate Wages

All employees in Fingrid's own workforce are paid appropriate and adequate wages based on the Finnish collective agreement system. Two different studies conducted in the energy sector are used for verifying the appropriateness of wages: a survey carried out among the Finnish Energy Industries' members and an annual salary survey by Mercer. The results of both studies are reviewed in a cooperation and dialogue meeting together with the shop stewards.

S1-11 Social protection

All of the company's employees are covered by social protection through public programmes and the company's own benefits against loss of income due to illness, unemployment, employment injury and acquired disability, parental leave or retirement.

S1-13 Training and skills development metrics

The percentage of employees that participated in regular performance and career development reviews in 2024 was 88 per cent for women and 95 per cent for men.

Employees who participated in regular performance and career	
Female (%)	88
Male (%)	95

Training hours per employee by gender	2024
Training hours/employee, female	6,414
Training hours/employee, male	14,782
Training hours, total	21,196
Training days/employee, female	5
Training days/employee, male	5
Training days/employee, average	5

S1-14 Health and safety metrics

Fingrid's own workforce did not sustain any lost-time workplace injuries in 2024. In the value chain, Fingrid's service providers sustained 13 lost-time workplace injuries. The service providers' and Fingrid's combined lost time injury frequency decreased from the previous year to 4.8 lost-time workplace accidents per million hours worked.

Fingrid's own workforce had 5 recordable workplace injuries and service providers' personnel had 34. The service providers' and Fingrid's combined total recordable injury frequency was 14.5 recordable workplace injuries per million hours worked.

Health and safety	2024
Percentage of people in own workforce who are covered by the health and	100
Number of fatalities as a result of work-related injuries and work-related ill health	
Employees in own workforce	0
Non-employees in own workforce	0
Total	0
Number of fatalities as a result of work-related injuries and work-related ill health	
Other workers working on the company's sites, such as value chain workers	0
Number of recordable work-related injuries	
Employees in own workforce	5
Non-employees in own workforce	0
Total	5
Service providers	34
Working hours	
Employees in own workforce	908,110
Non-employees in own workforce	2,114
Total	910,224
Service providers	1,773,858
Rate of recordable work-related injuries (TRIF)	
Own workforce	5.5
Service providers	19.2
Combined	14.5
Number of work-related injuries resulting in lost time	
Employees in own workforce	0
Non-employees in own workforce	0
Total	0
Service providers	13

Rate of work-related injuries resulting in lost time (LTIF)	
Own workforce	0
Service providers	7.3
Combined	4.8
Number of cases of occupational diseases	
Confirmed cases of occupational diseases in own workforce	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	
Employees in own workforce	0
Other own workforce	0
Total	0

S1-15 Work-life balance metrics

All of the company's employees are entitled to parental leave under Finnish legislation and the collective agreements of the Finnish Energy Industries.

The percentage of entitled employees that took family-related leave, and a breakdown by gender	**Head count**	**%**
Entitled employees that took family-related leave, total	48	100
Entitled employees that took family-related leave, female	10	21
Entitled employees that took family-related leave, male	38	79

S1-16 – Remuneration metrics (pay gap and total remuneration)

The determination of wages at Fingrid is based on the classification of job qualifications, performance at work and skills and experience. The aim is to prevent undue pay gaps by thorough determination of job demands. The annual total remuneration ratio of the highest paid individual in the undertaking to the median annual total remuneration for all employees was 478 per cent in 2024, and the gender pay gap was approximately 8 per cent.

Gender pay gap	**2024**
Level of average gross salary of female employees (EUR)	73,525
Level of average gross salary of male employees (EUR)	80,345
Gender pay gap (%)	8
Total remuneration ratio	
The annual total remuneration ratio of the highest paid individual (EUR)	356,409
The median annual total remuneration for all employees (excluding the highest-paid individual) (EUR)	74,605
Total remuneration ratio (%)	478

S1-17 Incidents, complaints and severe human rights impacts

In 2024, three discrimination experiences were reported. No fines, sanctions or indemnities were related to these. The company did not become aware of any severe human rights issues and incidents related to its own workforce.

Incidents, complaints and severe human rights impacts	2024
Recorded incidents of discrimination, including harassment (total number of incidents)	
Incidents	3
Complaints related to working conditions, equality, other labour rights or human rights reported through grievance mechanism channels (number of complaints)	
Complaints	0
Total amount of fines, penalties, and compensation for damages paid for the reported incidents and complaints	
Fines, penalties, and compensation	0
Human fights incidents (number of cases)	
The number of severe human rights incidents regarding own workforce	0
Total amount of fines, penalties, and compensation for damages paid for human rights incidents	
Fines, penalties, and compensation	0

ESRS S2 – Workers in the value chain

Material impacts, risks and opportunities related to value chain workers

The impacts on value chain workers are related to Fingrid's business model and strategy, which consider cooperation and the development of operations together with partners. Partners are responsible for, among other things, grid building and maintenance work. The input data for the double materiality assessment and workshop work have helped ensure an understanding of how the identified impacts can be related to all value chain workers and how specific value chain workers can be more affected by a risk of negative impact than others, as described in the following.

Fingrid's value chain includes a number of contractors and suppliers. Material positive impacts arise especially in grid building worksites and maintenance when securing safe working conditions and reasonable contract policies. Key aspects in preventing negative human rights impacts in procurement include, for example, the safety of grid building and clearing workers and the working conditions and contract terms of foreign workforce. The same impacts are involved in – considering the level of the company's control – international materials and equipment procurement, most of which is the responsibility of main contractors in Fingrid's value chain. From the perspective of value chain workers and their human rights, procurement also involves risk sectors (e.g. the construction, forest, cleaning and extractive industries) and high human rights risk countries. These impacts and risks are managed through, among other things, the Supplier Code of Conduct and risk-based audits, as described in connection with disclosure requirements G1-1 (Business conduct policies and corporate culture) and G1-2 (Management of relationships with suppliers). The material negative impacts are related to individual incidents, and the company has not identified any risk of child labour or particularly significant forced labour.

ESRS standard	Material topics	Impact	Financial impact	Identified impacts	Risks and opportunities	Fingrid's policies for impacts, risks and opportunities management
S2 Workers in the value chain	↑/↓Working conditions • Working time • Adequate wages • Health and safety	•		↑/↓Safe working conditions and reasonable contract policies for contractors and suppliers		Practices and goals of Fingrid's occupational health and safety management Occupational safety handbook Fingrid's Supplier Code of Conduct Procurement policy

↑ Positive impact /↓ Negative impact

S2-1 Policies related to value chain workers
Key principles in the management of the impacts, risks and opportunities related to contractors and suppliers are the procurement policy, the corporate responsibility requirements for suppliers (Supplier Code of Conduct), Fingrid's practices and goals in occupational health and safety, and the contract terms related to safety and subcontracting and the use of labour. The Supplier Code of Conduct and the practices and goals of occupational health and safety management are approved by the President and CEO. The contract terms related to safety and subcontracting and the use of labour are approved by the director in charge of grid building and maintenance.

Fingrid's human rights commitments as part of the company's Code of Conduct and the corporate responsibility requirements for suppliers in the value chain are described in connection with disclosure requirement G1-1 (Business conduct policies and corporate culture). Fingrid's corporate responsibility requirements for suppliers explicitly prohibit human trafficking and the use of forced labour and child labour in relation to workers in the value chain.

Fingrid's Code of Conduct is in line with internationally recognised documents, as described in disclosure requirement G1-1 (Business conduct policies and corporate culture). In 2024, no incidents involving a breach of these principles in its up- or downstream value chain were reported to the company. The application of the corporate responsibility requirements is described in connection with disclosure requirement G1-2 (Management of relationships with suppliers).

S2-2 Processes for engaging with value chain workers about impacts
Continuous dialogue with contractors and suppliers is pursued to ensure compliance with the company's Code of Conduct, safe working conditions and reasonable contract policies. This includes risk-based audits on grid worksites in Finland and in the international production facilities of equipment and materials suppliers.

For worksite occupational safety, Fingrid maintains an occupational safety group for service providers, the objective of which is to promote occupational safety, share good practices and lessons learned and address occupational safety approaches. In investment projects, occupational safety matters are addressed, among other things, in the kick-off meetings and worksite meetings of projects. Occupational safety is also ensured through worksite visits, training, safety meetings, reporting, and by collecting and investigating safety observations and near misses. The

responsibility for the engagement described above and the consideration of the results lies with the director in charge of grid building and maintenance.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns
Fingrid requires a high level of occupational safety and reasonable contract policies in investment projects and maintenance alike. Fingrid's contract terms concerning safety are appended to all agreements.

The occupational safety qualification requirements for service providers are described in the contract terms concerning safety. They are provided with annual occupational safety training as needed, on topics such as electrical safety, occupational safety, and safety-related contract terms.

Service providers can make propositions on their own initiative and give feedback on, among other things, occupational safety issues at joint meetings, through the HSEQ reporting system and in the suppliers' occupational safety group. OHS topics are communicated on twice a year in the "Safety on the lines" magazine. Occupational safety briefings are also organised to review current issues and any accidents and near misses that have occurred and any reported safety observations.

Accidents and near misses sustained by suppliers are investigated and lessons are learned from them. Responsibility for corrective action is allocated through the HSEQ reporting system.

A Supplier Code of Conduct is implemented to ensure commitment to sustainable, responsible and ethical practices, including risk-based compliance monitoring in terms of both occupational safety and reasonable contract policies. The audits performed at worksites and in international goods procurement are addressed in connection with disclosure requirement G1-2 (Management of relationships with suppliers).

The confidential and independent reporting channel and the processing of reports are also described in connection with disclosure requirement G1-1 (Business conduct policies and corporate culture). Safety observations can also be made anonymously. Fingrid does not assess the value chain workers' awareness of and trust in the processes described above.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
Fingrid annually prepares an occupational safety action plan, which describes the occupational safety development measures and priorities, the occupational safety metrics that should be given emphasis, and their annual interim targets. The action plan is approved in Fingrid's internal occupational safety group.

The workplace safety and working conditions of suppliers working at Fingrid's worksites is ensured with measures such as regular worksite visits, management's occupational safety rounds and sustainability audits. Service providers are required to provide an account of the arrangement of occupational healthcare services as stated in the Act on the Contractor's Obligations and Liability when Work is Contracted Out.

The occupational safety theme for Fingrid's actions targeted at service providers in 2024 was 'safe work through planning'. An occupational safety campaign was organised under the theme: Plan, assess and reflect before you act. Fingrid provided service providers with electrical and occupational safety training, for example on the guidelines concerning operating and electrical work safety in the main grid. The company's work to improve occupational safety had an impact on the number of safety observations. In 2024, the number of safety observations made at Fingrid's worksites was 1,488, which is more than double compared to the previous year.

The identification of hazards in investment projects and maintenance and the assessment of risks is described in the contract terms concerning safety. The identification of hazards in investment projects and maintenance and the assessment of risks is divided as follows: preparing a safety document, risk assessment as part of the safety plan, assessments of the risks of the work and the safety planning carried out by the working group at the worksite. For shared workplaces, a document on hazards and adverse conditions is prepared instead of a safety document.

Based on the risks, a third party is used in international procurements to ensure compliance with occupational safety standards and reasonable contract policies at the workplaces of Fingrid's equipment and material suppliers. The prevention of negative impacts on value chain workers from Fingrid's own actions, especially procurement, is additionally described in connection with disclosure requirements G1-1 (Business conduct policies and corporate culture) and G1-2 (Management of relationships with suppliers). Fingrid is not aware of any significant human rights violations in the upstream or downstream value chain in 2024.

Implementing the actions related to value chain workers described here does not require major OpEx or CapEx.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
As part of the company's set of corporate responsibility ESG targets, Fingrid tracks suppliers' occupational safety performance through Fingrid's and suppliers' combined lost-time injuries frequency as described in disclosure requirement S1-14 (Health and safety metrics). The value chain workers have not directly participated in setting, tracking or assessing the targets.

ESRS S3 – Affected communities
Material impacts, risks and opportunities related to affected communities
The company has identified a material risk related to affected communities, and specifically transmission line area landowners, due to Fingrid's activity as a transmission system operator. This requires maintenance of the existing grid and additional grid building on land not owned by the company. One of the focal points in the company's strategy is an efficiently utilised main grid. The input data for the double materiality assessment and workshop work have helped ensure an understanding of all affected communities in own operations, along the value chain (e.g. suppliers' production facilities) and at the end of the value chain (e.g. metal manufacture). Considering the level of the company's control, key communities for Fingrid are the close neighbours of the transmission line areas and, among them, specifically those on whose land the grid structures are located. No specific landowners have been identified who may be at greater risk of harm than others; the risk is assessed to relate to all landowners in equal measure. The company has had no projects in the areas of the indigenous Sami people in recent years.

Landowners' concerns are highlighted in new transmission line projects. Fingrid does not own the land and trees under the transmission lines; they remain the property of the landowners. General acceptance among landowners and close neighbours can be eroded by how the transmission line area restricts construction and changes the landscape.

The fact that, in addition to Fingrid's grid projects, landowners may also be affected by a number of other actors' projects and different practices within the green transition, accentuates the experience of landowners and increases the complexity of the impacts on them. Landowners expect Fingrid to increase the compensation paid to them for compulsory purchases to reinforce their right to property. In addition, the company is expected to replace overhead lines through underground cables. However, the use of underground cables in the grid is currently limited to substation areas and urban areas when it is not possible to use overhead cables due to a lack of physical space. The risk is that general acceptance may erode among landowners.

ESRS standard	Material topics	Impact	Financial impact	Identified impacts	Risks and opportunities	Fingrid's policies for impacts, risks and opportunities management
S3 Affected communities	Communities' economic, social and cultural rights • Land-related impacts		•		- Erosion of general acceptance among landowners and close neighbours (grid's land-use restrictions and landscape changes and underground cable demands)	Fingrid's Code of Conduct Land use and environment policy Communications policy

+ Opportunity / - Risk

S3-1 Policies related to affected communities

The land use and environmental policy approved by the company's President & CEO covers, in addition to climate and environmental impact management, the consideration of landowners in grid planning, building and maintenance. In order to be able to build, operate and maintain a transmission line, Fingrid expropriates a right-of-use to the transmission line area from private landowners. The acquisition of land for substations and reserve power plants is primarily based on voluntary transactions. The policy is available on the company's public website.

Other key policies in the management of the impacts, risks and opportunities related to landowners and close neighbours of the grid include the communications policy approved by the President & CEO and Fingrid's Code of Conduct and the human rights commitment contained therein. The Code of Conduct is based on the United Nations Global Compact initiative and the principles guiding business operations and human rights. No affected community-related incidents involving non-respect of human rights principles have been reported to the company.

S3-2 Processes for engaging with affected communities about impacts

Cooperation with landowners and neighbours living near grid transmission lines in new transmission line projects begins in the preliminary planning phase when assessing environmental impacts and opportunities to mitigate them. Through the statutory environmental impact assessment (the EIA procedure), landowners and other stakeholders receive information and can have a say in the project. Engaging these parties is very important in terms of ensuring that the transmission line adapts to the environment, taking into account various perspectives and stakeholders. In transmission line route selection, the company considers not only environmental data but also the feedback received from stakeholders.

Fingrid goes beyond statutory requirements by informing the local communities about the EIA procedures of transmission line projects by means of landowner letters. In addition to statutory consultations, Fingrid has an electronic feedback system in place. The letters are supported by ads in local newspapers if necessary. The projects are also presented in public EIA events open to all. From the perspective of human rights impacts, the EIA procedure also considers human health, living conditions and amenity. People are concerned about the electromagnetic fields in the vicinity of transmission lines, concerning which Fingrid publishes up-to-date information and engages in dialogue with, for example, landowners in EIA procedures.

After the environmental impact assessment phase, Fingrid engages with the landowners in person when the project advances to general planning and the location of the transmission line route and the locations of the transmission towers are known. The landowner may express their opinion on the planning solution or request a review.

Grid transmission line projects are subject to the provisions of the Act on the Redemption of Immovable Property and Special Rights, under which an expropriation permit may be granted when the public need so requires. An expropriation permit is applied for from the government to establish a right of use to the transmission line area and to reduce the landowner's rights of use. At the application stage, a landowner can give a statement on the expropriation permit application to the permit authority. Once the expropriation permit has been granted, the National Land Survey of Finland initiates an expropriation procedure, which is carried out by an independent expropriation committee. The landowners and the expropriation permit applicant, i.e. Fingrid, are parties to the procedure and all decisions are made by the independent expropriation committee after having consulted the parties. The owner of the expropriated property receives full compensation for their financial losses.

Engagement with landowners continues in the project's maintenance phase in accordance with the company's land use and environmental policy. Agreements are made beforehand on work and vegetation management performed on the landowners' land, if necessary. The responsibility for the engagement and the consideration of the results lies with the director in charge of grid building and maintenance.

S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns
Abnormal damage sustained by landowners is processed in the company using a similar process as for environmental damage. The investigation of potential negative impacts also involves cooperation with authorities as necessary. The statutory expropriation procedure ensures the remediation or compensation of negative impacts to landowners.

Fingrid's website contains a feedback form and a feedback system for construction projects for raising concerns. Landowners can also engage with Fingrid's or the contractor's contact persons, whose contact information is indicated in project communications. The confidential and independent reporting channel and the processing of reports are described in connection with disclosure requirement G1-1 (Business conduct policies and corporate culture).

Information on processes to remediate negative impacts and channels for raising concerns is shared beginning with the environmental impact assessment of projects. The affected communities' awareness of these structures or processes is not separately assessed, however. In the expropriation phase, legislation requires that compensation matters be processed in any case, even if the landowner does not take initiative in the matter.

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
Fingrid reduces the risk of erosion of general acceptance among landowners and close neighbours through environmental impact assessments that support transmission line route planning and through lifetime landowner dialogue and information. In addition, Fingrid offers financial support for managing the traditional rural biotopes located in transmission line areas and works to promote the utilisation of transmission line areas, which is addressed in connection with disclosure requirement E4-3 (Actions and resources related to biodiversity and ecosystems). In 2024, several transmission line project environmental impact assessments were underway. The extensive grid investment programme enabling the green transition will be directly reflected in the number of necessary environmental impact assessments also in the coming years.

Landowners' dissatisfaction with the compensation paid for expropriation has continued. Fingrid has increased its communications to landowners. The company has emphasised its official status as the party carrying out a task specified in the Electricity Market Act and the need for legislation to guarantee adequate compensation for landowners. The company tracks the reform of expropriation legislation to reinforce landowners' right to property. In its opinion on the government proposal concerning the amendment of the expropriation act in 2024, Fingrid stated that landowners already now receive at least full compensation for their losses caused by transmission line

projects. However, the company does not oppose a potential increase in compensation paid for expropriation. Implementing the actions described here does not require major OpEx or CapEx.

The company is not aware of any severe human rights issues or incidents related to affected communities.

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Fingrid tracks its general acceptance among landowners and close neighbours by measuring landowners' satisfaction with the management of investment projects. Landowner surveys are conducted for the transmission line projects completed during the year. The survey is carried out by an independent third party who asks the concerned landowners directly to share their views. The target setting process did not involve direct engagement with landowners. In 2024, surveys were conducted for four projects, and the average score given by landowners for the management of transmission line projects was 3.6.

Targets set by Fingrid (2021–2025)	2025 target	2024 outturn
Landowners' satisfaction with the management of investment projects (survey rating on a scale of 1-5)	> 4	3.6

ESRS S4 – Consumers and end-users

Material impacts, risks and opportunities related to consumers and end-users

Fingrid's operations have significant impacts on the people who are the end-users of electricity, even though households are not the company's direct customers. When assessing the topics in the ESRS standards, the material impacts of Fingrid's business, from the perspective of consumers and end users, focus on protecting consumers' privacy and data protection in Fingrid Datahub's activities. The centralised electricity information exchange system maintained by Fingrid Datahub processes large amounts of personal data related to electricity consumption. Fingrid must manage the risk of data breaches, which are managed through information security and data protection policies and measures related to the protection of personal data, as described in disclosure requirements S4-1 (Policies related to consumers and end-users) and S4-4 (Taking action on material impacts on consumers and end-users). Fingrid has identified customer and stakeholder trust in Fingrid as a positive impact of these actions.

The impacts on data described above are related to Fingrid's business operations, and they are taken into account in the company's strategy as part of overall security. The input data for the double materiality assessment and workshop work have helped ensure an understanding of how these identified impacts may relate equally to all consumers and end-users and how they may be limited to an individual case or be broader than this. No particularly affected groups have been identified.

ESRS standard	Material topics	Impact	Financial impact	Identified impacts	Risks and opportunities	Fingrid's policies for impacts, risks and opportunities management
S4 Consumers and end-users	↓Information-related impacts on consumers and/or end-users • Privacy Entity-specific topics • Protection of business critical and personal data	•	•	↑Customer and stakeholder trust ↓Privacy and information security of consumers and security of Fingrid's critical data	-Paralysis of IT systems and loss of power system availability, and a leak of critical data, including Datahub user data	Fingrid's Code of Conduct Communications policy Information security policy Data policy Data protection policy Document management policy Company security policy

↑ Positive impact / ↓ Negative impact / + Opportunity / - Risk

S4-1 Policies related to consumers and end-users
Policies approved by Fingrid's President & CEO related to information security, data management, data protection and company security are central to managing the material impacts, risks and opportunities related to consumers and end-users.

The data in Fingrid Datahub is protected by appropriate technical and organisational measures. The privacy statements are available on Fingrid's public website. Data protection risk management includes regular threat scenario rehearsals to secure personal data, among other things.

Fingrid's corporate safety & security arrangements are an integral aspect of the overall risk management. Corporate safety & security planning and actions are steered with the relevant policy and other guidelines. The related key areas include occupational safety, environment, safety & security of real estate, premises and personnel, safety of rescue operations, as well as the management of internal and external risks of misconduct and crime. Further guidance on the planning and continuous development of the various subareas of corporate safety & security is also provided in other policies, such as the information security policy, and the related specific guidelines.

The management of Fingrid's information security arrangements complies with the ISO 27001 standard. When processing personal data, data protection is ensured proactively and comprehensively for the total lifespan of the personal data. The processing of personal data is systematic, guided by instructions and documented and complies with the EU's General Data Protection Regulation and other legislation related to data protection.

The principles described above cover all consumer and end-user groups where relevant.

Fingrid's human rights commitments relevant to consumers and end-users as part of the company's Code of Conduct are described in connection with disclosure requirement G1-1 (Business conduct policies and corporate culture). The Code of Conduct is aligned with internationally recognised documents.

S4-2 Processes for engaging with consumers and end-users about impacts
Fingrid engages with consumers and end-users primarily via electronic means of communication. Fingrid's public website and social media channels provide consumers and end-users with information about Fingrid's grid and how the price of electricity is formed, as well as possible power disturbances. The price of electricity can also be monitored using Fingrid's "Tuntihinta" (i.e. "Hourly Price") mobile app, which can be used to send notifications of, for example, disruptions in the power system to consumers who use the app.

Consumers are informed about electricity disturbances that may affect them in disturbance bulletins on Fingrid's public website. The company also encourages consumers to prepare for possible power disturbances. The public website contains a number of guidelines particularly on electricity shortages. Fingrid's Open Data online service offers electricity market participants and all interested parties information on Finland's electricity system and the electricity market in digital format, freely and free-of-charge.

In terms of Fingrid's Datahub, end-users have the right to access information pertaining to them. Through a customer portal, end-users have the possibility to access information about them that is saved in the Datahub system. The customer portal contains information about the end consumer's electricity contracts, the contract's point of electricity consumption, consumption data for the point of consumption, customer information and authorisation information.

Fingrid engages with its customers and other stakeholders in several different ways. Seminars and webinars are arranged for customers and stakeholders. The company also attends many trade fairs in order to engage with stakeholders. Fingrid publishes a customer magazine three times a year and a monthly newsletter. Fingrid has three customer committees geared to developing customer activities: an advisory committee, a grid committee and a market committee. Regular dialogue with customers takes place through these committees. Fingrid also arranges one-on-one discussions with its customers annually. The goal is to better understand customers' challenges and to collect ideas for furthering co-operation.

Fingrid's President & CEO is responsible for ensuring engagement. Fingrid has not identified particularly vulnerable groups among consumers and end-users.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
Consumers and end-users may contact Fingrid in a range of matters. The feedback channels are disclosed on an aggregate basis on Fingrid's public website. Consumers and end-users have the opportunity to report faults directly to the main grid control centre. Feedback on construction-related projects can be given in the map service, and general feedback can be submitted using a form on the public website. In addition, misconduct can be reported via a confidential and independent whistleblowing channel, through which reports can be submitted anonymously. This and the processing of whistleblower reports are discussed in connection with disclosure requirement G1-1 (Business conduct policies and corporate culture).

Fingrid Datahub's end consumers are instructed on how to use the customer portal through extensive service descriptions and user manuals on Fingrid's public website. End consumers have the opportunity to raise their concerns, needs and service development suggestions using the contact form in the customer portal. Contacts are processed by Fingrid Datahub's customer service.

Customer and stakeholder feedback is collected in all meetings and events. In addition to these, an annual customer satisfaction survey is conducted, giving customers the opportunity to rate Fingrid's operations and services and also provide open feedback. There is a process for handling customer feedback and possible complaints to ensure they

are addressed systematically. Feedback is used to improve Fingrid's operations. Consumers' and end-users' awareness of the processes described here has not been separately assessed, however.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
Fingrid has increased communications aimed at consumers and end-users, including on the operation of the electricity system. To increase customers' and stakeholders' trust, Fingrid has raised its profile in mass media, giving numerous interviews about the power system, electricity market and energy transformation. Decision-makers and authorities have also been informed on issues related to the sufficiency of electricity and the functioning of the power system.

Fingrid has strived to develop its customer activities such that customers would see Fingrid as a whole rather than separate services. The aim is not only to streamline customer service, but also to more easily implement the changes required by the transformation of the energy system.

Fingrid has created its own written guidelines on data protection, and data protection issues are also part of the online induction courses. In addition, targeted training and exercises have been held for people operating in different roles. Data responsibility plays a key role in Fingrid's information security and data protection operating models.

In 2024, Fingrid continued to focus on personnel's information security awareness. Various info sessions on the topic were arranged for personnel. Online information security training, which was mandatory for all personnel, was also provided. The company's information security is continuously developed and systematic in accordance with ISO 27001 certification. For example, the information security policy was updated to comply with the NIS2 Directive on cybersecurity. In addition, AI software was introduced to improve productivity, and personnel were trained and supported in using the software.

No significant human rights violations or incidents were detected in 2024. Implementing the measures described here does not require major OpEx or CapEx.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
The company's own corporate responsibility ESG targets include end-user- and stakeholder-related targets, whose metrics and outcomes are presented in the table below. End-users and stakeholders have not been directly involved in setting the targets, monitoring their implementation or identifying the lessons learned and improvements gained from them. The executive management group and Board of Directors regularly review the success of customer and stakeholder interaction and related measures.

Targets set by Fingrid (2021–2025)	2025 target	2024 outturn
Customer satisfaction (cNPS)	> 50	+60
Main grid safety: Number of damages to third parties	0	0

The ENTSO-E price comparison related to monitoring the affordability of grid service fees has been interrupted.

The above-described targets and their metrics are related to the following list of Fingrid's ESG visions.

Responsibility vision and targets: Affordable for customers, fair partner to customers, most market favourable TSO

- Customers are happy with Fingrid's services
- Among the most affordable TSOs in Europe
- Well-functioning electricity market and system security at a good level

Responsibility vision and targets: Fingrid is known for its good reputation and for being a reliable operator and energy influencer

- Fingrid is known as a reliable company with a good reputation and is a sought-after partner with understandable goals

Responsibility vision and targets: The continuity and profitability of our operations through good risk management. Open and comprehensive external reporting and communications. High-level information security and responsibility for data

- No significant information security or data protection breaches resulting in adverse business impacts

Responsibility vision and targets: Main grid does not cause harm to the public

- The main grid is safe, no accidents or health impacts

Material entity-specific disclosures

Fingrid has identified two material entity-specific topics. Securing Fingrid's critical data has been identified as a material entity-specific topic related to standard S4 (Consumers and end-users). Another identified material entity-specific topic is system security.

Protection of business critical and personal data

Impacts related to the data privacy of consumers and/or end-users are addressed in standard S4 (Consumers and end-users). Securing data that is business-critical for Fingrid (network models) and personal data has been identified as an entity-specific data-related topic as described in disclosure requirement S4 SBM-3 (Material impacts, risks and opportunities related to consumers and end-users). A risk that must be managed is the paralysis of IT systems and loss of power system availability, and a leak of critical information, including Fingrid Datahub's user information.

The key policies for managing the impacts, risks and opportunities related to securing data that is critical to Fingrid are described in connection with disclosure requirement S4-1 (Policies related to consumers and end-users). The processes for engagement are described in disclosure requirement S4-2 (Processes for engaging with consumers and end-users about impacts). The processes for remediating negative impacts and channels for raising concerns are described in disclosure requirement S4-3 (Processes to remediate negative impacts and channels for consumers and end-users to raise concerns). Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities, and the effectiveness of those actions are described in disclosure requirement S4-4 (Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions).

As a target related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities, Fingrid ensures that business-critical data is only accessed by those who need it. No significant information security or data protection breaches resulting in adverse business impacts were detected in 2024. No information security breaches were reported to the data protection ombudsman.

System security

ESRS standard	Material topics	Impact	Financial impact	Identified impacts	Risks and opportunities	Fingrid's policies for impacts, risks and opportunities management
–	Entity-specific topics • System security	•	•	↑Reliable electricity for society and industry, and promoting Finland's competitiveness	-Loss of power regionally or nationwide (blackout)	Principles for managing system security Reserve policy Balance service policy Contingency policy Reserve power plant management policy Company security policy

↑ Positive impact / ↓ Negative impact / + Opportunity / - Risk

In Fingrid's business operations, positive material impacts relate to the main grid's high system security. An identified impact is reflected as reliable electricity for society and industry, and as promoting Finland's competitiveness. A material risk that must be managed is a blackout in which electricity is not available regionally or, in the worst case, in all of Finland. An electricity outage caused by a serious disturbance has also been identified as a strategic risk for the company.

From the perspective of human rights impacts, electricity network structures and electricity transmission involve risks affecting people's lives and health. By ensuring electricity transmission, Fingrid protects the fundamental right to life and health. Failure to carry out this task could have severe human rights implications for a large number of people.

The key policies from the perspective of the main grid's system security are the Board-approved principles for managing system security, and the policies approved by the President & CEO related to reserves, balance service, contingency and reserve power plant management. The aim of the principles for managing system security is to maintain the current sufficient level of system security in the main grid for customers and society. The greatest possible transmission capacity is made available to the electricity market without compromising the main grid's system security.

In terms of actions and resources, high system security is maintained through continuous preparation for failures, proactive operational planning, and constant operation control. Important information about disturbances is published as quickly as possible, and also analysed and reported on afterwards. Preparations for exceptional disturbance situations are made and action in such situations is regularly rehearsed. At the beginning of September 2024, Fingrid took part in the Finnish Defence Forces' local defence exercise focusing on cyber-security. The exercise focused on protecting the electricity system that is critical to society, and it included testing the cyber threat to the grid and the co-operation between different actors.

Fingrid's set of corporate responsibility ESG targets includes a system security target. The metric for it as well as its outcome in 2024 are presented in the following table.

	2025 target	2024 outturn
Reliability: Transmission security in the main grid (%)	99.9995	99.9995

Preparation and calculation principles S standards

Personnel data is collected as the head count and includes all employees regardless of the percentage of their working time. In all personnel figures, the data corresponds to the personnel situation on the last day of the year, 31 December 2024, for both the company's own personnel and for non-employees who are in the company's own workforce.

Fingrid's own workforce covered by the occupational health and safety management system is calculated as a relative percentage (%) of Fingrid's entire personnel.

The number of fatalities as a result of work-related injuries and work-related ill health is the number of fatal workplace accidents that occurred to own personnel, non-employees, and value chain workers. Data on the number of fatalities as a result of work-related ill health is not available.

The working hours of employees and non-employees are reported based on actual hours worked. The working hours of service providers are reported as the number of working hours spent on the work and its planning, including the working hours of sub-suppliers.

The total recordable injury frequency (TRIF) is reported for own workforce and service providers, including sub-suppliers. The TRIF is the number of accidents per million hours worked. The TRIF includes, in addition to the day of the accident, workplace accidents that resulted in at least one day's absence, workplace accidents that required medical care, and workplace accidents that resulted in substitute work. A workplace accident that requires medical care does not result in the employee's absence beyond the day of the accident, but does require medical care, for example, at a hospital or healthcare centre. A workplace accident that resulted in substitute work does not result in the employee's absence beyond the day of the accident but does result in at least one day of incapacity to carry out their work beyond the day of the accident. It thus does not result in sick leave, but the injured employee performs substitute work.

The number of workplace accidents is the number of workplace accidents of own personnel, non-employees, service providers and sub-suppliers resulting in at least one day of absence in addition to the day of the accident.

The lost-time injury frequency (LTIF) is the number of workplace accidents resulting in an absence per million hours worked. The LTIF is reported for own workforce and service providers, including sub-suppliers. The combined LTIF includes the working hours of Fingrid's own workforce, service providers and sub-suppliers, and workplace accidents leading to absence.

The number of occupational diseases includes occupational diseases compensated by the insurance company during the year.

The number of working days lost due to work-related injuries and fatalities includes the number of working days lost for employees and other workforce, but the date of the accident is not counted. **Data on the number of working days lost due to work-related ill health** is not available.

System security is calculated with the formula *system security = / (SE+SJE),* where SE = energy transmitted in the electricity grid, and SJE = energy not transmitted due to a disturbance in the electricity grid. An operation

disturbance is an unexpected situation in the use of the grid and is caused by a fault in the equipment or system that affects electricity transmission. A fault is usually defined as a situation in which the equipment does not meet the required characteristics, but only faults that cause an operation disturbance are recorded in the fault statistics. Energy not transferred due to an operation disruption is the energy that has not been delivered to the customer at the main grid connection point. There is a delivery interruption in a connection point when the customer or the customer's network has no electricity due to a fault in Fingrid's grid. The electricity outage ends when Fingrid restores power at the connection point. The electricity outage also ends when the customer receives electricity from some other source, such as through stand-by supply connections, even if Fingrid's connection point is not in use.

1.11.4 Governance information

ESRS G1 – Business conduct

Material impacts, risks and opportunities related to business conduct
From a business conduct perspective, the material positive impacts of Fingrid's business operations are reflected in business operations and a corporate culture that are ethical, aligned with the company's values and compliant with regulations. The impacts stem from the company's strategy and business model, which is based on partnership. A strategic risk to be managed is the distortion of the corporate culture, which could appear as disregard for the company's Code of Conduct and responsibility requirements or as other unprofessional conduct. In addition, regulations are increasingly influencing Fingrid's operations and in many cases have become more unpredictable. This underscores the importance of risk management from the perspectives of both operating conditions and corporate financing.

Regarding the company's financial regulation, the Energy Authority has, in its decisions of 29 December 2023, confirmed the regulatory methods applicable to the reasonableness of the pricing by electricity and natural gas network companies in 2024–2031. In Fingrid's view, the assessment of impacts in the preparation of the Energy Authority's regulatory model decision has been deficient and there are still issues open to interpretation related to the presented decision. Fingrid's goal is a solution that would also enable the future development of the grid, allowing the hundreds of billions in green transition investments in Finland to be implemented as planned. On 29 January 2024, Fingrid appealed to the Market Court against the Energy Authority's decision on the methods concerning the specification of the profit for the electricity transmission grid operations for the sixth regulatory period 1 January 2024–31 December 2027 and seventh regulatory period 1 January 2028–31 December 2031. According to Fingrid's assessment, the decision on the regulatory methods is a significant weakening of the electricity transmission grid operations' reasonable profit regulatory method that expired at year-end.

ESRS standard	Material topics	Impact	Financial impact	Identified impacts	Risks and opportunities	Fingrid's policies for impacts, risks and opportunities management
G1 Business conduct	↑/↓Corporate culture ↑/↓Protection of whistleblowers ↑/↓Corruption and bribery • Prevention and detection, including training • Corruption and bribery	•	•	↑Ethical business operations and corporate culture in compliance with the values and regulations	-Warping of corporate culture and consequent decline of operational capability or reputation (action in conflict with the Code of Conduct or values) -Impacts from changes in legislation and other regulation on operating conditions and the economy	Fingrid's Code of Conduct Management principles Internal control and risk management principles Ensuring impartiality in preparing matters and decision-making Related party principles Insider guidelines Disclosure policy Corporate finance principles Treasury policy Fingrid's Supplier Code of Conduct Procurement policy

↑ Positive impact / ↓ Negative impact / + Opportunity / - Risk

G1-1 Business conduct policies and corporate culture

The foundation for all of Fingrid's operations is ethical business operations and corporate culture in compliance with the values and regulations. The corporate culture is based on openness and the personnel's strong commitment to the company's values and Code of Conduct. Fingrid's intent, in line with the company's values, is an open, fair, efficient and responsible work community. The corporate culture has been built using various leadership approaches for several years now.

The company's Board of Directors approves the following material policies related to business conduct: Fingrid's Code of Conduct, management principles, internal control and risk management principles, ensuring impartiality in preparing matters and decision-making, corporate finance principles, related party principles and insider guidelines. The company's President & CEO approves the following material policies related to business conduct: disclosure policy, treasury policy, Fingrid's supplier Code of Conduct and procurement policy.

Fingrid's main policies related to business conduct are the company's Code of Conduct, management principles and internal control and risk management principles. Fingrid's Code of Conduct is based on the United Nations Global Compact initiative and the principles guiding business operations and human rights. Appropriate due diligence is part of the application of Fingrid's Code of Conduct. In 2016, Fingrid signed the Global Compact initiative of the United Nations.

The Code of Conduct also includes Fingrid's human rights commitment and environmental precautionary principle. Fingrid's Code of Conduct includes a prohibition on money laundering and corruption, such as blackmail and bribery.

The Code of Conduct and all of its values and commitments apply to every Fingrid business unit and, in turn, all Fingrid employees. In the company's assessment, no business unit is more exposed to corruption and bribery than another. Fingrid's managers and the entire work community ensure that behaviour is in line with the Code of Conduct. Online training in the Code of Conduct is also required for all personnel at the start of employment and regularly at least every three years and more frequently as needed. In 2024, Fingrid's Code of Conduct was updated and an update of the online training course was started.

The contractors, service providers and goods suppliers who are Fingrid's contractual partners are required to comply with separate corporate responsibility requirements or other similar, separately agreed requirements. The requirements cover issues such as business practices, human rights, labour rights, occupational safety, the environment, and anti-corruption in compliance with the Global Compact initiative. In addition, suppliers must ensure and oversee, as regards deliveries to Fingrid, that their own suppliers also comply with legislation and the agreed corporate responsibility requirements. Any activities harming human rights are addressed in compliance with the company's human rights commitment, including corrective action when needed. The Supplier Code of Conduct includes an auditing right, which is described in more detail in connection with the next disclosure, G1-2 (Management of relationships with suppliers). The Supplier Code of Conduct was updated in 2024.

Fingrid's personnel and external stakeholders have access to several feedback and reporting channels. Personnel have been provided with instructions on their use on Fingrid's public website, intranet and induction training course. Employees can report misconduct to their supervisor, management or HR department. To ensure responsible conduct, a confidential and independent reporting channel is in place where people can report misconduct anonymously or using their real name. The reporting, i.e. whistleblowing channel is available to Fingrid's personnel and all external stakeholders.

The guidelines regarding reporting misconduct, the reporting channel and whistleblower protection comply with the provisions of the Finnish Act on the Protection of Individuals Reporting Violations of European Union and National Rights (the so-called Whistleblower Protection Act). All suspected breaches are investigated confidentially and professionally, and with guaranteed protection of privacy. It is moreover ensured that the whistleblower will not face negative consequences. Whistleblowing reports are handled by the Fingrid's designated Legal Counsel in charge of compliance, the General Counsel and the President & CEO. If a report has been submitted with the whistleblower's real name, the aforementioned party handling the report will ensure that the person's data is processed in the manner required by law. If the report leads to whistleblower protection for the person, the parties handling the report will ensure that the person's whistleblower protection is implemented together with the HR Director and HR Manager. A training course on whistleblowing guidelines was organised for all personnel at the start of 2024.

Fingrid's corporate responsibility ESG targets include several targets related to business conduct policies and corporate culture. Concerning these targets set prior to the publication of the ESRS reporting standards and their metrics, not all of the information required under the standards' minimum disclosure requirements is available for disclosure as described in more detail in connection with disclosure requirement E1-4 (Targets related to climate change mitigation and adaptation).

Targets and metrics related to policies

As a target related to the up-to-dateness of the principles and policies guiding operations, the company monitors how well the principles and policies have been updated in relation to the planned need for updating in the annual cycle and how well they correspond to the company's business practices. In 2024, all principles and policies, with the exception of the data protection policy, were updated at least according to the annual cycle.

For internal auditing, the target is that no significant critical shortcomings arise. No significant shortcomings were identified in the internal audits in 2024. Audits were carried out according to the annual plan: the balance service process, reserve market data management, decision-making and approval authorisations, and approval of commitments, risks and documents related to decision-making, and risk management reporting (Enterprise Risk Management).

The implementation of responsible practices is tracked through personnel survey, which are used to determine personnel's view on the level of compliance with responsible practices. In the 2024 survey, employees gave a score of 4.4 (on a scale of 1–5) to the question of how well Fingrid employees comply with responsible practices.

Targets set by Fingrid (2021–2025)	2025 target	2024 outturn
Personnel's view of the responsibility of operating methods (survey rating on a scale of 1–5)	> 4	4.4

Targets and metrics related to risk management and continuity management
Risks and continuity are managed on the basis of the internal control and risk management principles approved by the Board of Directors. No significant risks resulting from insufficient preparedness in the company were realised in 2024. Continuity exercises were carried out as planned.

Targets and metrics related to the responsibility of the supply chain
In terms of the responsibility of the supply chain, the company tracks the number of deviations in contractor obligations or employment matters. No significant deviations were observed in 2024.

Targets and metrics related to other key stakeholders
In terms of service providers, the company tracks the willingness of service providers to work with Fingrid and the functioning of the service provider market. In 2024, sufficient bids to ensure competition were received for all critical investment projects.

The above-described targets and their metrics are related to the following list of Fingrid's ESG visions.

Responsibility vision and targets: Fingrid is committed to and engages employees to commit to responsibility and to good corporate governance of listed companies aligned with the company's values. Ensuring the continuity and profitability of operations through good risk management Fingrid is a responsible buyer of services and goods.

- The entire work community is committed to a responsible way of working and open communications
- The company's guidelines are in line with legislation, and the company's personnel have received training in the rules and know the guidelines
- No significant information security or data protection breaches resulting in adverse business impacts
- Responsibility requirements included in all of the company's sourcing activities
- Competitive, well-functioning and high-quality service provider markets
- No major deviations or problems in contractor obligation or employment relationship matters
- Supplier audits cover 95% of the value of factory suppliers in 2025

G1-2 Management of relationships with suppliers
The Supplier Code of Conduct, which is mandatory for contractors and suppliers, is always applied to procurements worth at least EUR 60,000 and it is attached to, for example, service, material, equipment and ICT purchase agreements. In recurring procurements, such as in the supplier registers used for substations and transmission line procurements, a commitment to Fingrid's Supplier Code of Conduct as part of the overall contract is a condition for being entered in the supplier register. In addition, contractual partners are required to commit to separate terms

and conditions regarding the use of subcontracting and labour, safety and environmental matters. The above-mentioned contract terms are approved by the director in charge of grid building and maintenance. The contract terms regarding subcontracting and the use of labour were clarified in 2024 regarding the main contractor's responsibility to ensure foreign workers' right to work and compliance with national legislation and local rules.

Compliance with and implementation of the requirements described above are ensured through risk-based audits. If deviations are detected, their remediation is supported in co-operation with the suppliers. Worksite responsibility audits are used to verify contractors' and service providers' contractor obligations, occupational safety and environmental management. Audits are carried out by an independent auditor in projects involving the use of non-Finnish workforce. The regional state administrative agency also performed inspections at worksites. The majority of the international procurement of goods is handled by Fingrid's main contractors. Audits are performed with the help of a third party on both Fingrid's direct contractual partners and their sub-suppliers, but also possible future material or equipment suppliers. Fingrid requires any audits to be carried out in co-operation with the supplier. Suppliers are obligated to remediate any breaches they commit within a timeframe agreed with Fingrid.

In 2024, 10 sites were audited, from investment project worksites to maintenance operations. In international goods sourcing, third-party supplier audits were carried out at 13 production plants in a total of 7 countries. Four audits were carried out by an independent auditor in projects concerning the use of non-Finnish workforce. The regional state administrative agency performed inspections at one clearing worksite.

Because of the domestic nature of transmission grid operations and from the perspective of ensuring the grid's system security, co-operation with contractual suppliers operating in Finland is important to Fingrid. In grid maintenance, response times for critical work are typically short, which is why the proportion of local labour in this work is high. Due to the special expertise and equipment required by the investment projects, the impact on both regional and local employment is generally lower in these projects.

Construction work on the grid is carried out on a project basis, in separate substation and transmission line projects typically as turn-key contracts. The main contractor, acting in the role of Fingrid's contractual partner, is in charge of the detailed design, the procurement of material and equipment as well as building and installations until commissioning. The main contractor on a specific project may have several subcontractors and must submit the most significant subcontractors for approval by Fingrid. Fingrid also directly procures various materials and equipment, such as reactors, transformers and conductors.

The suitability and qualifications of the contractors and service providers carrying out grid construction and maintenance are verified primarily by means of separate supplier registers and shortlisting procedures. As stated above, contractual partners are required to commit to contractor obligations and separate company terms and conditions regarding the use of subcontracting and labour, occupational safety and environmental matters. To ensure the equal treatment of suppliers, purchasing personnel are trained in setting suitability and minimum requirements. Each person is required to identify and declare in writing any conflicts of interest before making a procurement decision.

As part of the procurement process, regular checks are performed to ensure that the selected suppliers are not subject to mandatory or discretionary exclusion criteria based on the Act on Public Procurement and Concession Contracts for special sectors or international sanctions. In addition, reviews in accordance with the Act on the Contractor's Obligations and Liability when Work is Contracted Out are carried out at the latest before the contract is signed. All the reviews must be passed in order for a contract to arise.

Training in public procurements is broadly provided to all personnel every autumn. The 2024 training covered procurement planning and basic principles, the course of the negotiation procedure, including the procurement

notice and requirements concerning the bidder, direct procurement criteria, and contract amendment situations. Training on procurements that fall below the threshold values was also arranged in the autumn. The training covered the company's internal procurement policy and procurement guidelines, including responsibility-related checks on bidders. Complementary smaller training sessions to complement these were organised in business units during the year on both public procurements and procurements that fall below the threshold values.

Continuous dialogue is sought with contractors and suppliers in accordance with the company's due diligence process. Fingrid's project managers are given training in interaction skills and project teamwork. Some employees are also trained in managing challenging situations with customers or suppliers. In large investment projects, the project managers engage in close dialogue with suppliers. In the most significant and strategic projects, a joint steering group is formed together with the supplier. Besides project implementation, the steering groups hold a dialogue on suppliers' opportunities, for example, to reduce emissions and promote sustainability matters in their value chains. Fingrid and maintenance suppliers organise annual quality meetings in which sustainability topics, among other things, are addressed. Fingrid also arranges a "Main Grid Day" event for suppliers every 18 months to discuss topical issues.

G1-3 Prevention and detection of corruption and bribery
Every Fingrid employee is obligated to identify and report non-compliance, risks or control shortcomings they observe. Fingrid encourages all conduct or suspected conduct that goes against the Code of Conduct or Whistleblower Protection Act to be reported. The company is committed to fairly investigate all reports that are made in good faith and to implement the necessary measures based on the investigation and its outcome. These commitments are confirmed in the company's whistleblowing guidelines, which were updated in 2024 to meet the requirements of the EU Whistleblower Protection Directive. The processing, managing, decision-making and reporting of whistleblowing reports are discussed in connection with disclosure requirement G1-1 (Business conduct policies and corporate culture). Similar commitments are also required of contractors and suppliers as part of the Supplier Code of Conduct they are required to comply with.

Fingrid's Code of Conduct and Supplier Code of Conduct can be found on Fingrid's public website. Fingrid provides information about feedback and reporting channels on its public website, and personnel have been instructed on how to use them on Fingrid's internal website and induction materials. The Board of Directors receives training on the prevention and detection of corruption and bribery in connection with the approval of the company's Code of Conduct. All Fingrid employees are trained in anti-corruption and anti-bribery as part of the mandatory online induction course on the Code of Conduct, and also separately as needed, as described in more detail in disclosure requirement G1-1 (Business conduct policies and corporate culture).

Reports related to allegations or incidents of corruption and bribery received through the reporting channel are reported to Fingrid's Board of Directors and Audit Committee regularly and in connection with sustainability reporting, and immediately whenever the situation requires it, and otherwise as needed. In addition, Fingrid's executive management group is always informed about reports that have been received when the executive management group is required to appoint experts to investigate a report and otherwise as needed.

Key means for the prevention of corruption and bribery
- Training courses and the reporting channel related to the prevention of corruption and bribery are discussed in connection with disclosure requirement G1-1 (Business conduct policies and corporate culture).
- In all procurements over EUR 60,000, reviews of contracts and other commitments concerning the supplier are required before the contract is signed, including, among other things, identifying any conflicts of interest of the person making the purchase.
- Ensuring appropriate due diligence and documenting it in the company's Code of Conduct and Fingrid's Supplier Code of Conduct in the 2024 updates.

- Continuously developing and taking into account ethics, due diligence and responsibility requirements in procurements and throughout the value chain.

G1-4 Incidents of corruption or bribery
In 2024, the company was not made aware of any confirmed cases or convictions related to bribery or corruption, and no fines related to bribery or corruption were imposed on the company. Since there were no confirmed cases, the company also did not implement any anti-corruption and anti-bribery measures to address norm violations.

Fingrid does not provide any direct or indirect support, including non-monetary support, to political activities.

1.11.5 Appendices to the sustainability statement

Appendix 1 Content index

Standard	Disclosure requirement (DR)	Sections of the sustainability statement
ESRS 2	ESRS 2 BP-1	BP-1 General basis for preparation of sustainability statements
	ESRS 2 BP-2	BP-2 Disclosures in relation to specific circumstances
	ESRS 2 GOV-1	GOV–1 The role of the administrative, management and supervisory bodies
	ESRS 2 GOV-2	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies GOV–3 Integration of sustainability-related performance in incentive schemes
	ESRS 2 GOV-3	GOV–3 Integration of sustainability-related performance in incentive schemes
	ESRS 2 GOV-4	GOV-4 Statement on due diligence
	ESRS 2 GOV-5	GOV-5 Risk management and internal controls over sustainability reporting
	ESRS 2 SBM-1	SBM–1 Strategy, business model and value chain S1-6 Characteristics of the undertaking's employees
	ESRS 2 SBM-2	SBM-2 Interests and views of stakeholders
	ESRS 2 SBM-3	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model Material impacts, risks and opportunities related to climate change Material impacts, risks and opportunities related to biodiversity and ecosystems E4-5 Impact metrics related to biodiversity and ecosystems change Material impacts, risks and opportunities related to resource use and circular economy Material impacts, risks and opportunities related to own workforce Material impacts, risks and opportunities related to workers in the value chain G1-1 Business conduct policies and corporate culture G1-2 Management of relationships with suppliers Material impacts, risks and opportunities related to affected communities Material impacts, risks and opportunities related to consumers and end-users S4-1 Policies related to consumers and end-users S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions Entity-specific material disclosures Entity-specific material disclosures (Protection of business critical and personal data and System security) Material impacts, risks and opportunities related to business conduct
	ESRS 2 IRO-1	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Standard	Disclosure requirement (DR)	Sections of the sustainability statement
		E1 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities E1-4 Targets related to climate change mitigation and adaptation E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
	ESRS 2 IRO-2	IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement
	ESRS 2 MDR-P	The policies adopted to manage material sustainability matters are addressed in connection with the topic-specific standards, taking into account the minimum disclosure requirements. Climate change E1-2, Biodiversity E4-2, Resource use and circular economy E5-1, Own workforce S1-1, Workers in the value chain S2-1, Affected communities S3-1, Consumers and end-users S4-1, Entity-specific material disclosures (system security), Business conduct G1-1
	ESRS 2 MDR-A	The actions and resources related to material sustainability matters are addressed in connection with the topic-specific standards, taking into account the minimum disclosure requirements. Implementing the action plans presented in the sustainability statement does not require significant operational expenditure and/or capital expenditure, with the exception of climate change mitigation. Climate change E1-3, Biodiversity E4-3, Resource use and circular economy E5-2, Own workforce S1-4, Workers in the value chain S2-4, Affected communities S3-4, Consumers and end-users S4-4, Entity-specific material disclosures (system security), Business conduct G1-1 and Management of relationships with suppliers G1-2
	ESRS 2 MDR-M	The metrics are addressed in connection with the topical standards, taking into consideration the minimum disclosure requirements, methods and significant assumptions behind the metric (Preparation and calculation principles E1, E4, E5, S [Entity-specific material disclosures]). The measurements of the metrics have not been validated other than when reporting on sustainability or previously on corporate responsibility.
	ESRS 2 MDR-T	The tracking of the effectiveness of policies and actions through Fingrid's measurable outcome-oriented targets is addressed in connection with the topical standards. Climate change E1-4, Biodiversity E4-4, Resource use and circular economy E5-3, Own workforce S1-5, Workers in the value chain S2-5, Affected communities S3-5, Consumers and end-users S4-5, Entity-specific material disclosures (system security), Business conduct G1-1
ESRS E1	ESRS E1-1	E1-1 Transition plan for climate change mitigation E1-3 Actions and resources in relation to climate change policies
	ESRS E1-2	E1-2 Policies related to climate change mitigation and adaptation
	ESRS E1-3	E1-1 Transition plan for climate change mitigation E1-3 Actions and resources in relation to climate change policies
	ESRS E1-4	E1-4 Targets related to climate change mitigation and adaptation
	ESRS E1-5	E1-5 Energy consumption and mix
	ESRS E1-6	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions
	ESRS E1-7	E1-7 GHG removals and GHG mitigation projects financed through carbon credits
	ESRS E1-8	E1-8 Internal carbon pricing
	ESRS E1-9	The disclosure requirement is omitted based on the transitional provision.
ESRS E4	ESRS E4-1	E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Standard	Disclosure requirement (DR)	Sections of the sustainability statement
		E4-2 Policies related to biodiversity and ecosystems
	ESRS E4-2	E4-2 Policies related to biodiversity and ecosystems Climate change as a whole are reported in standard E1.
	ESRS E4-3	E4-3 Actions and resources related to biodiversity and ecosystems
	ESRS E4-4	E4-4 Targets related to biodiversity and ecosystems E1-4 Targets related to climate change mitigation and adaptation
	ESRS E4-5	E4-5 Impact metrics related to biodiversity and ecosystems change
ESRS E5	ESRS E5-1	E5-1 Policies related to resource use and circular economy
	ESRS E5-2	E5-2 Actions and resources in relation to resource use and circular economy
	ESRS E5-3	E5-3 Targets related to resource use and circular economy E1-4 Targets related to climate change mitigation and adaptation
	ESRS E5-4	E5-4 Resource inflows
	ESRS E5-5	E5-5 Resource outflows
	ESRS E5-6	E5-6 Anticipated financial effects from material resource use and circular economy-related risks and opportunities
ESRS S1	ESRS S1-1	S1-1 Policies related to own workforce
	ESRS S1-2	S1-2 Processes for engaging with own workforce and workers' representatives about impacts
	ESRS S1-3	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns G1-1 Business conduct policies and corporate culture
	ESRS S1-4	S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
	ESRS S1-5	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	ESRS S1-6	S1-6 Characteristics of the undertaking's employees
	ESRS S1-7	S1-7 Characteristics of non-employees in the undertaking's own workforce
	ESRS S1-9	S1-9 Diversity metrics
	ESRS S1-10	S1-10 Adequate wages
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	ESRS S1-13	S1-13 Training and skills development metrics
	ESRS S1-14	S1-14 Health and safety metrics
	ESRS S1-15	S1-15 Work-life balance metrics
	ESRS S1-16	S1-16 – Remuneration metrics (pay gap and total remuneration)
	ESRS S1-17	S1-17 Incidents, complaints and severe human rights impacts
ESRS S2	ESRS S2-1	S2-1 Policies related to value chain workers G1-1 Business conduct policies and corporate culture G1-2 Management of relationships with suppliers
	ESRS S2-2	S2-2 Processes for engaging with value chain workers about impacts
	ESRS S2-3	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns G1-1 Business conduct policies and corporate culture G1-2 Management of relationships with suppliers
	ESRS S2-4	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material

Standard	Disclosure requirement (DR)	Sections of the sustainability statement
		opportunities related to value chain workers, and effectiveness of those actions G1-1 Business conduct policies and corporate culture G1-2 Management of relationships with suppliers
	ESRS S2-5	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S1-14 Health and safety metrics
ESRS S3	ESRS S3-1	S3-1 Policies related to affected communities
	ESRS S3-2	S3-2 Processes for engaging with affected communities about impacts
	ESRS S3-3	S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns G1-1 Business conduct policies and corporate culture
	ESRS S3-4	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions E4-3 Actions and resources related to biodiversity and ecosystems
	ESRS S3-5	S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
ESRS S4	ESRS S4-1	S4-1 Policies related to consumers and end-users G1-1 Business conduct policies and corporate culture
	ESRS S4-2	S4-2 Processes for engaging with consumers and end-users about impacts
	ESRS S4-3	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns G1-1 Business conduct policies and corporate culture
	ESRS S4-4	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
	ESRS S4-5	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
Material entity-specific disclosures		Protection of business critical and personal data S4 Consumers and end-users S4 SBM-3 Material impacts, risks and opportunities related to consumers and end-users S4-1 Policies related to consumers and end-users S4-2 Processes for engaging with consumers and end-users about impacts S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
		System security
ESRS G1	ESRS G1-1	G1-1 Business conduct policies and corporate culture G1-2 Management of relationships with suppliers E1-4 Targets related to climate change mitigation and adaptation
	ESRS G1-2	G1-2 Management of relationships with suppliers
	ESRS G1-3	G1-1 Business conduct policies and corporate culture G1-3 Prevention and detection of corruption and bribery
	ESRS G1-4	G1-4 Incidents of corruption or bribery

Appendix 2 List of data points listed in standard ESRS 2 appendix B based on other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		Material	GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	GOV-4 Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013;Commission Implementing Regulation (EU) 2022/2453 (6)Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14			Regulation (EU) 2021/1119, Article 2(1)		Material	E1-1 Transition plan for climate change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Material	E1-1 Transition plan for climate change mitigation
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449aRegulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	E1-4 Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	E1-5 Energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	E1-5 Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	E1-5 Energy consumption and mix

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	Omitted based on the transitional provision
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	Omitted based on the transitional provision

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS E1-9 Breakdown of the carrying : Yrityksen kiinteistöomaisuuden kirjanpitoarvo eriteltynä energiatehokkuusluokittain 67 kohdan c alakohta		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	Omitted based on the transitional provision
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material	Omitted based on the transitional provision
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	Not material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS 2 – SBM-3 – E4 Activities that negatively affect biodiversity sensitive areas paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	Material biodiversity and ecosystems-related impacts, risks and opportunities
ESRS 2 – SBM-3 – E4 Has the company identified material negative effects related to the deterioration of the terrestrial environment, desertification or soil sealing, paragraph 16 (b)aavikoitumiseen tai maaperän sulkemiseen	Indicator number 10 Table #2 of Annex 1				Material	Material biodiversity and ecosystems-related impacts, risks and opportunities
ESRS 2 – SBM-3 – E4 Does the company have activities which affect endangered species paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	Material biodiversity and ecosystems-related impacts, risks and opportunities
ESRS E4-2 Sustainable land / agriculture practicies or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material	E4-2 Policies related to biodiversity and ecosystems
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material	E4-2 Policies related to biodiversity and ecosystems
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	Not material
ESRS E5-5 Hazardous waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	Not material
ESRS E5-5 Radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS 2 – SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Material	Material impacts, risks and opportunities related to own workforce
ESRS 2 – SBM-3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Material	Material impacts, risks and opportunities related to own workforce
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	S1-1 Policies related to own workforce
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	S1-1 Policies related to own workforce
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	S1-1 Policies related to own workforce
ESRS S1-1 Workplave accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	S1-1 Policies related to own workforce
ESRS S1-3 Grievance / complaints handling mechanism paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-14 Number of fatalities paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	S1-14 Health and safety metrics
ESRS S1-14 Number of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	S1-14 Health and safety metrics

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS S1-14 Rate of work-related accidents paragraph 8 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	S1-14 Health and safety metrics
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	S1-14 Health and safety metrics
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	S1-17 Incidents, complaints and severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	S1-17 Incidents, complaints and severe human rights impacts
ESRS 2 – SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material	Material impacts, risks and opportunities related to value chain workers
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	S2-1 Policies related to value chain workers

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	S2-1 Policies related to value chain workers
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	S2-1 Policies related to value chain workers
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	S2-1 Policies related to value chain workers
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Material	S3-1 Policies related to affected communities
ESRS S3-1 Non-respect of UNGPs on Business ad Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	S3-1 Policies related to affected communities

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	S4-1 Policies related to consumers and end-users
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	S4-1 Policies related to consumers and end-users
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Paragraph or page reference
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	G1-1 Business conduct policies and corporate culture
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	G1-1 Business conduct policies and corporate culture
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	G1-4 Incidents of corruption or bribery bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	G1-4 Incidents of corruption or bribery

2 KEY FIGURES AND REGULATION OF TRANSMISSION NETWORK OPERATIONS

CONSOLIDATED KEY FIGURES		2024 IFRS	2023 IFRS	2022 IFRS	2021 IFRS	2020 IFRS
Extent of operations						
Turnover	ME UR	1,269.3	1,193.2	1,815.2	1,090.9	682.5
Capital expenditure, gross	ME UR	520.9	322.0	276.1	213.5	169.7
- % of turnover	%	41.0	27.0	15.2	19.6	24.9
Research and development expenses	ME UR	3.1	2.4	1.8	3.0	4.5
- % of turnover	%	0.2	0.2	0.1	0.3	0.7
Personnel, average		588	517	480	440	400
Personnel at the end of period		597	544	489	451	408
Salaries and remunerations total	ME UR	40.1	35.8	31.9	28.2	26.7
Profitability						
EBITDA	ME UR	329.3	124.3	398.3	310.7	216.8
Operating profit	ME	200.6	1.0	290.4	210.8	118.4
- % of turnover	%	15.8	0.1	16.0	19.3	17.3
Profit before taxes	ME UR	186.4	1.3	257.4	187.6	113.3
- % of turnover	%	14.7	0.1	14.2	17.2	16.6
Return on investments (ROI)	%	11.1	1.6	16.3	11.7	7.0
Return on equity (ROE)	%	25.1	0.2	30.1	23.5	14.3
Financing and financial position						
Equity ratio	%	16.1	20.1	22.4	25.3	27.4
Interest-bearing net borrowings	ME	1,021.7	535.2	322.7	938.5	1,049.0
Net gearing	%	170.3	91.0	44.8	145.1	165.9
Share-specific key figures						
Dividend/A shares	€	53,400.00*	54,100.00	52,500.00	52,500.00	53,500.00
Dividend/B shares	€	19,500.00*	19,800.00	19,200.00	19,200.00	19,600.00
Equity/share	€	180,423	176,802	216,469	194,573	190,210
Number of shares at 31 Dec						
– Series A shares	sh	2,078	2,078	2,078	2,078	2,078
– Series B shares	sh	1,247	1,247	1,247	1,247	1,247
Total	sh	3,325	3,325	3,325	3,325	3,325

* The Board of Directors' proposal to the Annual General Meeting on the maximum dividend to be distributed

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4 March 2025

CALCULATION OF KEY FIGURES

Return on investment, % = $\frac{\text{Profit before taxes + interest and other finance costs}}{\text{Balance sheet total - non-interest-bearing liabilities (average for the year)}} \times 100$

Return on equity, % = $\frac{\text{Profit for the financial year}}{\text{Equity (average for the year)}} \times 100$

Equity ratio, % = $\frac{\text{Equity}}{\text{Balance sheet total - advances received}} \times 100$

Dividends per share, € = $\frac{\text{Dividends for the financial year}}{\text{Average number of shares}}$

Equity per share, € = $\frac{\text{Equity}}{\text{Number of shares at closing date}}$

Interest-bearing net borrowings, € = Interest-bearing borrowings - cash and cash equivalents and financial assets

Net gearing, % = $\frac{\text{Interest-bearing borrowings - cash and cash equivalents and financial assets}}{\text{Equity}} \times 100$

EBITDA, € = Operating Income + Depreciation and amortisation

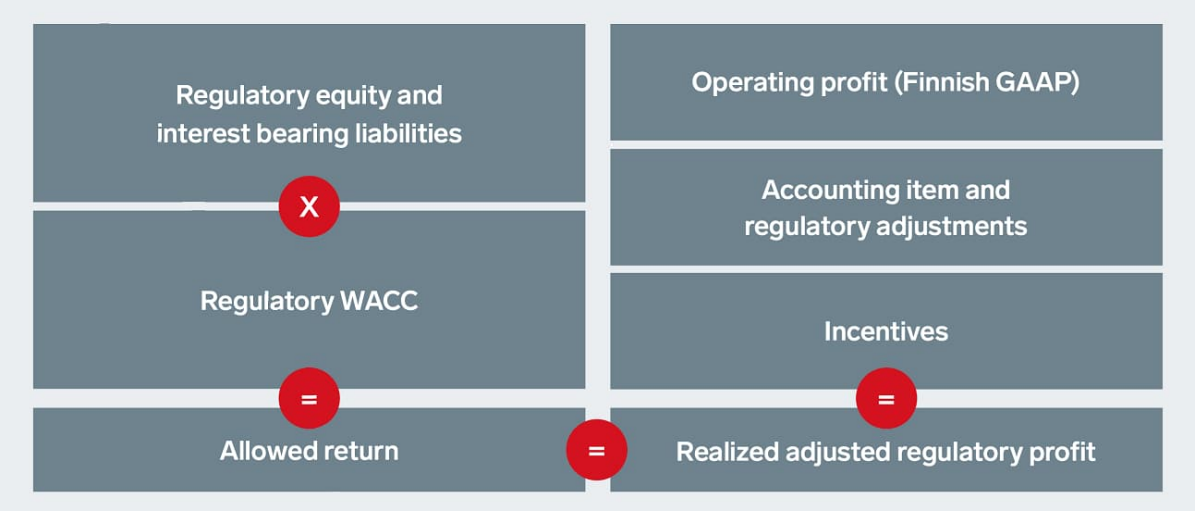
Fingrid's business model and the regulation of transmission system operations

Fingrid constitutes a natural monopoly as referred to in the Finnish Electricity Market Act (588/2013), with duties defined in legislation. The company's operations, reasonableness in pricing and financial result are regulated and overseen by the Energy Market Authority. The Energy Authority defines the regulation methods for Fingrid's grid operations for two four-year regulatory periods at a time. The Energy Authority has defined the regulation methods for the sixth and seventh regulatory periods, i.e. for 2024–2027 and 2028–2031. The regulation methods define the maximum annual financial regulatory profit for Fingrid by the regulation. Fingrid has the possibility to balance its result against the allowed regulatory profit during the regulatory periods. The Energy Authority also confirms other terms and conditions for Fingrid's regulated operations.

The reasonable financial regulatory profit by the regulation forms the starting point for Fingrid's financial planning and pricing. The turnover to be charged for the services can be calculated by adding operating expenses to the result. The turnover of Fingrid's main grid segment essentially consists of the fees collected from the grid customers. The bulk of the grid service fees comes from the consumption of electricity, whereas electricity production only contributes a small portion. In addition to electricity consumption, the grid service fees are based on the output from and input into the grid and power-based tariffs. In addition, a separate connection fee is charged for connection to the grid. The turnover of the balance services segment comes from the balancing power sold to maintain the national power balance and separate balance service fees, which are used to cover the costs of power system reserve and imbalance management and the possible loss of balancing power trade. Fingrid's total costs consist of the operating expenses, including the costs of the segments mentioned above, and finance costs and taxes, which are excluded from the regulatory calculations. Fingrid's operations are regulated, including both reporting segments, i.e. the main grid segment and balance services segment.

The so-called adjusted profit, realised in compliance with the regulation, is calculated by adjusting the parent company's operating profit according to the Energy Market Authority's regulation methods and by adding the impact of the incentives.

Any realised regulatory profit over a regulatory period that exceeds the allowed return is a surplus that must be offset at the latest during the next regulatory period, e.g. in the form of lower prices for customers or by not carrying out the price increases corresponding to the rise in costs. If the realised regulatory profit over a regulatory period is below the allowed financial result, a deficit is created which Fingrid may recover from customers, e.g. in the form of higher future prices. Fingrid's aim is to achieve the allowed financial result in the regulatory period.



For the regulatory period that ended in 2023, the company had a deficit of EUR 6 million, according to the Energy Authority's regulatory decision. The table below shows Fingrid's own estimate of the realised adjusted profit for 2024 and the corresponding figures for 2023 for comparison.

	2024	2023
WACC (pre-tax)	6.67 %	5.24 %
Adjusted capital, M€	ca. 3.700	ca. 3.100
Allowed financial result, M€	ca. 245	ca. 165
Deficit(-)/Surplus(+), M€	ca. 5	ca. 35
Regulatory period 2020-2023 Deficit (-)/Surplus(+), M€	ca. 5	ca. 25
Cumulative Deficit (-)/Surplus(+), M€	ca. 0	ca. -6

Fingrid's grid assets were revalued at the beginning of the regulatory period 2024–2031 for 2024. The adjusted present value in use for a grid component is calculated from the adjusted replacement cost, using the useful life and mean lifetime data of the grid component. The calculation was based on unit prices for grid components from grid projects completed in 2022 and component data from Fingrid's asset register at the end of 2024. The unit prices to be confirmed for the regulatory period 2024–2027 are applied to grid investments completed in 2024.

According to Fingrid's own estimate, the reasonable profit from operations was around EUR 5 million higher than the allowed regulatory profit for 2024. The cumulative surplus is estimated to EUR 0.

Fingrid also engages in other regulated business operations deviating from the monitoring of reasonable return described above, but their impact on the company's financial result and balance sheet is negligible.

3 CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

3.1 Income statement

CONSOLIDATED STATEMENT OF COMPREHENSIVE	Notes	1 Jan - 31 Dec, 2024 € 1,000	1 Jan - 31 Dec, 2023 € 1,000
TURNOVER	2	**1,269,277**	**1,193,182**
Other operating income	3	133,547	119,729
Materials and services	6	-932,173	-914,628
Personnel expenses	10	-47,636	-42,782
Depreciation and amortisation expense	13,14	-128,742	-123,302
Other operating expenses	7,15	-93,688	-231,192
OPERATING RESULT		**200,584**	**1,008**
Finance income	19	23,452	20,922
Finance costs	19	-38,110	-21,163
Finance income and costs		**-14,658**	-241
Share of profit of associated companies		427	572
RESULT BEFORE TAXES		**186,353**	**1,339**
Income taxes		-37,187	-179
RESULT FOR THE FINANCIAL YEAR		**149,166**	**1,160**
OTHER COMPREHENSIVE INCOME			
Items that may subsequently be transferred to profit or loss			
Translation reserve		-16	-16
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		**149,150**	**1,144**
Profit attributable to:			
Equity holders of parent company		149,166	1,160
Total comprehensive income attributable to:			
Equity holders of parent company		149,150	1,144

3.2 Consolidated balance sheet

ASSETS	Notes	31 Dec 2024 € 1,000	31 Dec 2023 € 1,000
NON-CURRENT ASSETS			
Intangible assets:	14		
Goodwill		87,920	87,920
Land use rights		104,537	102,463
Other intangible assets		57,034	63,635
		249,491	254,018
Property, plant and equipment:	13		
Land and water areas		26,069	24,142
Buildings and structures		383,869	355,298
Machinery and equipment		691,896	642,048
Transmission lines		702,028	695,618
Other property, plant and equipment		110	110
Right-of-use-assets	15	50,175	29,974
Prepayments and purchases in progress		527,918	271,781
		2,382,067	2,018,972
Investments in associated companies	26	13,702	13,291
Other long-term investments	22	81,843	75,937
Other long-term receivables	4	228	74
Derivative instruments	23.24	3,763	6,204
Deferred tax assets	11	71,237	51,513
TOTAL NON-CURRENT ASSETS		**2,802,331**	**2,420,008**
CURRENT ASSETS			
Inventories	9	20,529	19,104
Derivative instruments	23.24	11,808	36,109
Trade receivables and other receivables	4,26	127,835	66,984
Other financial assets	22	145,413	133,278
Cash in hand and cash equivalents	21	611,288	253,737
TOTAL CURRENT ASSETS		**916,873**	**509,212**
TOTAL ASSETS		**3,719,204**	**2,929,220**

EQUITY AND LIABILITIES	Notes	31 Dec 2024 € 1,000	31 Dec 2023 € 1,000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	25	55,922	55,922
Share premium account	25	55,922	55,922
Translation reserve	25	-23	-7
Retained earnings	25	488,084	476,028
TOTAL EQUITY		**599,905**	**587,866**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	11	129,504	106,984
Borrowings	16	1,491,072	626,628
Provisions	27	2,854	2,870
Derivative instruments	23.24	19,771	19,867
Lease liabilities	15.16	48,496	28,044
Accruals	8	573,514	507,907
		2,265,212	**1,292,299**
CURRENT LIABILITIES			
Borrowings	16	317,865	340,309
Derivative instruments	23.24	18,742	1,367
Lease liabilities	15.16	2,860	3,162
Trade payables and other liabilities	8	514,620	704,217
		854,087	**1,049,055**
TOTAL LIABILITIES		**3,119,299**	**2,341,354**
TOTAL EQUITY AND LIABILITIES		**3,719,204**	**2,929,220**

3.3 Consolidated statement of changes in equity

Attributable to equity holders of the parent company, € 1,000

	Share capital	Share premium account	Translation reserve	Retained earnings	Total equity
Balance on 1 Jan 2023	**55,922**	**55,922**	**9**	**607,905**	**719,759**
Comprehensive income					
Profit or loss				1,160	1,160
Other comprehensive income					
Translation reserve			-16		-16
Total other comprehensive income adjusted by tax effects			**-16**		**-16**
Total comprehensive income			**-16**	**1,160**	**1,144**
Transactions with owners					
Dividend relating to 2022				-133,037	-133,037
Balance on 31 December 2023	**55,922**	**55,922**	**-7**	**476,028**	**587,866**
Balance on 1 Jan 2024	**55,922**	**55,922**	**-7**	**476,028**	**587,866**
Comprehensive income					
Profit or loss				149,166	149,166
Other comprehensive income					
Translation reserve			-16		-16
Total other comprehensive income adjusted by tax effects			**-16**		**-16**
Total comprehensive income			**-16**	**149,166**	**149,150**
Transactions with owners					
Dividend relating to 2023				-137,110	-137,110
Balance on 31 Dec 2024	**55,922**	**55,922**	**-23**	**488,084**	**599,905**

3.4 Consolidated cash flow statement

CONSOLIDATED CASH FLOW STATEMENT	1 Jan - 31 Dec, 2024	1 Jan - 31 Dec, 2023
	€ 1,000	€ 1,000
Cash flow from operating activities:		
Result before taxes	186,353	1,339
Adjustments:		
Business transactions not involving a payment transaction:		
Depreciation and amortisation	128,742	123,302
Capital gains/losses (-/+) on tangible and intangible assets	-386	1,930
Share of profit of associated companies	-427	-572
Gains/losses from the assets and liabilities recognised in the income statement at fair value	38,450	185,088
Connection agreements	23,863	36,229
Recognition of congestion income	-431,069	-402,684
Finance income and costs	14,658	241
Changes in working capital:		
Change in trade receivables and other receivables	-63,449	23,796
Change in inventories	-1,424	-406
Change in trade payables and other liabilities	11,194	-30,022
Congestion income	327,522	317,013
Change in provisions	-89	-34
Interests paid	-37,019	-35,525
Interests received	30,180	29,041
Taxes paid	-36,236	-34,237
Net cash flow from operating activities	190,864	214,498
Cash flow from investing activities:		
Purchase of property, plant and equipment	-530,109	-287,931
Purchase of intangible assets	-6,007	-9,969
Purchase of other assets	-72,760	-161,600
Proceeds from sale of other assets	59,260	308,199
Proceeds from sale of property, plant and equipment	500	50
Repayment of loan receivables	-	188
Contributions received	25,935	5,547
Capitalised interest paid	-14,576	-6,524
Net cash flow from investing activities	-537,757	-152,041
Cash flow from financing activities:		
Proceeds from non-current financing (liabilities)	992,055	-
Payments of non-current financing (liabilities)	-340,355	-55,996
Proceeds from current financing (liabilities)	459,243	-
Payments from current financing (liabilities)	-266,237	-
Dividends paid	-137,110	-133,037
Principal elements of lease payments	-3,151	-3,131
Net cash flow from financing activities	704,444	-192,164
Change in cash as per the cash flow statement	**357,551**	**-129,708**
Opening cash as per the cash flow statement	**253,737**	**383,445**
Closing cash as per the cash flow statement	**611,288**	**253,737**

The definition of cash and cash equivalents in the cash flow statement was updated in 2024. The comparison data has been adjusted.

4 BENCHMARK FOR TSO OPERATIONS

- **Chapter four contains general information about the Group and the general accounting principles applied to the consolidated financial statements.**
- **The chapter describes how Fingrid's turnover and result are formed and how they relate to the allowed regulatory profit in compliance with regulation. The impact of the regulation is reflected in Fingrid's day-to-day operations and revenue collection.**
- **The chapter describes Fingrid's operating receivables and liabilities, as well as the risk management they entail.**
- **People are Fingrid's most important resource, which is why information related to personnel has been included here, in the first note.**
- **Fingrid is a substantial tax payer, and Fingrid does not use tax planning. The note on taxes is at the end of this chapter, in chapter 4.9.**

4.1 General information about the Group and general accounting principles

Fingrid Oyj is a Finnish public limited liability company responsible for electricity transmission in Finland's main grid. The nationwide grid is an integral part of the power system in Finland. The transmission grid is the trunk network to which major power plants and major consumers, such as industry and regional electricity distribution networks, and cross-border transmission connections are connected.

Finland's main grid is part of the Nordic power system, which is connected to the system in Central Europe via high-voltage direct current transmission links. Finland also has DC links with Estonia.

The main grid encompasses more than 14,500 kilometres of 400, 220 and 110 kilovolt transmission lines, plus more than 100 substations.

Fingrid is in charge of planning and monitoring the operation of the main grid and for maintaining and developing the system. The company is responsible for the national power balance and for ensuring that electricity consumption and production are always balanced. An additional task is to participate in work carried out by ENTSO-E, the European Network of Transmission System Operators for Electricity, and in preparing European market and operational codes as well as network planning.

Fingrid offers grid and balance services, as well as other services related to the electricity markets, such as data exchange, Financial Transmission Rights (FTR) and the market related to power system reserves, to its contract customers, i.e. electricity producers, network operators and industry. Fingrid serves the electricity market by maintaining adequate electricity transmission capacity, by securing the preconditions of maintaining power balance, by removing bottlenecks in cross-border transmission links and by providing market data.

The consolidated financial statements include the parent company Fingrid Oyj and its wholly owned subsidiaries Finextra Oy and Datahub Oy. The consolidated associated companies are eSett Oy (ownership 25.0%) and Nordic RCC A/S (ownership 25.0%).

Fingrid issues bonds under the Euro Medium Term Note (EMTN) programme. The bonds are listed on the Euronext Dublin stock exchange in Ireland. Fingrid shares are not listed. Fingrid has at its disposal a green European commercial paper programme for procuring short-term financing, and a domestic commercial paper programme. The commercial paper programmes are unlisted..

Use of Estimates and Management Judgment
When the consolidated financial statements are drawn up in accordance with the IFRS, the company management needs to make estimates and assumptions which have an impact on the amounts of assets, liabilities, income and expenses recorded and conditional items presented. In addition, the management's judgement is required when preparing and applying the principles for preparation.

The estimates and assumptions are based on historical experience, understanding of the electricity market's development and other justified assumptions. These are believed to be reasonable under the conditions which constitute the foundation for the estimates of the items recognised in the financial statements. The energy markets are undergoing a major transformation, and the outcomes may differ from these estimates. In the financial statements, estimates have been used, for example, when specifying the economic lives of tangible and intangible asset items, and in conjunction with deferred taxes and provisions.

Accounting principles are shown at the end of each note, in a separate box and recognizable by the use of symbol

Interesting facts about Fingrid's operating environment are highlighted in info boxes throughout the notes to the financial statements. The info boxes can be recognized by the use of symbol

Operating segments

Main grid segment
The main grid segment includes development & maintenance of the main grid, the connection of new production and consumption to the network, electricity transmission, grid operation and the development of unified electricity markets and reserves related to maintaining the electricity system. The segment's turnover consists of main grid tariff income, connection fees, and income from reactive power and other income related to transmission grid operations. The congestion income portion recognised in turnover is linked to the main grid segment. The segment's expense items include e.g. depreciations of grid investments, reserves to ensure the main grid's operation and the development thereof, the purchase of loss power, congestion costs, countertrades, network maintenance and electricity market development costs. Income and costs caused by transmission grid congestion, financial transmission rights (FTR), gains and losses from the sale of grid assets, and depreciation and amortisation are included in the main grid segment. Seasonal and annual variations are typical in the segment's turnover and operating result.

Main grid segment, €1,000	2024	2023
Turnover	657,526	548,997
Operating result	215,076	145,789

The main grid segment's turnover grew to EUR 657.5 (549.0) million. The company waived grid service fees for January, February and June. This was compensated by recognising EUR 301.0 million in congestion income in the company's result. Operating profit grew to EUR 215.1 (145.8) million.

Balance services segment
The balance services segment includes activities related to national balance management and imbalance settlement, and market development activities. In addition, development of the reserve markets related to balance management and the procurement of the corresponding reserves is included in the balance services segment. The segment's turnover consists of the balance service's tariff income and sales of imbalance power, and the segment's costs consist of purchases of imbalance power, reserve capacity costs and other operational costs related to balance management and imbalance settlement. The balance services segment's information corresponds to the balance service result, separated according to the Electricity Market Act, presented in the parent company's notes to the financial statements.

Balance services segment, €1,000	2024	2023
Turnover	664,371	700,530
Operating result	42,388	68,701

Turnover of the balance service fell to EUR 664.4 (700.5) million as a result of the drop in the price of electricity compared with the previous year. Balance service fees were reduced in March to EUR 1.33/MWh.

The balance service's operating profit was EUR 42.4 (68.7) million. Changes in balance service fees follow the cost development and the accumulation of imbalance power trade's gross profit. Variations in reserve costs were great, and the reserve costs were lower than predicted, as a result of which balance service fees were adjusted.

Result by business segment
The segment information is FAS-compliant, and it is reconciled with the IFRS consolidated financial statements. The differences between FAS and IFRS reporting are presented in the column Eliminations and consolidated entries.

1. SEGMENTS, €1,000

31 Dec 2024

Business segment	Main grid	Balance services	Other activities	Eliminations and consolidation entries	Group, total
Turnover	657,526	664,371	22,136	-74,756	1,269,277
Depreciation and amortisation	-120,680	-1,116	-6,037	-910	-128,742
Operating result	215,076	42,388	2,428	-59,307	200,584
Finance income and costs					-14,658
Result before taxes					186,353

31 Dec 2023

Business segment	Main grid	Balance services	Other activities	Eliminations and consolidation entries	Group, total
Turnover	548,997	700,530	21,376	-77,721	1,193,182
Depreciation and amortisation	-115,954	-746	-5,974	-628	-123,302
Operating result	145,789	68,701	4,701	-218,183	1,008
Finance income and costs					-241
Result before taxes					1,339

Other activities include Fingrid's other statutory public service obligations that are not part of actual transmission grid operations or transmission system responsibility. These tasks include peak load capacity services and guarantee-of-origin services for electricity, as well as centralised information exchange services for the electricity markets. The subsidiaries Fingrid Datahub Oy and Finextra Oy oversee these tasks. Other activities also includes the parent company's administrative and ICT services for subsidiaries. Income and expense items between the parent company and subsidiaries are eliminated in the Group reporting. IFRS items include among other things, changes in the market value of electricity derivatives, recognition of connection fees over time according to IFRS 15, and recognition of leases over time according to IFRS 16.

Accounting principles

Fingrid's consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS). Unless otherwise indicated, the figures in parentheses refer to the same period of the previous year. Fingrid's consolidated financial statements have been drawn up in accordance with the same standards as in 2023.

Segment reporting

The operating segments reported on by the Group now consist of the main grid segment and the balance services segment. The main grid segment includes development & maintenance of the main grid, the connection of new production and consumption to the network, electricity transmission, grid operation and the development of unified electricity markets. The balance services segment includes activities related to national balance management and imbalance settlement. Promoting the reserve and balancing power markets, which balance the power system, are also included in the balance services segment. Both the main grid segment and the balance services segment are the company's regulated business operations, which are supervised by the Energy Authority. Geographical data is not presented, as Fingrid operates only in Finland. The Group also has other tasks that fall under its statutory public service obligations, and these have been included in other activities within the segment information.

Segment information is reported in a manner consistent with internal reporting to the chief operating decision-maker. In line with the company's management principles, the chief operating decision-maker, who is responsible for allocating resources to the operating segments and for assessing the results of the segments, is the President & CEO.

The segment information is FAS-compliant, and it is reconciled with the IFRS consolidated financial statements. The segments' results are assessed on the basis of the operating result. The segments' combined operating results constitute grid operations' operating profit, which serves as the basis for the calculation of the actual adjusted result compatible with regulation. Costs are allocated to the segments in accordance with the matching principle, which creates a basis for pricing the services. Finance income and costs are not allocated to the segments, as the Group's cash assets are controlled by Group Treasury.

Variations between the segments' results and turnover are typical. The segments form the basis for the calculation of Fingrid's adjusted result compatible with the reasonable return regulation, and thus the results development of one segment can also affect the other segment over time to avoid exceeding the allowed regulatory profit set for the operations. The segments' service prices are adjusted to correspond to costs over time.

Segment information is published every six months as part of the Group's IFRS financial statements and half-year review.

Foreign currency transactions

The consolidated financial statements are presented in euros, which is the functional currency of the parent company. Transactions and financial items denominated in foreign currencies are recognised at the European Central Bank's (ECB) euro foreign exchange reference rate at the

transaction date. Receivables and liabilities denominated in foreign currencies are valued in the financial statements at the ECB's reference rate at the closing date. Foreign exchange gains and losses from business are included in the corresponding items above operating profit. Foreign exchange gains and losses from financial instruments are recognised at net amounts in finance income and costs.

4.2 The company's general risk management processes and policies

In the risk management process, the risk factors linked with operative activities, assets and financing are estimated systematically according to unified criteria. The risks are divided into strategic risks and major business risks to be reported to the Board of Directors, and into operational risks. Hedging a risk will be implemented when the cost of the hedge is in reasonable relation to the size of the risk. A general objective is to transfer significant risks by contracts, insurances or derivatives. The risks deemed to be moderate in terms of their impacts are managed by Fingrid independently, through clear controls and other practical measures.

Risk management is planned holistically with the objective of comprehensively identifying, assessing, monitoring and safeguarding the company's operations, the environment, personnel and assets from various threats and risks. Due to the nature of the company's basic mission, risks are also assessed from a societal perspective.

The Board approves the key principles of internal control and risk management and any amendments to them. The Board of Directors approves the primary actions for risk management as part of the corporate strategy, indicators, action plan, and budget. The Board of Directors (audit committee) receives a situation report annually, or more frequently if necessary, on the major risks relating to the operations of the company and on the management of such risks.

In 2024, Fingrid completed its enterprise risk management development programme aimed at identifying and managing the interdependencies of individual risks more effectively. As a result of the programme, the company's risk management responds more effectively to the increased requirements imposed by the dramatic change in the operating environment on risk management.

4.3 Formation of turnover and financial result

Grid service revenue is mainly determined by electricity consumption. The proportion of the fees allocated to electricity production is small, in compliance with EU legislation. The Energy Market Authority approves the pricing structure for grid services, on the basis of which Fingrid sets the unit prices for electricity transmission during the winter period and for consumption during other times. In addition to consumption invoicing, Fingrid additionally charges fees for output from and input into the grid, and power-based tariffs. Within the framework of grid services, a customer obtains the right to transmit electricity to and from the main grid through its connection point. Energy Authority determines how congestion income is used in Finland. Fingrid waived the grid service fees for three months in 2024 and used congestion income to offset the substantial increase in costs to the benefit of its customers. More information on congestion income is provided in section 5.1.

Fingrid is responsible for the continuous power balance in Finland at all times by buying and selling balancing power in Finland. Fingrid buys and sells balancing power in order to stabilise the hourly power balances of electricity market operators (balance responsible parties) and this way assumes financial counterparty risk for each balance responsible party. Imbalance power trade and imbalance pricing are based on a balance service agreement with impartial and public terms and conditions.

ITC compensation is, for Fingrid, income and/or costs which the transmission system operator receives for the use of its grid by other European transmission system operators and/or pays to other transmission system operators when using their grid to serve its own customers.

2. TURNOVER, €1,000	**2024**	**2023**
Grid service revenue	275,417	164,528
Sales of imbalance power	636,841	682,616
ITC income	10,836	20,753
Congestion income	301,000	284,720
Datahub income	20,937	20,636
Other operating income	24,246	19,929
Total	**1,269,277**	**1,193,182**

3. OTHER OPERATING INCOME, €1,000	**2024**	**2023**
Rental income	492	402
Capital gains on fixed assets	481	-
Contributions received	3	11
Congestion income	130,069	117,964
Gains from measuring derivatives at fair value	188	-
Other income	2,313	1,352
Total	**133,547**	**119,729**

Accounting principles

Revenue recognition
Sales recognition takes place on the basis of the delivery of the service. Electricity transmission is recognised once the transmission has taken place, and balance power services are recognised on the basis of the delivery of the service. Congestion income is recognised for each month in accordance with the Energy Authority's approval. Indirect taxes and discounts, etc., are deducted from the sales income when calculating turnover.

IFRS 15 Revenue from Contracts with Customers
The fundamental principle of the IFRS 15 standard is that sales revenue should be recognised when control over the goods or the service is transferred to the customer.
A five-step process should be applied when recognising sales revenue:
• Identification of client contracts
• Identification of distinct performance obligations
• Specification of the contractual transaction price
• Allocation of the transaction price to individual performance obligations, and
• Recognition of sales revenue when each performance obligation is met.

Sales recognition takes place on the basis of the supply of the service. Electricity transmission is recognised once the transmission has taken place. Balance power services are recognised on the basis of the delivery of the service. Fingrid has defined the performance obligations related to each agreement, and revenue recognition has been examined separately for each performance obligation. When determining the extent to which a performance obligation is met, a single method should be applied for all performance obligations to be met over time.

Connection agreements are long term and can be terminated, at the earliest, 15 years from the date when they entered into force. If a customer does not receive an individual item of goods or a service against the connection fee, this must be recognised as revenue in the same way as the other revenue according to the contract, generally over the contract term. The revenue from connection agreements is accrued in IFRS turnover over a period of 15 years.

The company reviews the revenue recognition principles for new products or when the business models change.

Judgements and estimates

Inter-Transmission System Operator Compensation (ITC)
Compensation for the transit transmissions of electricity has been agreed upon through an ITC (Inter-Transmission System Operator Compensation) agreement. The centralised calculations are carried out by ENTSO-E (the European Network of Transmission System Operators of Electricity). ITC compensation is determined on the basis of the compensation paid for use of the grid and transmission losses. The ITC calculations take into account the electricity transmissions between the various ITC agreement countries. ITC compensation can represent both an income and a cost for a transmission system operator. Fingrid's share of the ITC compensation is determined on the basis of the cross-border electricity transmissions and imputed grid losses. ITC compensation is invoiced retroactively after all parties to the ITC agreement have approved the invoiced sums. Control is carried out monthly. This is why the ITC compensations for the months that have not been invoiced yet have been estimated in the financial statements. The estimate has been made using actual energy border transmissions in Finland and unit compensations, which have been estimated by analysing the actual figures from previous months and data on grid transmissions during these months.

4.4 Revenue-related receivables and credit risk management

4. TRADE RECEIVABLES AND OTHER RECEIVABLES, €1,000	2024	2023
Non-current:		
Other receivables	228	74
Total	**228**	**74**
Current:		
Trade receivables	90,950	17,095
Receivables from associated companies	21,195	18,014
Accrued income	14,987	16,800
Other receivables	703	15,074
Total	127,835	66,984
Total	**128,063**	**67,058**

Essential items included in short-term accruals	2024	2023
Accruals of sales	9,910	10,255
Accruals of purchases/prepayments	2,176	2,410
Interest receivables	2,184	4,135
Tax assets	709	-
Amortized personnel costs	8	-
Total	**14,987**	**16,800**

Credit risk management – customers
According to The Electricity Market Act, the company is obliged to accept regional and distribution network operators joining the grid as well as mainly large electricity producers and consumers that meet certain conditions as its customers. Accordingly, the company cannot choose its customers based on a credit risk analysis or collect different fees from them. In general, collateral are not required from the company's customers to secure sales payments, but in the event of an overdue payment, this is possible. The company's balance service customers are required to have collaterals to cover open imbalance power sales receivables and the estimated future counterparty risk due to the use of imbalance power. The Energy Authority decides on the principles for the determination of collateral required from balance service customers. The collaterals of balance service customers are managed by eSett Oy. At the turn of the year, the company had minor outstanding receivables, of which the credit risk was considered to be low, and the company estimates it will receive these payments. The company has no impairments related to receivables.

Netting of sales receivables and trade accounts payables
The sales receivables and trade accounts payables are netted in the balance sheet as presented in the table below. The netted items are associated with purchases and sales of imbalance power. The company has a legally enforceable right of set-off to these items in any circumstance and will use this right.

5. NETTING OF TRADE RECEIVABLES AND TRADE PAYABLES € 1,000						
	2024			2023		
	Gross amount of trade receivables/trade payables	Amount of netted items	Net amount of trade receivables and trade payables presented in the balance sheet	Gross amount of trade receivables/trade payables	Amount of netted items	Net amount of trade receivables and trade payables presented in the balance sheet
Trade receivables *	144,690	-33,939	110,751	101,853	-67,179	34,674
Trade payables	71,688	-33,939	37,749	127,205	-67,179	60,026

* Including trade payables from associated companies

Accounting principles

Trade and other receivables
Trade receivables and other receivables are recognised initially at the transaction price; subsequently they are measured at amortised cost using the effective interest rate method. Possible credit losses are assessed based on historical amounts of credit losses by taking into account forward-looking information on economic developments and receivable-specific assessments. Impairment losses are recognised directly, under other operating expenses, to reduce the carrying amount of the receivables.

4.5 Operating expenses, liabilities and credit risk management for purchases

Cost increases due to new tasks and external changes on the electricity market affecting operations has been a special characteristic of grid operations in recent years. The new tasks include the changes required by the European network codes and the costs for developing these tasks and developing the Nordic imbalance settlement and the related markets. Some of the new tasks and responsibilities are assigned to Fingrid by law, which means the company must increasingly develop and back up its operations. The cost factors also include the expansion and increased complexity of the electricity system, society's increasing dependency on the electricity system and needs related to information security, as well as the preparation and implementation of the company's extensive investment programme. Fingrid continues to be one of the most cost-effective TSOs in the world in international benchmark studies. Another indication of high productivity is the fact that the company has been able to respond to the rapid change in the operating environment and the expansion of the power system. The most significant cost items are the imbalance power procurement, reserve costs and loss power costs.

Reserves are needed to maintain the grid's frequency and system security. Reserve obligations are determined on the Nordic level for the TSOs. The electricity market participants plan in advance the balance of their consumption and production, but the balancing of deviations during the delivery hour requires reserves, which Fingrid acquires from the markets it maintains. Reserves refer to power plants, demand facilities and energy storage facilities, which are able to adjust their electric power as needed. There are many types of reserves, and they are divided up based on their purpose.

Loss power costs arise based on transmission losses in the main grid and the price of electricity. The company hedges against the cost of procuring loss power with derivatives. Information on loss power costs can be found in chapter 4.7.

The Group's R&D costs in 2024 amounted to EUR 3.1 (2.4) million.

6. MATERIALS AND SERVICES, €1,000	2024	2023
Purchase of imbalance power	457,392	491,072
Cost of reserves	217,645	185,243
Loss power costs	81,099	75,204
Maintenance management costs	39,832	21,081
ITC costs	18,650	20,734
Costs from transmission rights	85,523	96,158
Change in inventories	-1,424	-406
Other materials and services	33,456	25,543
Total	**932,173**	**914,628**

7. OTHER OPERATING EXPENSES, €1,000	2024	2023
Gains/losses from measuring derivatives at fair value	38,469	185,088
ICT expenses	36,016	27,826
Administrative expenses	7,695	5,402
Facility expenses	2,699	2,536
Voluntary personnel expenses	2,049	2,426
Other expenses	6,759	7,914
Total	**93,688**	**231,192**

Auditors' fees	2024	2023
PricewaterhouseCoopers Oy		
Auditing fee		195
Other fees		77
KPMG Oy		
Auditing fee	119	
Other fees	176	
Total	**295**	**272**

Auditors' fees are included in other operating expenses.

8. TRADE PAYABLES AND OTHER LIABILITIES, €1,000	2024	2023
Non-current:		
Accruals: congestion income*	429,919	387,081
Other accruals	143,596	120,826
Total	573,514	507,907
Current:		
Trade payables	37,749	60,026
Debts to associated companies	-	353
Interest payable	21,147	14,418
Value added tax	6,368	637
Electricity tax	505	777
Accruals	447,286	626,561
Other debt	1,565	1,445
Total	514,620	704,217
Total	**1,088,135**	**1,212,124**

Essential items included in short-term liabilities	2024	2023
Personnel expenses	11,618	10,691
Accruals of sales and purchases	23,726	26,057
Tax liabilities	28	1,163
Congestion income*	411,914	588,650
Total	**447,286**	**626,561**

*Information on the accrual and use of congestion income can be found in chapter 5.1.

Credit risk in purchasing
The heads of functions are responsible for managing the counterparty risks related to the company's service and equipment suppliers. The procurement policy and guidelines, and separate instructions set out the guarantees and financial eligibility criteria required of Fingrid's suppliers and their monitoring.

General procurement principles
The Group follows three alternative procurement methods when purchasing goods or services. When the value of the purchase is less than 60,000 euros and the benefits of a competitive tender are smaller than the costs of the purchase, the purchase can be executed without a competitive tender or it can be executed through an oral request. A written order or purchasing agreement is always drawn up. When the estimated value of the procurement exceeds 60,000 euros but is below the threshold values applied to public procurements, the procurement is subject to competitive bidding by requesting written bids from the supplier candidates. When the public procurement threshold values that apply to Fingrid (in 2024: EUR 443,000 for goods and services, EUR 5,538,000 for construction projects, EUR 443,000 for design competitions and EUR 5,538,000 for right-of-use agreements) are exceeded, the company follows the public procurement legislation applied to special sectors.

4.6 Inventories

Fingrid prepares for outages by owning and maintaining reserve power plants. The inventories contain fuel for reserve power plants, spare parts for submarine cables, back-up equipment and parts for substations, and repair equipment for transmission lines. The aim of stockpiling is to achieve sufficient preparedness at the substations and on the transmission lines owned by Fingrid in case of faults and events possibly occurring during times of crisis.

9. INVENTORIES, €1,000	2024	2023
Materials and consumables		
Material stocks	11,995	10,399
Fuel stocks	8,534	8,705
Total	**20,529**	**19,104**

Accounting principles

Inventories
Inventories are measured at the lower of acquisition cost or net realisable value. The acquisition cost is determined using the FIFO principle. The net realisable value is the estimated market price in normal business reduced by the estimated future costs of completing and estimated costs required by sale. Inventories consist of material and fuel inventories.

4.7 Management of commodity risks

The company is exposed to electricity price and volume risk through transmission losses so that the company must acquire so-called loss power in an amount corresponding to the electricity transmission losses. A deviation from the predicted loss power costs can result in a deviation in the company's turnover and operating profit. This can be a surplus or deficit in relation to the allowed reasonable return for the year in question. The company will aim to offset this during the regulatory period.

Loss power purchases and the price hedging thereof are based on the Corporate Finance Principles approved by the Board of Directors. The physical loss power is procured from the NordPool power exchange at the day's market price. The price risk of loss power procurement is hedged with electricity derivatives. The purpose of price hedging is to reduce the impact of market price volatility and enable sufficient predictability for loss power cost. The hedging service is outsourced to an external portfolio manager who decides on the implementation and timing of the hedge according to the specifications of the loss power policy and the given instructions. The portfolio manager implements the hedge with an OTC counterparty either directly or via the power exchange. The purchase price of loss power is hedged using derivatives such that the hedge horizon is four years at maximum. The price hedging is implemented with listed futures and forward contracts, including OTC forwards, which did not include collateral requirements in 2024. The counterparty risk of bilateral contracts is managed with counterparty-specific limits.

Commodity risks other than those related to loss energy purchases arise if the company enters into purchasing agreements in which the price of the underlying commodity influences the final price of the investment commodity (commodity price risk). The company uses derivatives to hedge against commodity price risks to the extent that the hedging instruments of the risk in question are cost-effectively available and the risk cannot otherwise be hedged.

A summary of the derivatives is presented in Note 24.

4.8 Personnel - the cornerstone of our operations

Fingrid Oyj employed 597 (544) persons, including temporary employees, at the end of the year. The number of permanent personnel was 534 (493). Of the personnel employed by the company, 27 (26) per cent were women and 73 (74) per cent were men. The average age of the personnel was 42 (43).

10. PERSONNEL EXPENSES, €1,000	2024	2023
Salaries and bonuses	40,065	35,828
Pension expenses - contribution-based schemes	6,590	5,751
Other additional personnel expenses	981	1,204
Total	**47,636**	**42,782**

Personnel costs amounted to EUR 52.2 (46.8) million, of which EUR 4.6 (4.1) million was capitalised to investment projects.

In 2024, the Group applied a remuneration system for senior management; the general principles of the system were accepted by the Board of Directors of Fingrid Oyj on 20 December 2023. The total remuneration of the President & CEO and the members of the Executive Management Group consists of a fixed total salary, a one-year bonus scheme, and a three-year long-term incentive scheme. The maximum amount of the one-year bonus scheme payable to the CEO was 40 per cent of the annual salary and to the other members of the executive management group 25 per cent of the annual salary. The maximum amount of the annual long-term incentive scheme payable to the CEO was 40 per cent and to the other members of the executive management group 30 per cent.

The Group currently has contribution-based pension schemes only. The pension security of the Group's personnel is arranged by an external pension insurance company. Pension premiums paid for contribution-based schemes are recognised as an expense in the income statement in the year to which they relate. In contribution-based schemes, the Group has no legal or factual obligation to pay additional premiums if the party receiving the premiums is unable to pay the pension benefits.

NUMBER OF SALARIED EMPLOYEES IN THE COMPANY DURING THE FINANCIAL YEAR:	**2024**	**2023**
Personnel, average	588	517
Personnel, 31 Dec	597	544

Accounting principles

Employee benefits

Pension obligations
The company has only defined contribution-based pension schemes. A defined contribution-based pension arrangement refers to a pension scheme according to which fixed contributions are paid into a separate entity, and the Group bears no legal or actual obligation to make additional contributions if the fund does not contain sufficient funds to pay out benefits based on work performed during current and previous financial periods to all employees. Under defined contribution-based pension schemes, the Group pays mandatory, contractual or voluntary contributions into publicly or privately managed pension insurance policies. The Group has no other contribution obligations in addition to those payments. The payments are entered as personnel costs when they fall due. Advance payments are entered in the balance sheet as assets insofar as they are recoverable as refunds or deductions from future payments.

4.9 Taxes

The company will pay its income taxes in accordance with the underlying tax rate, without special tax arrangements. Income taxes consist of direct taxes and the change in deferred tax: EUR -34.4 (-30.4) million and EUR -2.8 (30.2) million respectively. Fingrid’s effective tax rate is essentially comparable to Finland’s corporate tax rate of 20 %, taking into account Fingrid’s share of the associated company’s revenue.

11. DEFERRED TAX ASSETS AND LIABILITIES, € 1,000

Changes in deferred taxes in 2024:

Deferred tax assets	31 Dec 2023	Recorded in income statement at profit or loss	31 Dec 2024
Provisions	574	-3	571
Trade payables and other liabilities	1,883	-830	1,053
Losses confirmed in taxation	1,068	-133	934
Derivative instruments	4,214	3,549	7,764
Congestion income	19,714	556	20,271
Connection fees (IFRS 15)	23,749	6,588	30,337
Lease liabilities (IFRS 16)	246	10,025	10,271
Property, plant and equipment, tangible and intangible assets	64	-27	36
Total	**51,513**	**19,725**	**71,237**
Deferred tax liabilities			
Accumulated depreciations difference	-61,479	-12,340	-73,819
Property, plant and equipment, tangible and intangible assets	-35,478	-3,385	-38,863
Other receivables	316	-1,340	-1,024
Right-of-use-assets (IFRS 16)	-	-9,958	-9,958
Other financial assets	-1,102	-727	-1,829
Borrowings	-1,568	713	-855
Derivative instruments	-7,673	4,517	-3,156
Total	**-106,984**	**-22,520**	**-129,504**

Changes in deferred taxes in 2023:

Deferred tax assets	31 Dec 2022	Recorded in income statement at profit or loss	31 Dec 2023
Provisions	624	-50	574
Trade payables and other liabilities	1,928	-45	1,883
Losses confirmed in taxation	1,679	-611	1,068
Derivative instruments	4,870	-655	4,214
Congestion income	24,728	-5,014	19,714
Connection fees (IFRS 15)	16,503	7,246	23,749
Lease liabilities (IFRS 16)	208	39	246
Property, plant and equipment, tangible and intangible assets	91	-27	64
Total	**50,631**	**882**	**51,513**
Deferred tax liabilities			
Accumulated depreciations difference	-55,779	-5,700	-61,479
Property, plant and equipment, tangible and intangible assets	-33,740	-1,738	-35,478
Other receivables	987	-672	316
Other financial assets	-139	-963	-1,102
Borrowings	-1,613	45	-1,568
Derivative instruments	-45,976	38,304	-7,673
Total	**-136,260**	**29,276**	**-106,984**

Accounting principles

Income taxes
Taxes presented in the consolidated income statement include the Group companies' accrual taxes for the profit of the financial year, tax adjustments from previous financial years and changes in deferred taxes. Deferred taxes are recorded in accordance with Finland's statutory corporate tax rate of 20%. Taxes are recognised in the income statement unless they are linked with other comprehensive income, in which case the tax is also recognised in other comprehensive income.

Deferred tax assets and liabilities are recognised on all temporary differences between the tax values of asset and liability items and their carrying amounts using the liability method. Deferred tax is recognised using tax rates valid up until the closing date. The deferred tax liabilities arising from the original recognition of goodwill will not be recognised, however. Deferred tax liabilities will also not be recognised if they are caused by the original recognition of the asset or liability and the item is not related to a merger and the transaction will not affect the accounting totals or the taxable revenue during its implementation. The deferred tax assets are shown as non-current receivables and deferred tax liabilities correspondingly as non-current liabilities.

The largest temporary differences result from the property, plant and equipment depreciation difference, depreciations, financial instruments, recognition of connection fees, and from the use of congestion income for capital expenditure. The deferred tax asset from temporary differences is recognised up to an amount which can likely be utilised against future taxable income.

5 LONG-TERM INVESTOR

- **Chapter five focusses on Fingrid's assets, and above all, the most important ones: grid assets and factors affecting them.**
- **The chapter takes a look at the company's goodwill and provides a description of other property, plant and equipment, and intangible assets.**

5.1 Grid assets

The company's total capital expenditure in 2024 amounted to EUR 520.9 (322.0) million. This included a total of EUR 491.8 (303.8) million invested in the transmission grid and EUR 8.3 (2.8) million for reserve power. ICT investments amounted to EUR 20.8 (15.4) million. A total of EUR 3.1 (2.4) million was used for R&D projects during the year under review. In 2024, Fingrid completed 25 power system substations and 331 kilometres of transmission lines.

Grid assets are recognised at fair value for the purposes of the company's regulatory balance sheet. The regulatory fair value of the transmission network assets (adjusted replacement cost) is calculated by adding up the adjusted replacement costs for each grid component; these are calculated by multiplying the unit price specified by the Energy Authority with the number of grid components. When calculating the fair value of the main grid in 2024, the unit prices from 2022 are used for grid components completed before 2024, as per the regulatory method. For grid components completed in 2024, the company uses an estimate of the unit prices for the grid components for the regulatory period 2024–2027, which will be confirmed later during the regulatory period. The adjusted present value in use for a grid component is calculated based on the adjusted replacement cost, using the useful life and mean lifetime data of the grid component.

Congestion income

Congestion income is generated because of an insufficient transmission capacity between the bidding zones of an electricity exchange. In such cases, the bidding zones become separate price areas, and the transmission link joining them generates congestion income in the electricity exchange as follows: congestion income [€/h] = transmission volume in the day-ahead markets [MW] * area price difference [€/MWh]. The basis for this is that a seller operating in a lower priced area receives less for their power than what a buyer pays for it in a higher priced area. The additional income caused by this price difference, i.e. congestion income, remains in the electricity exchange, which then pays the income to the TSOs as per the contractual terms. Finland is a single price area and congestion income is not generated from the internal transmission connections. The congestion income received by a grid owner must be used for the purposes stated in EU Regulation 2019/943, Article 19: guaranteeing the actual availability of the allocated capacity, maintaining or increasing interconnection capacities through network investments, covering the costs of maintaining said capacity, and recognising congestion income in the company's turnover.

The long-term transmission rights (LTTR) adopted between Finland and Estonia are Financial Transmission Rights (FTR) from Finland to Estonia, which are issued by the transmission system operators and cleared financially. The underlying asset of FTRs is the price difference between the Finnish and Estonian price areas. The FTRs are offered as yearly and monthly products and cover roughly two thirds of the electricity transmission capacity between Finland and Estonia. The owner of an FTR is entitled to receive a payment when the price difference is positive in the agreed transmission direction. This payment to the FTR holder is included in the costs to be covered by Fingrid's congestion income. The FTRs are distributed to the buyers in an auction on the pan-European trading platform, which determines the price according to the margin pricing principle, at the point where demand and supply meet. The auction prices paid for FTRs are included in the congestion income accrued to Fingrid. In Europe, the Joint Allocation Office (JAO) is responsible for arranging the auctions and maintaining the trading platform.

12. CONGESTION INCOME, €1,000	2024	2023
Unused on 1 Jan	975.7	1,063.7
Accumulated congestion income	327.5	317.0
Incomes matching congestion income	301.0	284.7
Expenses matching congestion income	44.5	21.8
Allocated to transmission right compensations	85.5	96.2
Investments matching congestion income	30.4	2.3
Unused on 31 Dec	841.8	975.7

Fingrid's congestion income from cross-border transmission links totalled EUR 327.5 (317.0) million. EUR 841.8 (975.7) million in congestion income remains unused and will be used for future cross-border transmission capacity investments to improve the effectiveness of the electricity market and to cover costs related to cross-border transmission and the operations of the electricity markets; it will also be recognised in the company's turnover to the benefit of customers. The congestion income accrued to Fingrid was lower than the congestion income used, which decreased the amount of accrued congestion income on the balance sheet. The majority of the accrued unused congestion income was generated during the exceptional energy market conditions of 2022. Unused congestion income is included in the company's financial assets and, in line with the Treasury Policy, mainly invested in low-risk fixed income instruments and used for meeting the company's short-term financial needs. The Energy Authority decides in its regulatory decision for the regulatory period on the use of the congestion income received by Fingrid in line with EU regulation. The Energy Authority annually provides guidance on the use of congestion income for each year in its regulatory letter.

Accounting principles

Congestion income
The congestion income is included as accruals in the item Other liabilities in the balance sheet. Of accruals, congestion income is recognised in the income statement in other operating income in compliance with the accrual of costs defined in regulation and in turnover to the extent that congestion income can be directly recognised for the benefit of grid customers. Alternatively, they are entered in the balance sheet against investments, as defined by regulation, to lower the acquisition cost of property, plant and equipment, which lowers the depreciation of the property, plant and equipment in question. Fingrid reports the share of congestion income to be used during the next year in short-term liabilities. The Energy Authority's regulatory letters during the regulatory period guide the use of congestion income. The Energy Authority issues a decision on the use of congestion income as part of its supervisory decision on the reasonable return.

Public contributions
Public contributions received from the EU or other parties related to property, plant and equipment are deducted from the acquisition cost of the item, and the contributions consequently reduce the depreciation made on the item. Other contributions are distributed as income over those periods when costs linked with the contributions arise. Other contributions received are presented in other operating income.

5.2 Tangible and intangible assets

13. PROPERTY, PLANT AND EQUIPMENT, € 1,000	2024	2023
Land and water areas		
Cost at 1 Jan	24,142	21,390
Increases 1 Jan–31 Dec	1,927	2,752
Cost at 31 Dec	**26,069**	**24,142**
Carrying amount 31 Dec	**26,069**	**24,142**
Buildings and structures		
Cost at 1 Jan	491,434	418,587
Increases 1 Jan–31 Dec	45,398	73,435
Decreases 1 Jan–31 Dec	-	-588
Cost at 31 Dec	**536,832**	**491,434**
Accumulated depreciation 1 Jan	-136,134	-120,977
Decreases, depreciation 1 Jan–31 Dec	-	434
Depreciation 1 Jan–31 Dec	-16,829	-15,593
Carrying amount 31 Dec	**383,869**	**355,298**
Machinery and equipment		
Cost at 1 Jan	1,457,547	1,368,163
Increases 1 Jan–31 Dec	100,222	111,528
Decreases 1 Jan–31 Dec	-	-22,145
Cost at 31 Dec	**1,557,770**	**1,457,547**
Accumulated depreciation 1 Jan	-834,224	-799,904
Decreases, depreciation 1 Jan–31 Dec	-	20,525
Depreciation 1 Jan–31 Dec	-56,245	-54,843
Carrying amount 31 Dec	**667,300**	**623,325**
Transmission lines		
Cost at 1 Jan	1,426,311	1,403,793
Increases 1 Jan–31 Dec	46,120	23,943
Decreases 1 Jan–31 Dec	-252	-1,426
Cost at 31 Dec	**1,472,179**	**1,426,311**
Accumulated depreciation 1 Jan	-730,692	-693,328
Decreases, depreciation 1 Jan–31 Dec	137	1,219
Depreciation 1 Jan–31 Dec	-39,595	-38,583
Carrying amount 31 Dec	**702,028**	**695,618**
Capitalised interest on machinery and equipment and transmission lines		

Cost at 1 Jan	23,743	20,924
Increases 1 Jan–31 Dec	6,831	2,818
Cost at 31 Dec	**30,573**	**23,743**
Accumulated depreciation 1 Jan	-5,020	-4,211
Depreciation on capitalised interest 1 Jan–31 Dec	-958	-809
Carrying amount 31 Dec	**24,596**	**18,723**
Other property, plant and equipment		
Cost at 1 Jan	110	110
Cost at 31 Dec	**110**	**110**
Carrying amount 31 Dec	**110**	**110**
Prepayments and purchases in progress		
Cost at 1 Jan	271,781	183,811
Increases 1 Jan–31 Dec	463,579	314,308
Transfers to other tangible and intangible assets 1 Jan–31 Dec	-207,441	-226,339
Cost at 31 Dec	**527,918**	**271,781**
Carrying amount 31 Dec	**527,918**	**271,781**
Property, plant and equipment	**2,331,891**	**1,988,997**

In 2024, EUR 30.4 million in congestion income was entered in purchases in progress to reduce these and EUR 26.6 million in investment subsidies. The change in the value of investment-related derivatives increased purchases in progress by EUR 0.2 million.

14. INTANGIBLE ASSETS, €1,000	**2024**	**2023**
Goodwill		
Cost at 1 Jan	87,920	87,920
Cost at 31 Dec	**87,920**	**87,920**
Carrying amount 31 Dec	**87,920**	**87,920**
Land use rights		
Cost at 1 Jan	102,463	100,932
Increases 1 Jan–31 Dec	2,075	1,531
Cost at 31 Dec	**104,537**	**102,463**
Carrying amount 31 Dec	**104,537**	**102,463**
Other intangible assets		
Cost at 1 Jan	128,690	119,002
Increases 1 Jan–31 Dec	5,432	10,761
Decreases 1 Jan–31 Dec	-406	-1,073
Cost at 31 Dec	**133,716**	**128,690**
Accumulated amortisation 1 Jan	-65,055	-55,513
Amortisation 1 Jan–31 Dec	-11,628	-10,149
Other intangible assets	**57,034**	**63,028**
Decreases, depreciation 1 Jan–31 Dec	-	607
Carrying amount 31 Dec	**57,034**	**63,635**
INTANGIBLE ASSETS	**249,491**	**254,018**

Gross capital expenditure, million euros	2024
Increases to tangible and intangible assets and transfers from prepayments and purchases in progress to other tangible and intangible assets	464.1
Allocation of congestion income	30.4
Allocation of investment subsidies	26.6
Change in fair value of derivatives related to capital expenditure	-0.2
Gross capital expenditure	**520.9**

Land use rights are not amortised but tested annually for impairment in connection with the testing of goodwill.

The entire business of the Fingrid Group is grid operations in Finland with system responsibility, which the full goodwill of the Group in the balance sheet is fully allocated to. The goodwill included in the balance sheet amounts to EUR 87.9 million and has not changed during the periods under review. Since, per the regulation, the fair value of the net assets included in the company's grid assets is approximately EUR 3,162.7 million compared to the carrying amount of EUR 2,631.6 million in net assets, which includes land use rights and goodwill, the book value of the asset items has not decreased.

Accounting principles

Property, plant and equipment
Grid assets form most of the property, plant and equipment. Grid assets include, among other things, 400 kV, 220 kV, 110 kV transmission lines, direct current lines, transmission line right-of-ways, substations and the areas they encompass (buildings, structures, machinery and equipment, substation access roads), gas turbine power plants, fuel tanks, generators and turbines.

Property, plant and equipment are valued in the balance sheet at the original acquisition cost less accumulated depreciation and potential impairment. If an asset is made up of several parts with useful lives of different lengths, the parts are treated as separate items and are depreciated over their separate useful lives.

When a part of property, plant and equipment that is treated as a separate item is replaced, the costs relating to the new part are capitalised. Other subsequent costs are capitalised only if it is likely that the future economic benefit relating to the asset benefits the Group and the acquisition cost of the asset can be determined reliably. Repair and maintenance costs are recognised in the income statement when they are incurred.

Borrowing costs, such as interest costs and arrangement fees, directly linked with the acquisition, construction or manufacture of a qualifying asset form part of the acquisition cost of the asset item in question. A qualifying asset is one that necessarily requires a considerably long time to be made ready for its intended purpose. Other borrowing costs are recognised as an expense. Borrowing costs included in the acquisition cost are calculated on the basis of the average borrowing cost of the Group.

Property, plant and equipment is depreciated over the useful life of the item using the straight-line method. Depreciation on property, plant and equipment taken into use during the financial year is calculated on an item-by-item basis from the month of introduction. Land and water areas are not depreciated. The expected economic lives are verified at each closing date, and if they differ significantly from the earlier estimates, the depreciation periods are amended accordingly.

The depreciation periods of property, plant and equipment are as follows:

Buildings and structure	
Substation buildings and separate buildings	40 years
Substation structures	30 years
Buildings and structures at gas turbine power plants	20-40 years
Separate structures	15 years
Transmission lines	
Transmission lines 400 kV	40 years
Direct current lines	40 years
Transmission lines 110-220 kV	30 years
Creosote-impregnated towers and related disposal costs	30 years
Aluminium towers of transmission lines (400 kV)	10 years
Optical ground wires	10-20 years
Machinery and equipment	
Substation machinery	10-30 years
Gas turbine power plants	20 years
Other machinery and equipment	3-5 years

Gains or losses from the sale or disposition of property, plant and equipment are recognised in the income statement under either other operating income or expenses. Property, plant and equipment are derecognised in the balance sheet when their economic useful life has expired, the asset has been sold, scrapped or otherwise disposed of to an outsider.

Goodwill and other intangible assets

Goodwill created as a result of the acquisition of enterprises and businesses is composed of the difference between the acquisition cost and the net identifiable assets of the acquired business valued at fair value. Goodwill is allocated to the transmission grid business and is tested annually for impairment. Impairment testing is carried out by comparing the regulatory fair value to the carrying amount of net assets included in the company's grid assets. Regulatory recognition at fair value is presented in chapter 5.1. and impairment is discussed in chapter 5.2.

Other intangible assets consist of computer software and land use and emission rights. Computer software is valued at its original acquisition cost and amortised on a straight line basis during its estimated useful life. According to IFRIC's 2021 agenda resolution on the interpretation of the IAS 38 standard, cloud service software (SaaS) does not meet the criteria of an intangible asset if the software is managed by a service provider. The costs of the configuration and tailoring services for the cloud services in question are recognised as a cost for the financial year if the service linked to the cloud service can be separated from other SaaS services. If the service cannot be separated from the other SaaS services, the costs are recognised as a prepayment, which is recognised as a cost during the contractual period of the SaaS services.

Land use rights, which have an indefinite useful life, are not amortised but are tested annually for impairment.

More on emission rights in chapter 7.2.

Subsequent expenses relating to intangible assets are only capitalised if their economic benefits to the company increase compared to before. In other cases, expenses are recognised in the income statement when they are incurred.

5.3 Lease agreements

The Group's leases mainly relate to office premises and leased land areas. Land areas are included in the calculation of leases in 2024. The durations of the leases vary, and they may include options for extension and termination.

A right-of-use asset and a corresponding liability are recognised for leases at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost.

15. LEASES, 1 000 €	**2024**	**2023**
Right-of-use-assets:		
Right-of-use-assets, buildings, structures and land		
Carrying amount 1 Jan	29,974	28,745
Increases 1 Jan–31 Dec	23,688	4,554
Deprecation 1 Jan–31 Dec	-3,487	-3,325
Carrying amount 31 Dec	**50,175**	**29,974**
Lease liabilities:		
Non-current	48,496	28,044
Current	2,860	3,162
Total	**51,356**	**31,206**
Amounts recognised in the income statement		
Depreciation and amortisation of right-of-use assets	3,487	3,325
Interest costs	595	631
Costs related to short-term leases and leases of low-value assets	1,281	1,054

The outgoing cash flow from leases in 2024 totalled EUR 3.7 (3.8) million.

Accounting principles

Lease agreements
Fingrid Oyj mainly acts as a lessee, and most of the leases are for office premises and for land areas. The lessee recognises all the leases as right-of-use assets and lease liabilities in the balance sheet, except for items of short duration (lease terms of less than 12 months) and of insignificant value. A right-of-use asset and a corresponding liability are recognised in the balance sheet at the date at which the leased asset is available for use by the Group. The right-of-use asset is depreciated as straight-line depreciations, over the shorter of lease term and useful life of the underlying asset. The interest cost of lease liabilities is recorded in finance costs. Lease liability payments are stated in the cash flow of financing activities and the related interest in interest expenses.

The length of the lease period is the time during which the agreement cannot be cancelled. Lease agreements may include extension options and these are taken into account in the length of the lease period, if the management considers it highly likely that they will be used.

The real-estate leases do not clearly define the interest rate implicit in the lease, which is why Fingrid uses as the interest rate an estimate of the company's incremental borrowing rate for real estate leases. The incremental borrowing rate is determined for the entire real-estate lease portfolio, whereby all real-estate leases are discounted using the same interest rate. The discount rates applied in discounting leases under IFRS 16 are based on the market yield on the company's publicly quoted bonds.

Short-term leases or leases of low-value assets, which are expensed in equal instalments, consist of vehicle lease payments, and lease payments for small machinery and equipment.

Judgements and estimates

Lease agreements concerning right-of-use assets often include extension and termination options. The company's management has estimated how likely it is that the agreements will be extended. The lease period will be reassessed if the option is used or is not used.

6 STRONG FINANCIAL POSITION

- **Chapter six describes how Fingrid's financing is formed and the related risk management. The chapter also presents how short-term financial assets that maintain liquidity are formed.**
- **The end of the chapter contains a summary of the financial assets and financing liabilities, as well as derivatives, that the company uses exclusively for risk management purposes. The risks relate to various market risks, i.e. the electricity and commodity price risk and the interest rate and exchange rate risk. Management of the electricity price and volume risk is described in chapter 4.7.**
- **The chapter describes the company's principles of capital management, ownership structure and dividend distribution policy.**

6.1 Capital management

Equity and liabilities as shown in the balance sheet are managed by Fingrid as capital.

The company must have a capital structure to support consistently strong credit ratings, reasonable cost of capital and adequate dividend pay-out capability. The principal aim of Fingrid's capital management and grid asset management is to ensure uninterrupted operations and value retention as well as rapid recovery from any exceptional circumstances.

The company aims for a category 'A' credit rating. The rating must be at least 'A-' from two credit rating agencies. The company has not set specific key financial ratio targets for accounting balance sheet or regulatory balance sheet capital management, but instead monitors and controls the overall situation, for which credit ratings and their underlying risk analyses and other parameters create a foundation.

The company's credit rating remained high in 2024. This reflects the company's strong overall financial situation, its key role as an implementer of climate targets, and its debt service capacity. Fingrid has credit rating service agreements with S&P Global Ratings and Fitch Ratings.

6.2 The organisation of financing activities and the principles for financial risk management

The company has a holistic approach to the management of financing activities, encompassing external financing, as well as managing liquidity, counterparty and financial risks, and supporting business operations in matters related to financing in general.

Fingrid's financial capital consists of equity and debt financing. The share of equity from the balance sheet total was 16.1% and that of liabilities 83.9% in 2024. Regulatory equity was 49.3% and liabilities were 50.7% of the regulatory balance sheet in 2024.

The key objectives of financing operations are preservation of shareholder value by securing the financing required by business operations, including the investment programme, adequate liquidity and protection against key financing risks in different interest rate scenarios. This contributes to increasing the predictability of interest expenses and securing the payment of dividends within the risk limits, including the overall management of interest rate risk, considering Fingrid's regulatory model.

Fingrid's financing risks consist of liquidity, refinancing, interest rate, foreign exchange and commodity price risks, as well as the counterparty risks of investments and derivative contracts. The derivative instruments used for hedging are approved annually in the Treasury Policy. The company uses derivative instruments to hedge interest rate, foreign exchange and commodity risks. Derivatives are only used for hedging purposes, not speculatively.

Corporate finance principles
The Board of Directors of Fingrid Oyj approves the Corporate Finance Principles which define how Fingrid Oyj manages financing as a whole, including the company's credit rating targets. The external financing of Fingrid Group is carried out by Fingrid Oyj.

Risk management execution and reporting
Fingrid's Chief Financial Officer is responsible for arranging overall risk management in the company, with a key role held by the operative risk management and reporting of financing in line with the company's Corporate Finance Principles and Treasury Policy. The CFO regularly reports to the President & CEO and the Board (audit committee) on the implementation of financing and risk management.

Risk management processes
The Treasury unit is responsible for the operative monitoring of risk management, for the risk system and models and methods used to assess, monitor and report on risks. As part of comprehensive risk management, the Treasury unit is in charge of operative management of the company's guarantee and insurance portfolio.

Fair value hierarchy
In the presentation of fair value, assets and liabilities measured at fair value are categorised into a three-level hierarchy. The appropriate hierarchy is based on the input data of the instrument. The level is determined on the basis of the lowest level of input for the instrument that is significant to the overall fair value measurement.
Level 1: inputs are publicly quoted in active markets.
Level 2: inputs are not publicly quoted and are based on observable market parameters either directly or indirectly.
Level 3: inputs are not publicly quoted and are unobservable market parameters.

6.3 Financial liabilities, financial costs and managing the financial risks

The company takes advantage of the opportunities offered by credit ratings at any given time in multiple ways on the international and domestic financial markets. Market-based and diversified financing is sought from several sources. The goal is a diversified maturity profile. Fingrid's existing loan agreements as well as debt and commercial paper programmes are unsecured and do not include any financial covenants based on financial ratios.

Green financing
Green financing is a key component of Fingrid's financing strategy and responsible operating model. The company's goal is to raise significant debt financing in the form of green financing. In 2024, Fingrid issued two EUR 500 million green bonds and raised short-term financing within a Green Euro Commercial Paper Programme. The company reports on its green financing arrangements in a separate green financing allocation and impact report.

16. BORROWINGS, €1,000	**2024**			**2023**			**Hierarchy level**
	Fair value	Balance sheet value	%	Fair value	Balance sheet value	%	
Non-current							
Bonds	1,340,452	1,278,911		368,977	368,086		Level 2
Loans from financial institutions	215,711	212,161		262,780	258,541		Level 2
	1,556,163	**1,491,072**		**631,756**	**626,628**		
Lease liabilities		48,496			28,044		
		1,539,568	83%		**654,671**	66%	
Current							
Bonds	82,410	78,478		299,560	299,955		Level 2
Loans from financial institutions	46,776	46,381		40,669	40,355		Level 2
Other loans/Commercial papers (international and domestic)	193,089	193,006					Level 2
	322,275	**317,865**		**340,229**	**340,309**		
Lease liabilities		2,860			3,162		
		320,725	17%		**343,471**	34%	
Total	**1,878,438**	**1,860,293**	100%	**971,985**	**998,143**	100%	

The fair values of borrowings are based on the present values of cash flows. Loans raised in various currencies are measured at the present value on the basis of the yield curve of each currency. Borrowings denominated in foreign currencies are translated into euros at the mid-rates quoted by the ECB at the closing date.

17. BONDS INCLUDED IN BORROWINGS, €1,000				2024	2023
Currency	Nominal value	Maturity	Interest	Balance sheet value	
EUR	300,000	3 Apr 2024	3.50%		299,955
EUR	70,000	7 May 2025	0.527%	70,000	70,000
EUR	100,000	23 Nov 2027	1.125%	99,782	99,708
EUR	25,000	27 Mar 2028	2.71%	25,000	25,000
EUR	10,000	12 Sep 2028	3.271%	10,000	10,000
EUR	500,000	4 Dec 2029	2.750%	496,658	
EUR	80,000	24 Apr 2029	2.95%	80,000	80,000
EUR	30,000	30 May 2029	2.888%	30,000	30,000
EUR	500,000	20 Mar 2034	3.250%	495,080	
				1,306,520	614,662
NOK	100,000	16 Sep 2025	4.31%	8,478	8,896
NOK	500,000	8 Apr 2030	2.72%	42,391	44,482
				50,869	53,378
Bonds, long-term total				1,278,911	368,086
Bonds, short-term total				78,478	299,955
Total				**1,357,389**	**668,041**

18. RECONCILIATION OF DEBT, €1,000	Borrowings due within 1 year	Borrowings due after 1 year	Total
Debt on 1 Jan 2023	**65,795**	**990,386**	**1,056,181**
Cash flow from financing activities		-55,996	-55,996
Exchange rate adjustments		-3,689	-3,689
Other changes not involving a payment transaction	368	1,278	1,647
Transfer to short-term loans	277,308	-277,308	
Debt on 31 Dec 2023	**343,471**	**654,671**	**998,143**
Cash flow from financing activities	193,006	654,325	847,331
Exchange rate adjustments	-4,193	1,683	-2,509
Accrual of effective interest rates	45	-2,868	-2,822
Other changes not involving a payment transaction	-302	20,452	20,150
Transfer to short-term loans	-211,303	211,303	
Debt on 31 Dec 2024	**320,725**	**1,539,568**	**1,860,293**

Other changes are mainly made up of IFRS 16 impacts.

Reconciliation of net debt, € 1,000	2024	2023
Cash in hand and cash equivalents	-611,288	-253,737
Financial assets recognised in the income statement at fair value	-101,260	-107,272
Purchase of other assets and bank deposits over 3 months	-125,996	-101,943
Borrowings - repayable within one year	320,725	343,471
Borrowings - repayable after one year	1,539,568	654,671
Net debt	**1,021,748**	**535,191**

Financial assets recognised at fair value through profit and loss are liquid investments traded on active markets. Purchase of other assets consists of investments in debt instruments. Net debt is the difference between the company's debt and its cash in hand and cash equivalents, and purchase of other assets. The development of net debt is monitored actively.

19. INTEREST INCOME AND EXPENSES FROM LOANS AND OTHER RECEIVABLES, €1,000	2024	2023
Interest income on financial assets in income statement at fair value	4,607	7,638
Interest income on cash, cash equivalents and bank deposits	18,845	13,305
Net foreign exchange gains and losses from borrowings, derivatives and FX-accounts	0	-0
	23,452	20,943
Interest expenses on borrowings, effective interest rate	-41,361	-29,603
Net interest expenses on interest rate and foreign exchange derivatives	-5,280	3,748
Gains/losses from measuring derivative contracts at fair value	-2,756	435
Net foreign exchange gains and losses from borrowings, derivatives and FX-accounts	-61	-570
Interest expenses on lease liabilities (IFRS 16)	-595	-631
Other finance costs	-2,633	-1,088
	-52,686	-27,709
Capitalised finance costs, borrowing costs;		
at a capitalisation rate of 3.6 % (note 13)	14,576	6,524
Total	**-14,658**	**-241**

Managing the market risks of debt
The company issues bonds in the international and domestic money and debt capital markets. Fingrid's borrowings are issued in both fixed and floating interest rates and in several currencies. They thus expose Fingrid's cash flow to interest rate and exchange rate risks. Fingrid uses derivative contracts to hedge against these risks. Fingrid generally holds issued bonds to maturity and thus does not value its bonds in the balance sheet at fair value or hedge against the fair value interest rate risk. The currency risks related to bonds and the interest rate risk of foreign currency are fully hedged.

Transaction risk
The company uses derivatives to fully hedge against exchange rate risks when it is cost-effective to do so and against commodity price risks to the extent that the hedging instruments of the risk in question are cost-effectively available and hedging cannot otherwise be implemented, for instance, through contracts. During the financial year, the company used currency and metal derivatives to hedge business transaction risks. A summary of the derivatives is presented in Note 24.

Interest rate risk
The company is only exposed to euro denominated interest rate risk from its business operations, assets and borrowings. The company's borrowings are, both in terms of principal and interest payments, fully hedged against exchange rate risks. Cash and cash equivalents and financial assets recognised in the income statement at fair value are denominated in euros.

The interest rate risk inherent in Fingrid's operations is caused by changes in the risk-free interest in the WACC model. If the risk-free interest rate rises/falls by one percentage unit, the pre-tax WACC rises/falls by 1.15 percentage units.

The goal of the loan portfolio's interest rate risk management is to hedge against key financing risks in different interest rate scenarios and to contribute to increasing the predictability of interest expenses and secure the payment of dividends within the risk limits, including the overall management of interest rate risk, considering the regulatory model. The loan portfolio's interest rate risk arises from market interest rate volatility, which decreases or increases the annual interest expenses on the company's floating-rate loans. When market interest rates increase/decrease, the interest expenses of the floating-rate loans also increase/decrease. The company hedges this risk, referred to as cash flow risk, with derivatives.

Determination of the reasonable rate of return in regulation and operational interest rate risk

The reasonable rate of return on adjusted capital committed to grid operations is determined by using the weighted average cost of capital model (WACC). The WACC model determined by the Finnish Energy Authority illustrates the average cost of the capital used by the company, where the weights are the relative values of equity and debt. The weighted average of the costs of equity and interest-bearing debt are used to calculate the total cost of capital, i.e. the reasonable rate of return per the regulation. The reasonable return is calculated by multiplying the adjusted capital invested in network operations by the WACC.

Liquidity risk
Fingrid is exposed to liquidity and refinancing risks arising from the redemption of loans, payments and fluctuations in cash flow from operating activities. The liquidity of the company is arranged so that liquid assets (cash and cash equivalents, and financial assets recognised in the income statement at fair value) and available long-term committed credit lines can cover 110% of the refinancing needs for the next 12 months.

The company has a revolving credit facility of EUR 500 million maturing 30 November 2028. The company raised the revolving credit facility from EUR 300 million to EUR 500 million in 2024. The facility is committed and has not been drawn. Additionally, the company has at its disposal a total of EUR 90 million in overdraft limits with banks to secure liquidity.

Refinancing risk is managed by aiming to build a diversified loan maturity profile. The maturity profile's target is for long-term loans in a single year to account for less than 30 per cent of total debt and the average maturity of the company's loan portfolio to be at least three years. To secure refinancing, the company makes wide use of various sources of financing

The counterparty risks of financing activities are caused by asset management companies, derivatives counterparties, insurance companies and bank counterparties. The company minimises any counterparty risks and can, if necessary, demand guarantees from counterparties to strengthen its risk position. As a rule, credit rating categories are the decisive factor in specifying the counterparty limit.

Contractual repayments and interest costs on borrowings are presented in the next table. The repayments and interest amounts are undiscounted values. Finance costs arising from interest rate swaps are often paid in net amounts depending on the nature of the swap. In the following table, they are presented in gross amounts.

20. PAYMENTS UNDER FINANCING AGREEMENTS IN CASH, €1,000

31 Dec 2024		2025	2026	2027	2028	2029	2030–	Total
Bonds	repayments	78,478		100,000	35,000	610,000	542,391	**1,365,869**
	interests	37,243	36,509	36,509	35,384	34,379	82,403	**262,427**
Loans from financial institutions	repayments	46,381	30,623	28,718	28,718	20,385	103,716	**258,541**
	interests	7,348	4,760	4,253	3,780	3,077	13,569	**36,786**
Commercial papers	repayments	195,000						**195,000**
Lease liabilities	repayments	2,860	2,892	3,267	3,088	3,106	36,142	**51,356**
	interests	512	477	441	403	367	2,892	**5,093**
Cross-currency swaps.	payments	2,418	1,547	1,590	1,656	1,662	1,682	**10,554**
Interest rate swaps	payments	13,815	10,871	11,447	9,263	9,081		**54,477**
Currency derivatives	payments	1,080	1,067					**2,147**
Total		**385,136**	**88,746**	**186,226**	**117,291**	**682,057**	**782,795**	**2,242,251**
Cross-currency swaps.	receivables	1,884	1,153	1,153	1,153	1,153	2,306	**8,802**
Interest rate swaps	receivables	10,071	9,702	9,702	8,577	8,250		**46,302**
Currency derivatives	receivables	952	952					**1,903**
Total		**12,906**	**11,807**	**10,855**	**9,730**	**9,403**	**2,306**	**57,007**
Total		**372,229**	**76,939**	**175,371**	**107,561**	**672,654**	**780,489**	**2,185,244**

31 Dec 2023		2024	2025	2026	2027	2028	2029–	Total
Bonds	repayments	300,000	78,896		100,000	35,000	154,482	**668,378**
	interests	17,818	7,318	6,566	6,566	5,441	5,646	**49,355**
Loans from financial institutions	repayments	40,355	46,381	30,623	28,718	28,718	124,101	**298,896**
	interests	11,742	6,420	4,776	4,241	3,773	17,387	**48,339**
Lease liabilities	repayments	3,162	3,110	3,170	3,225	3,064	15,475	**31,206**
	interests	583	524	464	403	342	909	**3,226**
Cross-currency swaps	payments	2,843	2,197	1,551	1,587	1,654	3,405	**13,238**
Interest rate swaps	payments	9,492	3,915	2,609	2,746	288		**19,050**
Currency derivatives	payments	3,517	1,080	1,067				**5,664**
Total		**389,511**	**149,842**	**50,825**	**147,487**	**78,280**	**321,406**	**1,137,352**
Cross-currency swaps.	receivables	1,593	1,977	1,210	1,210	1,210	3,630	**10,830**
Interest rate swaps	receivables	3,805	1,821	1,452	1,452	327		**8,857**
Currency derivatives	receivables	3,370	992	992				**5,355**
Bought interest rate options	receivables	5,233						**5,233**
Total		**14,002**	**4,790**	**3,654**	**2,662**	**1,537**	**3,630**	**30,275**
Total		**375,510**	**145,052**	**47,171**	**144,825**	**76,744**	**317,776**	**1,107,078**

Accounting principles

Borrowings
Borrowings are initially recognised at fair value net of the transaction costs incurred. Transaction costs consist of bond prices above or below par value, arrangement fees, commissions and administrative fees that are directly related to the loan. Borrowings are subsequently measured at amortised cost; any difference between the loan amount and the amount to be repaid is recognised in the income statement over the loan period using the effective interest rate method. Borrowings are derecognised when they mature and are repaid.

Commitment fees to be paid on credit facilities are entered as transaction costs related to the loan insofar as partial or full utilisation of the facility is likely. In such cases, the fee is capitalized in the balance sheet until the facility is utilised. If there is no proof that loans included in a facility are likely to be withdrawn in part or in full, the fee will be recognised as an expense at the time of establishing the facility.

6.4 Summary of the cash and cash equivalents, financial assets, financial liabilities and derivatives

21. CASH AND CASH EQUIVALENTS, €1,000	2024	2023
Cash assets and bank account balances	481,288	128,737
Bank deposits, max. 3 months	130,000	125,000
Total	**611,288**	**253,737**

22. OTHER FINANCIAL ASSETS, €1,000	2024	2023	Hierarchy level
Non-current:			
Purchase of other assets	81,843	75,937	Level 1
Total	81,843	75,937	
Current:			
Fixed income funds	101,260	107,272	Level 1
Bank deposits, over 3 months	20,000	-	Level 2
Purchase of other assets	24,153	26,006	Level 2
Total	145,413	133,278	
Total	**227,256**	**209,214**	

Purchase of other assets is a part of the company's overall liquidity management. These investments consist of debt instruments. The total market value of the 'purchase of other assets' items amounted to EUR 108.7 million on 31 December 2024.

The carrying amounts of Fingrid's financial assets and liabilities by measurement category are as follows:

23. CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT Balance sheet item 31 Dec 2024	Assets/ liabilities recognised in income statement at fair value	Financial assets/liabilities measured at amortised cost	Total	Note
Other long-term investments				
Available-for-sale investments		81,843	81,843	22
Interest rate and currency derivatives	663	-	663	24
Electricity derivatives	3,100	-	3,100	24
Current financial assets				
Electricity derivatives	11,808	-	11,808	24
Trade receivables and other receivables	-	124,237	124,237	4
Other financial assets	101,260	44,153	145,413	22
Cash in hand and cash equivalents	-	611,288	611,288	21
Financial assets total:	**116,831**	**861,522**	**978,352**	
Non-current financial liabilities:				
Borrowings	-	1,539,568	1,539,568	16
Interest rate and currency derivatives	13,874	-	13,874	24
Electricity derivatives	5,897	-	5,897	24
Current financial liabilities:				
Borrowings	-	320,725	320,725	16
Interest rate and currency derivatives	5,221	-	5,221	24
Electricity derivatives	13,521	-	13,521	24
Trade payables and other liabilities	-	82,623	82,623	8
Financial liabilities total	**38,513**	**1,942,916**	**1,981,429**	

Balance sheet item 31 Dec 2023	Assets/ liabilities recognised in income statement at fair value	Financial assets/liabilities measured at amortised cost	Total	Note
Other long-term investments				
Available-for-sale investments		75,937	75,937	22
Interest rate and currency derivatives	43	-	43	24
Electricity derivatives	6,161	-	6,161	24
Current financial assets				
Interest rate and currency derivatives	5,428	-	5,428	24
Electricity derivatives	30,626	-	30,626	24
Metal derivatives	55	-	55	24
Trade receivables and other receivables	-	49,494	49,494	4
Other financial assets	107,272	26,006	133,278	22
Cash in hand and cash equivalents	-	253,737	253,737	21
Financial assets total:	**149,585**	**405,174**	**554,759**	
Non-current financial liabilities:				
Borrowings	-	654,671	654,671	16
Interest rate and currency derivatives	18,022	-	18,022	24
Electricity derivatives	1,845	-	1,845	24
Current financial liabilities:				
Borrowings	-	343,471	343,471	16
Interest rate and currency derivatives	426	-	426	24
Electricity derivatives	901	-	901	24
Metal derivatives	40	-	40	24
Trade payables and other liabilities	-	100,855	100,855	8
Financial liabilities total	**21,234**	**1,098,997**	**1,120,231**	

Accounting principles

FINANCIAL INSTRUMENTS

Classification of financial assets and liabilities
The Group classifies the financial assets and liabilities in accordance with its business model and in compliance with IFRS 9.
The classification is accomplished on the basis of the objective of the business model and the contract-based cash flows from the investments.

Bonds held to maturity and cash and cash equivalents have mainly been measured at amortised cost. This reflects a business model whose objective is to collect contract-based cash flows.

Fund investments are recognised at fair value. This reflects a business model whose objective is to collect contract-based cash flows or sell financial assets. The objective of the above-mentioned model is to invest the cash and cash equivalents profitably so that they remain liquid.

Cash and cash equivalents
Cash and cash equivalents on the balance sheet consist of cash in hand and bank deposits with an initial maturity of no more than three months. Cash and cash equivalents are derecognised when they mature, are sold or otherwise disposed of.

Other financial assets
The financial assets classified in this category on the balance sheet consist of short-term investments in fixed income funds, bank deposits for more than three months, and money market securities and other short-term fixed income instruments linked with an asset management contract. The asset management investments are booked on the balance sheet at amortised cost. On the cash flow statement, they are booked in ‘Cash flow from investing activities’. Financial assets recognised at fair value in the income statement are booked into the balance sheet at fair value at the settlement date. Subsequently, the financial assets are measured on each reporting day at fair value, and the change in their value is recognised in the income statement under finance income and costs. Derivatives are also included in this group but are presented on the balance sheet on their own lines.

Investments
The 'Other long-term investments' on the balance sheet consist of investments in listed bonds linked with the asset management contract, in which the maturity of an individual bond is no more than three years. The asset management investments are booked on the balance sheet at amortised cost. On the cash flow statement, they are booked in 'Cash flow from investing activities'. The Group actively tests each instrument for impairment and if the impairment criteria are met, the impairment is booked into the income statement.

Financial assets are derecognised when they mature, are sold or otherwise disposed of such that their risks and revenues have been transferred.

Financial liabilities
Financial liabilities consist of loans and derivative instruments. Loans are items recognised at amortised cost. Loans are recognised in accounting with transaction costs deducted, after which the loans are measured at amortised cost using the effective interest rate method.

24. DERIVATIVE INSTRUMENTS, € 1,000

	2024				2023				Hierarchy level
Interest rate and currency derivatives	Fair value pos. 31.12.24	Fair value neg. 31.12.24	Net fair value 31.12.24	Nominal value 31.12.24	Fair value pos. 31.12.23	Fair value neg. 31.12.23	Net fair value 31.12.23	Nominal value 31.12.23	
Cross-currency swaps		-10,611	-10,611	55,990		-7,944	-7,944	55,990	Level 2
Currency derivatives		-255	-255	2,147	7	-340	-333	5,172	Level 2
Interest rate swaps	117	-8,230	-8,113	480,000	283	-10,164	-9,882	280,000	Level 2
Bought interest rate options	546		546	100,000	5,181		5,181	300,000	Level 2
Total	**663**	**-19,095**	**-18,432**	**638,137**	**5,471**	**-18,448**	**-12,977**	**641,162**	
Electricity derivatives	Fair value pos. 31.12.24	Fair value neg. 31.12.24	Net fair value 31.12.24	Volume TWh 31.12.24	Fair value pos. 31.12.23	Fair value neg. 31.12.23	Net fair value 31.12.23	Volume TWh 31.12.23	
Electricity forward	14,908	-19,418	-4,510	4.5	36,787	-2,746	34,041	4.0	Level 2
Total	**14,908**	**-19,418**	**-4,510**	**4.5**	**36,787**	**-2,746**	**34,041**	**4.0**	
Metal derivatives	Fair value pos. 31.12.24	Fair value neg. 31.12.24	Net fair value 31.12.24	mt 31.12.24	Fair value pos. 31.12.23	Fair value neg. 31.12.23	Net fair value 31.12.23	mt 31.12.23	
Metal swaps					55	-40	15	302	Level 2
Total					**55**	**-40**	**15**	**302**	

The net fair value of derivatives indicates the realised profit/loss if they had been closed on the last trading day of 2024.

The company uses derivative instruments to hedge interest rate, foreign exchange and commodity risks and, by default, holds the contracts until maturity. The derivative instruments used for hedging are approved annually. A valid framework agreement (ISDA or other agreement) must be in place with the derivative counterparty before concluding a transaction. The derivatives falling under the scope of an ISDA agreement can be netted in conditional circumstances such as default or bankruptcy. The company had financial derivatives that can be netted as per ISDA at a total fair value of EUR -18.4 (-13.0) million on 31 December 2024. In addition, the company had electricity derivatives with OTC counterparties that can be netted as per a framework agreement at a total fair value of EUR -4.5 (34.0) million.

The derivative transactions hedging the company's loan portfolio consist of interest rate and cross currency swaps as well as purchased cap options, which serve to hedge most of the loan portfolio from a sudden change in short-term interest rates. During the financial year, the company used currency and metal derivatives to hedge business transaction risks. Currency derivatives are used to fix the exchange rate for non-euro-denominated contracts related to business operations. Electricity derivatives are designed to hedge the price risk of future loss power purchases. Metal derivatives are used to hedge against the metal price risk arising from purchases insofar as it cannot otherwise be managed, typically with fixed contracts between the supplier and client. The management of electricity price risk is described in chapter 4.7.

The sensitivity of the loan portfolio to interest rate risk is measured by using a Cash Flow at Risk (CFaR) type of model, more specifically the Autoregressive Integrated Moving Average (ARIMA) model. The key parameters of the model are the 3-month and 6-month Euribor rates, where the historical time series serve as a basis for a forward-looking simulation of the probable future interest expenses for Fingrid's loan portfolio. The exposure on which the sensitivity analysis is calculated includes all of the Group's interest-bearing borrowings, the loan portfolio's derivatives and interest-rate options purchased to hedge against unexpected changes in interest rates. According to the model, there is a 95% probability that Fingrid's interest expenses will amount to a maximum of EUR 60.7 million during the next 12 months.

The sensitivity of the net fair value of currency derivatives to exchange rates on the reporting date is measured as a 10 per cent change in exchange rates between the euro and foreign currencies. The sensitivity analyses gauge changes in the spot and future rates on the reporting date while keeping the other factors constant. If the euro had been 10% stronger/weaker compared to foreign currencies on 31 December 2024, the impact on the Group's profit before taxes would have been EUR 0.2 million negative/EUR 0.2 million positive.

The change in the fair value of the electricity derivatives used for hedging the price of Fingrid's loss power purchases recognised in the operating profit was EUR 38.6 negative (EUR 185.0 million negative). The volatility in the fair value of electricity derivatives can be significant. The negative impact on profit resulted from the effect of lower market quotations for electricity derivatives on the fair value of the electricity derivatives. Fingrid holds its bought derivatives to maturity. In 2024, 2.24 TWh of electricity derivatives reached maturity, and 2.24 TWh of new derivatives were taken, amounting a positive net change of 0.49 TWh.

The sensitivity of the fair value of electricity derivatives in relation to changes in the price of electricity is measured as the difference a 10 per cent fluctuation in market price would have on outstanding electricity derivatives on the reporting date. An increase/decrease of 10 per cent in the market price of electricity would have an impact of EUR 12.4 million/EUR –12.4 million on the Group's profit before taxes.

Accounting principles

Derivative instruments
Derivatives are initially recognised at fair value according to the date the derivative contract is concluded, and are subsequently re-measured at fair value. The fair value of derivatives on the reporting date are based on calculation methods in line with market practice. Changes in the fair value of derivatives are recognised directly in the income statement, either under finance income or costs. Changes in the fair value of electricity and metal derivatives are recognised in other operating income. The Group does not apply hedge accounting, and the rules applied to hedge accounting according to IFRS 9 do not affect the company's accounting procedures.

Electricity derivatives
The company enters into electricity derivative contracts in order to hedge the price risk of electricity purchases in accordance with the loss power forecast.

Metal derivatives
The company concludes metal derivative agreements to hedge against the metal price risk arising from purchases.

Interest and currency derivatives
The company enters into derivative contracts in order to hedge loans' interest rate and foreign exchange risk and the foreign exchange risk of purchases. A derivative asset or liability is recognised at its original fair value. Derivatives are measured at fair value at the closing date, and the change in fair value is recognised in the income statement under finance income and costs. Currency derivatives have been measured at the forward prices. Interest rate and currency swaps have been measured at the present value on the basis of the yield curve of each currency. Interest rate options have been valued using generally accepted option pricing models in the market.

6.5 Equity and dividend distribution

The company's share capital is EUR 55,922,485.55. Fingrid shares are divided into Series A shares and Series B shares. The number of Series A shares is 2,078 and the number of Series B shares is 1,247.

The maximum number of shares is 13,300, as in 2023. The shares have no par value.

Series A shares confer three votes each at the Annual General Meeting and Series B shares one vote each. When electing members of the Board of Directors, Series A shares confer 10 votes each at the Annual General Meeting and Series B shares one vote each.

Series B shares have the right before Series A shares to obtain the annual minimum dividend specified below from the funds available for profit distribution. If the annual minimum dividend cannot be distributed in some year, the shares confer a right to receive the undistributed amount from the funds available for profit distribution in the subsequent years; however, such that Series B shares have the right over Series A shares to receive the annual minimum dividend and the undistributed amount.

Fingrid Oyj's Annual General Meeting decides on the annual dividend
Eighty-two per cent of the dividends to be distributed for each financial year is distributed for all Series A shares and eighteen per cent for all Series B shares, however such that EUR twenty million of the dividends to be distributed for each financial year is first distributed for all Series B shares. If the above-mentioned EUR twenty million minimum amount for the financial period is not distributed (all or in part) for Series B shares in a financial period, Series B shares confer the right to receive the undistributed minimum amount in question (or the accumulated undistributed minimum amount accrued during such financial periods) in the next profit distribution, in any disbursements paid out, or in any other distribution of assets

prior to any other dividends, disbursements or asset distribution until the undistributed minimum amount has been distributed in full for Series B shares. There are no non-controlling interests.

Equity is composed of the share capital, share premium account, revaluation reserve (incl. fair value reserve), translation reserve, and retained earnings. The translation reserve includes translation differences in the net capital investments of associated companies in accordance with the equity method of accounting. The profit for the financial year is booked in retained earnings.

Share premium account
The share premium account includes the difference between the counter value of the shares and the value obtained. The share premium account consists of restricted equity as referred to in the Finnish Limited Liability Companies Act. The share capital can be increased by transferring funds from the share premium account. The share premium account can be decreased in order to cover losses or, under certain conditions, it can be returned to the owners.

Changes to equity funds during the financial year are presented in the statement of changes in equity.

SHAREHOLDERS BY CATEGORY 31 DEC 2024	Number of shares	Of all shares %	Of votes %
Public organisations	1,768	53.17	70.88
Financial and insurance institutions	1,557	46.83	29.12
Total	**3,325**	**100.00**	**100.00**

Shareholders, 31 Dec 2024	Number of shares	Of all shares %	Of votes %
Republic of Finland, represented by the Ministry of Finance	1,227	36.90	49.20
Aino Holding Ky	878	26.41	11.74
Mutual Pension Insurance Company Ilmarinen	661	19.88	17.15
National Emergency Supply Agency	540	16.24	21.67
Imatran Seudun Sähkö Oy	10	0.30	0.13
Fennia Life	6	0.18	0.08
Elo Mutual Pension Insurance	1	0.03	0.01
OP Insurance Ltd	1	0.03	0.01
The State Pension Fund	1	0.03	0.01
Total	**3,325**	**100.00**	**100.00**

25. SHAREHOLDERS BY CATEGORY

The share capital is broken down as follows	Number of shares	Of all shares %	Of votes %
Series A shares	2,078	62.50	83.33
Series B shares	1,247	37.50	16.67
Total	**3,325**	**100.00**	**100.00**

Fingrid's dividends are distributed such that the shareholders receive a reasonable return on their invested capital, but also such that the company's financial position remains stable.

Fingrid Oyj's distributable funds in the financial statements total EUR 172,219,414.81. Based on the 2023 financial statements, EUR 137.1 (EUR 133.0) million was paid in dividends. Since the closing date, the Board of Directors has proposed to the Annual General Meeting of shareholders that, on the basis of the balance sheet adopted for the financial period that ended on 31 December 2024, a dividend of EUR 53,400.00 at maximum per share be paid for Series A shares and EUR 19,500.00 at maximum for Series B shares, for a total of EUR 135,281,700.00 at maximum. The dividends shall be paid in two instalments. The first instalment of EUR 35,600.00 for each Series A share and EUR 13,000.00 for each Series B share, totalling EUR 90,187,800.00, shall be paid on 7 April 2025. The second instalment of EUR 17,800.00 at maximum per share for each Series A share and EUR 6,500.00 at maximum per share for each Series B share, totalling EUR 45,093,900.00 at maximum in dividends, shall be paid subject to the Board's decision after the half-year report has been confirmed, based on the authorisation given to the Board in the Annual General Meeting. The Board has the right to decide, based on the authorisation granted to it, on the payment of the second dividend instalment after the half-year report has been confirmed and it has assessed the company's solvency, financial position and financial development. The dividends that have been decided on with the authorisation given to the Board shall be paid on the third banking day after the decision. It will be proposed that the authorisation remains valid until the next Annual General Meeting.

The distributable funds are calculated on the basis of the parent company's equity. Dividends are paid based on the distributable funds of the parent company.

The guiding principle for Fingrid's dividend policy is to distribute substantially all of the parent company profit as dividends. When making the decision, however, the economic conditions, the company's near-term capital expenditure and development needs as well as any prevailing financial targets of the company are always taken into account.

The table below indicates the differences between the consolidated IFRS income statement and the parent company's FAS income statement.

BRIDGE CALCULTION FROM IFRS RESULT TO FAS RESULT, MEUR	2024	2023
Consolidated profit for the financial period (IFRS)	**149.2**	**1.2**
Deferred tax	3.4	-35.2
Cancellation of the depreciation of rights of use to line areas	-3.4	-3.5
FAS / IFRS differences in financial costs	-13.1	-6.6
Eliminations and other FAS / IFRS differences	-4.2	-6.8
IFRS 15 revenue recognition	23.9	36.2
Change in the market value of derivatives	41.0	184.7
Change in depreciation difference	-61.7	-28.5
Parent company profit for the financial period (FAS)	**135.0**	**141.4**

Accounting principles

Dividend distribution
The Board of Directors' proposal concerning dividend distribution is not recorded in the financial statements. The liability and equity is recognised only after a decision is made by the Annual General Meeting of Shareholders.

7 OTHER INFORMATION

- **Chapter seven contains the rest of the notes.**
- **First, a presentation of the Group companies and related parties information is described in their own section.**
- **Later, other notes follow in the same sequence they appear in the income statement and balance sheet.**

7.1 Group companies and related parties

The Group has two Fingrid's wholly-owned subsidiaries, Finextra Oy and Fingrid Datahub Oy.

Finextra Oy is a subsidiary wholly-owned by Fingrid Oyj established to handle the statutory public service obligations not included in actual grid operations or transmission system responsibility. These tasks include peak load capacity services and guarantee-of-origin services for electricity. No power plants participated in the peak load capacity system in 2024. The Energy Authority oversees Finextra's operations and reasonable returns from its services.

The key duties of Fingrid Datahub Oy are to offer and develop centralised electricity market information exchange services and other related services for electricity market participants and to govern the register information of consumption sites required by the electricity market. The subsidiary manages the operational activities linked to Datahub and is responsible for the system development of Datahub. Datahub is a centralised information exchange system for electricity retail markets that stores data from Finland's 4 million sites of electricity consumption

The associated companies, eSett Oy (holding 25.0 per cent) and Nordic RCC A/S (holding 25.0 per cent), have been consolidated accordingly. Nordic RCC supports Nordic TSOs in managing system security and sets the electricity system's transmission capacities.

The investments in associated companies included in the balance sheet are composed of the following:

26. INVESTMENTS IN ASSOCIATED COMPANIES, € 1,000	**2024**	**2023**
Non-current		
Interests in associated companies	13,702	13,291
Total	**13,702**	**13,291**

Financial summary of associated companies, €1,000

	Non-current		Current assets				Ownership
2024	Assets	Liabilities	Assets	Liabilities	Turnover	Profit/loss	(%)
eSett Oy	5,562		143,193	139,574	8,440	246	25.0
Nordic RCC AS	42,810	3,970	18,249	11,676	37,509	1,502	25.0

	Non-current		Current assets				Ownership
2023	Assets	Liabilities	Assets	Liabilities	Turnover	Profit/loss	(%)
eSett Oy	5,508		108,983	105,531	8,492	650	25.0
Nordic RCC AS	42,652	2,464	13,458	9,707	30,655	1,221	25.0

The Group's associated companies indicated in the tables are treated in the consolidated financial statements using the equity method of accounting.

The company has an equity investment in Danish kroner in an associated company, which results in exposure to translation risk. The translation risk is not significant, and the company does not hedge against this risk.

Equity investments in associated companies, € 1,000	**2024**	**2023**
Cost at 1 Jan	13,291	12,734
Increases	443	580
Decreases	-16	-8
Translation reserve	-16	-16
Carrying amount 31 Dec	**13,702**	**13,291**

There are no material temporary differences related to associated companies on which deferred tax assets or liabilities have been recognised.

Transactions with associated companies, € 1,000	**2024**	**2023**
Sales	13	17
Expense adjustments	-	1
Purchases	11,231	9,670
Receivables	21,195	18,014
Liabilities	-	353

The subsidiaries, associated companies and parent company (Fingrid Oyj) described above are related parties of the Group. In addition, the shareholder entities mentioned in chapter 6.5 and the top management and its related parties are also considered related parties. The top management is composed of the Board of Directors, the President & CEO, and the executive management group. All transactions between Fingrid and related parties take place on market terms. The company has not lent money to the top management, and the company has no transactions with the top management. At the close of the reporting period, the Republic of Finland owned 53.1 per cent of the company's shares. The Finnish Parliament has authorised the Ministry of Finance to reduce the state's ownership in Fingrid Oyj to no more than 50.1 per cent of the company's shares and votes. The company applies in its related party disclosures the practical relief as defined in IAS 24.25.

Remuneration of the Board of Directors, the President and CEO and Executive Management Group	**2024**	**2023**
Salaries and other short-term employee benefits	1,625	1,875
Statutory pensions	244	276
Variable remuneration	625	568
Total	**2,494**	**2,719**

Salaries and fees have been reported on a cash flow basis

Salaries and bonuses of the members of the Board of Directors and President and CEO, €1,000	**2024**	**2023**
Hannu Linna, Chairman (since 20 March 2020)	42	44
Leena Mörttinen Vice Chairman (since 31 March 2023)	24	20
Päivi Nerg, Vice Chairman (until 30 March 2023)		8
Jero Ahola, Member of the Board (since 31 March 2023)	21	17
Anne Jalkala, Member of the Board (since 31 March 2023)	20	16
Mikko Mursula (since 21 March 2024)	16	
Jukka Reijonen, Member of the Board (until 21 March 2024)	5	23
Sanna Syri, Member of the Board (until 30 March 2023)		7
Total	128	134
Asta Sihvonen-Punkka, President and CEO (since 1 January 2024)	356	
Jukka Ruusunen, President and CEO (until 31 December 2023)	235	541
Total	847	810

Remuneration earned in previous years was paid to Jukka Ruusunen in 2024.

Accounting principles

Subsidiaries

The subsidiaries encompass all companies over which the Group has control. The Group is considered to have control over a company if the Group's holding results in exposure to variable returns or if the Group is entitled to variable returns and it can influence these returns by exercising its control over the company. The subsidiaries are consolidated into the consolidated financial statements starting from the day on which the Group gained control over the company. Consolidation is discontinued once the control ceases to exist.

Consolidation of operations is carried out using acquisition cost method.

Transactions, receivables and liabilities between Group companies and any unrealised profits from internal transactions are eliminated. Unrealised losses are also eliminated unless the transaction indicates an impairment of the disposed asset. If necessary, the financial statements of the subsidiaries have been adjusted to correspond to the accounting principles applied by the Group.

Associated companies

The associated companies include all companies over which the Group has significant influence but no control or joint control. This is generally based on a shareholding amounting to 20–50% of the votes.

Investments in associated companies are initially recognised at the acquisition cost and subsequently handled using the equity method. According to the equity method, investments are initially recorded at the acquisition cost and this is subsequently adjusted by recognising the Group's share of the profit or loss after the time of acquisition in the income statement and the Group's share of any changes in the investment object's other comprehensive income in other comprehensive income. Any dividends received or to be received from the associated companies and joint ventures are deducted from the investment's carrying amount.

If the Group's share of the losses of an investment recognised according to the equity method equals or exceeds the Group's holding in the company in question, including any other non-current receivables without collaterals, the Group will not recognise any additional losses unless it has obligations or it has made payments on behalf of the company.

A share corresponding to the Group's ownership interest is eliminated from the unrealised profits between the Group and its associated companies and joint ventures. Any unrealised losses are also eliminated unless the transaction indicates an impairment of the disposed asset. If necessary, the accounting principles applied by the investments to be recognised according to the equity method have been adjusted to correspond to the principles applied by the Group.

7.2 Other notes

Emission rights
Fingrid's reserve power plants are subject to an environmental permit and covered by the EU's emissions trading scheme. Emission rights purchased in 2024 amounted to 4,000 units (tCO_2). Emissions trading had minor financial significance for Fingrid. CO_2 emissions included in emissions trading totalled 5,121 tonnes in 2024 (4,757).

Accounting principles

Emission rights
Purchased emission rights are recognised in intangible assets at their acquisition cost. A liability is recognised for emission rights to be returned. If the Group has sufficient emission rights to cover the return obligations, the liability is recognised at the carrying amount corresponding to the emission rights in question. If there are not sufficient emission rights to cover the return obligations, the liability is recognised at the market value of the emission rights in question. No amortisation is recognised on emission rights. They are derecognised in the balance sheet at the time of transfer when the actual emissions have been ascertained. The expense resulting from the liability is recognised in the income statement under the expense item 'Materials and services'. Capital gains from emissions rights are recognised under other operating income.

27. PROVISIONS, € 1,000

	2024	2023
Provisions for creosote-impregnated towers 1 Jan	2,870	3,119
Increase in provisions	73	-
Decrease in provisions	-	-215
Provisions used	-89	-34
Provisions 31 Dec	**2,854**	**2,870**

Accounting principles

Provisions
A provision is recorded when the Group has a legal or factual obligation based on an earlier event and it is likely that fulfilling the obligation will require a payment, and the amount of the obligation can be estimated reliably.
The provisions are valued at the present value of the costs required to cover the obligation. The discounting factor used in calculating the present value is chosen so that it reflects the market view of the time value of money at the assessment date and the risks pertaining to the obligation.

28. COMMITMENTS AND CONTINGENT LIABILITIES, €1,000

	2024	2023
Pledges	297	289
Other financial commitments		
Rent security deposit, guarantee	2,609	38
Credit facility commitment fee and commitment fee:		
Commitment fee for the next year	779	599
Commitment fee for subsequent years	1,487	1,302
	4,874	**1,939**
Unrecognised investment commitments	**625,570**	**520,930**

The investment commitments consist of agreements signed by the company to carry out grid construction projects and to procure the datahub system.

Payment obligations from right-of-use agreements for reserve power plants:		
In one year	5,332	4,237
In more than one year and less than five years	11,630	11,576
In more than five years	3,198	4,241
Total	**20,160**	**20,055**

Under its system responsibility, Fingrid is also obligated to maintain a rapid response disturbance reserve to prepare for disruptions to the power system. In order to ensure the availability of this disturbance reserve, Fingrid has, in addition to its reserve power plant capacity, acquired power plant capacity suited to this purpose by long-term Right-of-use agreements.

Legal proceedings and proceedigns by authorities
On 2 January 2024, Fingrid appealed to the Market Court against the Energy Authority's decision on the terms and conditions of balance service. The appeal mainly concerns the collateral model for balance responsible parties presented in the decision. In November 2023, the Energy Authority issued a decision on the terms and conditions for balance responsible parties, which include the principles for how collateral requirements are determined. The Energy Authority's decision includes major changes to the current collateral terms and conditions and sets apart Finland's collateral model from that used in other Nordic countries. The most significant changes to the current collateral model include a major reduction in the required collaterals, elimination of the requirement to provide an adequate additional collateral and a possible collateral ceiling.

On 29 January 2024, Fingrid appealed to the Market Court against the Energy Authority's decision on the methods concerning the specification of the profit for the electricity transmission grid operations for the sixth regulatory period 1 January 2024–31 December 2027 and seventh regulatory period 1 January 2028–31 December 2031. According to Fingrid's assessment, the decision on the regulatory methods is a significant weakening of the electricity transmission grid operations' reasonable profit regulatory method that expired at year-end. In Fingrid's view, the assessment of impacts in preparing the regulatory model decision has been deficient and there are still issues open to interpretation related to the presented decision. The decision weakens Fingrid's ability to invest. Fingrid's goal is a solution that would also enable the future development of the grid, allowing the hundreds of billions in green transition investments in Finland to be implemented as planned.

On 15 February 2024, Fingrid appealed to the Market Court against the decision given by the Energy Authority on 11 January 2024 on the scope of the national transmission system operator's systems responsibility regarding the grid connection of the OL3 nuclear power plant. Teollisuuden Voima Oyj ("TVO") lodged a request for an investigation with the Energy Authority on 25 May 2022 related to the claims by TVO that Fingrid has neglected its obligation to develop the main grid as stated in the Finnish Electricity Market Act and/or other applicable legislation, and that, as a result, it has placed unlawful restrictions on connecting the Olkiluoto 3 nuclear power plant to the grid, and that Fingrid is in breach of its administrative obligations linked to carrying out its public administrative task. The Energy Authority states in its decision of 11 January 2024 that Fingrid fulfilled its development, connection and transmission obligations in accordance with the Electricity Market Act. The Energy Authority also found the 1,300 MW power limit specified in Fingrid's connection terms justified and did not find Fingrid to have restricted Olkiluoto 3's access to the grid. In its decision, the Energy Authority sees, however, that Olkiluoto 3's protection scheme falls under Fingrid's responsibility based on a transmission system operator's protection scheme as intended by legislation and that Fingrid is in breach of Article 9 of the Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation and its obligation in line with Section 10, Subsection 1 of the Act on the Control of the Electricity and Natural Gas Market (2013/590) to bring the determination principles for fees it applies before the Energy Authority for approval prior to their implementation.

In accordance with the Energy Authority's decision, Fingrid submitted its proposal concerning the determination principles for fees related to the OL3 protection scheme on 30 April 2024. The Energy Authority issued its decision on the determination principles for fees on 30 December 2024. According to the decision, TVO shall bear the costs for reimbursements to response resources connected to system protection and for the construction, maintenance and use of data communication connections. The decision states that Fingrid shall bear the costs for acquiring the response resources and awarding contracts, managing the protection scheme and the tests to be carried out on the response resources for system protection, as well as for the maintenance of the measurement and monitoring system for system protection in Fingrid's operation control system.

Fingrid and TVO have agreed on provisional fee arrangements for Olkiluoto 3's protection scheme as of 1 January 2025. The agreement is based on the decision issued by the Energy Authority on the costs for the protection scheme on 30 December 2024. The provisional fee arrangements for the protection scheme do not directly affect the legal proceedings concerning the protection scheme's extent, which are still ongoing in the Market Court.

Fingrid received an expropriation permit for the widening of the Torna–Lautakari right-of-way for the neutral line on 27 October 2022. In the kick-off meeting for the expropriation procedure on 1 December 2022, the expropriation committee decided that the expropriating party is obligated to assume responsibility for the tree stands within the scope of the rights and restrictions set in the expropriation permit, unless otherwise agreed. The final meeting of the expropriation procedure was held on 16 November 2023. Fingrid appealed against the decision concerning the Torna–Lautakari tree stands' expropriation to the Southwest Finland District Court's Land Rights Court on 22 December 2023.Click or tap here to enter text.

Events after the review period and future outlook
Fingrid Group's result for the 2025 financial period, excluding changes in the fair value of derivatives and before taxes, is expected to be on the same level as in 2024. This estimation includes the recognition of congestion income in the company's turnover and other operating income. The implementation of the investment programme is advancing. The investment level is estimated to be lower than in the previous year. The power system is expanding and its complexity is increasing, and the availability of electricity production and consumption flexibility is subject to uncertainty. This, coupled with growing electricity transmission needs, will increase the costs of Fingrid's operations and the uncertainty related to the costs in 2025. At the same time, fluctuations in the national power balance will increase. The grid's connection capability will be affected by the location of the customer projects to be connected, flexibility in electricity production and consumption and changes in customer needs. The company's financial position is expected to remain stable.

The company's balance sheet contains a significant amount of congestion income, mostly from 2022 from the cross-border links between Estonia and Finland and Sweden and Finland. Also going forward, Fingrid's goal is to use congestion income actively for investments that will increase cross-border transmission capacity and to cover operating costs to benefit Fingrid's customers. The use of congestion income is decided by the Energy Authority based on an EU regulation.

Concerning the damage to the EstLink2 submarine cables, the maritime court ordered, on 3 January 2025, the seizure of the vessel suspected of causing the damage, Eagle S, to secure the claims of Fingrid and the other parties applying to the court for the seizure. Fingrid has decided to waive enforcement of the seizure of the Eagle S oil tanker due to the financial risk involved. The decision to waive enforcement of the seizure does not affect further legal actions. Fingrid will sue for damages caused by the Eagle S.

On 29 January 2025, Fingrid appealed to the Market Court against the decision issued by the Energy Authority on 30 December 2024 concerning the confirmation of the determination principles for fees for the OL3 nuclear power plant's system protection scheme. In Fingrid's view, the OL3 system protection scheme is not included in its statutory system responsibility, which means that it is not responsible for the implementation of the OL3 system protection scheme or any fees.

Group's contact information and approval of the financial statements
Fingrid Oyj is a Finnish public limited liability company incorporated under the Finnish Companies Act. Fingrid's consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. Fingrid's registered office is in Helsinki at the address P.O. Box 530 (Läkkisepäntie 21, 00620, Helsinki), 00101 Helsinki.

A copy of the consolidated financial statements is available on the website fingrid.fi or at Fingrid Oyj's head office.

Fingrid Oyj's Board of Directors has accepted the publication of these financial statements in its meeting on 4 March 2025. In accordance with the Finnish Companies Act, the shareholders have the opportunity to adopt or reject the financial statements in the shareholders' meeting held after their publication. The shareholders' meeting can also amend the financial statements.

8 PARENT COMPANY FINANCIAL STATEMENTS (FAS)

8.1 Parent company income statement

	Notes	Jan-Dec/2024 €	Jan-Dec/2023 €
TURNOVER	2	**1,272,562,142.47**	**1,209,655,756.33**
Other operating income	3	133,344,931.64	119,723,400.41
Materials and services	4	-932,197,329.26	-914,897,529.81
Personnel costs	5	-45,329,919.26	-41,017,969.50
Depreciation and amortisation expense	6	-121,795,571.21	-116,699,688.17
Other operating expenses	7,8	-49,120,731.61	-42,274,017.62
OPERATING RESULT		**257,463,522.77**	**214,489,951.64**
Finance income and costs	9	-26,980,003.07	-9,218,380.50
RESULT BEFORE APPROPRIATIONS AND TAXES		**230,483,519.70**	**205,271,571.14**
Appropriations			
Change in depreciation difference		-61,700,000.00	-28,500,000.00
Income taxes	10	-33,803,742.44	-35,350,337.80
RESULT FOR THE FINANCIAL YEAR		**134,979,777.26**	**141,421,233.34**

8.2 Parent company balance sheet

ASSETS	Notes	31 Dec 2024 €	31 Dec 2023 €
Intangible assets:			
Other intangible assets	12	66,732,841.49	69,858,133.75
		66,732,841.49	**69,858,133.75**
Tangible assets	13		
Land and water areas		26,070,360.86	24,142,922.17
Buildings and structures		383,819,671.58	355,246,091.65
Machinery and equipment		666,250,923.86	622,169,509.33
Transmission lines		689,598,552.46	682,722,040.23
Other property, plant and equipment		110,452.46	110,452.46
Prepayments and purchases in progress		514,356,206.94	266,338,242.13
		2,280,206,168.16	**1,950,729,257.97**
Interests in Group companies		16,895,995.35	16,895,995.35
Interests in associated companies		12,736,342.75	12,736,342.75
Other investments		81,127,008.10	75,244,605.50
		110,759,346.20	**104,876,943.60**
TOTAL NON-CURRENT ASSETS		**2,457,698,355.85**	**2,125,464,335.32**
Inventories	15	**20,528,613.60**	**19,104,410.38**
Loan receivables from Group companies	16	29,928,253.23	35,416,295.43
Deferred tax assets	10	20,270,723.90	19,714,345.52
Other receivables	16	227,769.95	74,010.35
		50,426,747.08	**55,204,651.30**
Trade receivables		88,475,335.52	14,780,596.17
Receivables from Group companies	17	5,823,690.40	5,866,737.85
Receivables from associated companies	18	21,195,053.12	18,014,145.71
Other receivables	19	5,757,050.33	15,905,662.85
Prepayments and accrued income	20,21	23,597,084.24	19,993,024.51
		144,848,213.61	**74,560,167.09**
Financial securities	22	**135,420,188.11**	**127,802,770.76**
Cash in hand and bank receivables	22	**611,288,468.84**	**253,737,021.96**
TOTAL CURRENT ASSETS		**962,512,231.24**	**530,409,021.49**
TOTAL ASSETS		**3,420,210,587.09**	**2,655,873,356.81**

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31 Dec 2024 €	31 Dec 2023 €
EQUITY	23		
Share capital		55,922,485.55	55,922,485.55
Share premium account		55,922,485.55	55,922,485.55
Profit from previous financial years		37,239,637.55	32,928,804.21
Profit for the financial year		134,979,777.26	141,421,233.34
TOTAL SHAREHOLDERS' EQUITY		**284,064,385.91**	**286,195,008.65**
ACCUMULATED APPROPRIATIONS	24	**369,096,757.27**	**307,396,757.27**
PROVISIONS FOR LIABILITIES AND CHARGES	31	**2,854,000.00**	**2,870,000.00**
LIABILITIES			
Non-current liabilities			
Bonds	25,26	1,288,478,261.01	370,989,990.71
Loans from financial institutions		212,160,675.81	258,541,293.04
Accruals	30	429,918,600.06	387,080,551.92
		1,930,557,536.88	**1,016,611,835.67**
CURRENT LIABILITIES			
Bonds	25	82,511,729.70	300,000,000.00
Loans from financial institutions		46,380,617.27	40,354,810.83
Trade payables		36,468,503.67	59,452,721.57
Liabilities to Group companies	27	5,248,556.39	4,426,772.61
Liabilities to associated companies	28	-	352,920.00
Other liabilities	29	200,949,937.32	2,176,258.60
Accruals	30	462,078,562.68	636,036,271.61
		833,637,907.03	**1,042,799,755.22**
TOTAL LIABILITIES		**2,764,195,443.91**	**2,059,411,590.89**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,420,210,587.09**	**2,655,873,356.81**

8.3 Parent company cash flow statement

	1 Jan - 31 Dec, 2024 €	1 Jan - 31 Dec, 2023 €
Cash flow from operating activities:		
Result before taxes	230,483,519.70	205,271,571.14
Adjustments:		
Depreciation and amortisation	121,795,571.21	116,699,688.17
Capital gains/losses (+/-) on tangible and	-385,510.58	1,930,195.41
Interest and other finance costs	26,980,003.07	9,218,380.50
Recognition of congestion income	-431,068,668.47	-402,684,378.02
Changes in working capital:		
Change in trade receivables and other	-63,307,516.96	24,114,031.54
Change in inventories	-1,424,203.22	-406,356.86
Change in trade payables and other liabilities	11,307,299.27	-30,982,445.20
Congestion income	327,521,940.44	317,013,106.23
Change in provisions	-88,620.00	-33,820.00
Interest paid	-51,277,986.71	-41,711,184.12
Interest received	31,917,126.00	31,109,125.94
Taxes paid	-36,231,861.37	-34,205,731.99
Net cash flow from operating activities	166,221,092.38	195,332,182.74
Cash flow from investing activities:		
Purchase of property, plant and equipment	-529,940,363.76	-287,931,456.19
Purchase of intangible assets	-5,622,263.11	-8,622,699.69
Purchase of other assets	-52,760,105.86	-161,593,939.24
Proceeds from sale of other assets	49,260,236.07	60,661,474.12
Proceeds from sale of property, plant and equipment	500,000.00	50,000.00
Contributions received	25,935,166.98	5,547,158.04
Repayment of loan receivables	5,488,042.20	8,675,542.20
Dividends received	-	150,000.00
Net cash flow from investing activities	-507,139,287.48	-383,063,920.76
Cash flow from financing activities:		
Proceeds from current financing (liabilities)	459,243,447.42	-
Payments of current financing (liabilities)	-266,237,427.89	-
Proceeds from non-current financing (liabilities)	992,055,000.00	-
Payments of non-current financing (liabilities)	-340,354,810.79	-55,995,671.01
Change in group account receivables and liabilities	873,783.40	-474,253.41
Dividends paid	-137,110,400.00	-133,037,400.00
Net cash flow from financing activities	708,469,592.14	-189,507,324.42
Change in cash and cash equivalents and financial assets	**367,551,397.04**	**-377,239,062.44**
Cash and cash equivalents and financial assets 1 Jan	**355,851,933.10**	**733,090,995.54**
Cash and cash equivalents and financial assets 31	**723,403,330.14**	**355,851,933.10**

8.4 Notes to the financial statements of parent company

1. ACCOUNTING PRINCIPLES

Fingrid Oyj's financial statements have been drawn up in accordance with the Finnish Accounting Standards (FAS). The items in the financial statements are valued at original acquisition cost.

Foreign currency transactions
Transactions denominated in foreign currencies are recognised at the foreign exchange mid-rate quoted by the European Central Bank (ECB) at the transaction date. Interest-bearing liabilities and receivables and the derivatives hedging these items are valued at the mid-rate quoted by the ECB at the closing date. Foreign exchange gains and losses on interest-bearing liabilities and receivables, and on the instruments hedging these items, are recognised at maturity under finance income and costs. Foreign exchange rate differences arising from the derivatives used to hedge commercial currency flows are recognised to adjust the corresponding item in the income statement.

Interest and currency derivatives
Interest rate and currency swaps, currency derivatives and interest rate options are used, in accordance with the Treasury Policy, to hedge the interest rate and foreign exchange risk, as well as the commercial items, in Fingrid's balance sheet items. The accounting principles for derivative contracts are the same as for the underlying items. The interest rate items of interest rate and cross-currency swaps and interest rate options are accrued and recognised in the income statement under interest income and costs. The interest portion of currency derivative contracts hedging the interest-bearing liabilities and receivables is accrued over the maturity of the contracts and recognised under finance income and costs. Premiums paid or received on interest rate options are accrued over the hedging period.

Electricity derivatives
Fingrid hedges its loss power purchases against price risk with listed futures and forward contracts, and on the OTC market, with contracts comparable to financial products. The profits and losses arising from these contracts are used to adjust the loss energy purchases in the income statement in the period in which the hedging impacts profit or loss.

Metal derivatives
The company concludes metal derivative agreements to hedge against the metal price risk arising from purchases.
Research and development expenses
Research and development expenses are treated as annual expenses.

Valuation of fixed assets
Fixed assets are capitalised under immediate acquisition cost. Planned straight-line depreciation and amortisation on the acquisition price is calculated on the basis of the useful life of the fixed asset. Depreciation and amortisation on fixed assets taken into use during the financial year is calculated on an item-by-item basis from the month of introduction.

The depreciation and amortisation periods are as follows:

Goodwill	20 years
Other non-current expenses:	
Rights of use to line areas	30–40 years
Other rights of use according to useful life, maximum	10 years
Computer software	3–10 years
Buildings and structures	
Substation buildings and separate buildings	40 years
Substation structures	30 years
Buildings and structures at gas turbine power plants	20–40 years
Separate structures	15 years
Transmission lines	
Transmission lines 400 kV	40 years
Direct current lines	40 years
Transmission lines 110–220 kV	30 years
Creosote-impregnated towers and related disposal costs*	30 years
Aluminium towers of transmission lines (400 kV)	10 years
Optical ground wires	10–20 years
Machinery and equipment	
Substation machinery	10–30 years
Gas turbine power plants	20 years
Other machinery and equipment	3–5 years

*Disposal costs are discounted at present value and added to the value of the fixed asset and recognised under provisions for liabilities and charges.

Goodwill is amortised over a 20-year period, since grid operations are a long-term business in which income is accrued over several decades.

Emission rights
Emission rights are treated in accordance with the net procedure in conformance with statement 1767/2005 of the Finnish Accounting Board.

Valuation of inventories

Inventories are recognised according to the FIFO principle at acquisition cost, or at the lower of replacement cost or probable market price.

Cash in hand, bank receivables and financial securities
Cash in hand and bank receivables include cash assets and bank balances. Financial securities are investments in short-term fixed income funds or time deposits in banks. Purchase of other assets consists of investments in debt instruments. Quoted securities and comparable assets are valued at the lower of original acquisition cost or probable market price.

Interest-bearing liabilities
Fingrid's non-current interest-bearing liabilities consist of loans from financial institutions and bonds issued under the Euro Medium Term Note (EMTN) programme. The current interest-bearing liabilities consist of commercial papers issued under the domestic and international programmes and of the current portion of noncurrent borrowings and bonds maturing within a year. The outstanding notes under the programmes are denominated in euros and foreign currencies. Fingrid has both fixed and floating rate debt. The interest is accrued over the maturity of the debt. The differential of a bond issued over or under par value is accrued over the life of the bond. The arrangement fees of the revolving credit facilities are, as a rule, immediately recognised as an expense, and the commitment fees are recognised as an expense over the maturity of the facility.

Financial risk management
The principles applied to the management of financial risks are presented in chapters 6.2 and 6.3 of the Notes to the Consolidated Financial Statements.

Income taxes
Taxes include the accrued tax corresponding to the profit for the financial year as well as tax adjustments for previous financial years.

Deferred taxes
The company enters deferred tax assets for the congestion income it uses for investments, and they become taxable income and tax in the year in which they were used. The tax assets entered for congestion income are recognised in accordance with the depreciation used in taxation for investments covered by congestion income. Congestion income allocated to investments is entered as a reduction in acquisition cost. For the rest, deferred tax assets and liabilities are not recorded in the income statement or balance sheet but are instead presented in the notes.

2. TURNOVER, €1,000	2024	2023
Grid service income	299,280	200,757
Imbalance power sales	636,841	682,616
ITC income	10,836	20,753
Congestion income	301,000	284,720
Other operating income	24,605	20,810
Total	**1,272,562**	**1,209,656**

3. OTHER OPERATING INCOME, €1,000	2024	2023
Rental income	492	396
Capital gains of fixed assets	481	-
Contributions received	3	11
Congestion income	130,069	117,964
Other income	2,300	1,352
Total	**133,345**	**119,723**

4. MATERIALS AND SERVICES, €1,000	2024	2023
Purchase of imbalance power	457,392	491,072
Cost of reserves	217,645	185,243
Loss energy purchases	81,074	75,203
Other purchases during the financial year	87,651	93,566
Change in inventories, increase (-) or decrease (+)	-1,424	-406
Materials and consumables	842,338	844,677
Services	89,859	70,220
Total	**932,197**	**914,898**

5. PERSONNEL EXPENSES, €1,000	2024	2023
Salaries and bonuses	38,145	34,364
Pension expenses	6,252	5,492
Other personnel expenses	933	1,163
Total	**45,330**	**41,018**

Number of employees in the company during the financial year:	2024	2023
Personnel, average	558	496
Personnel, 31 Dec	567	520

6. DEPRECIATION AND AMORTISATION ACCORDING TO PLAN, €1,000	2024	2023
Other non-current expenses	9,735	8,326
Buildings and structures	16,826	15,590
Machinery and equipment	56,106	54,668
Transmission lines	39,129	38,116
Total	**121,796**	**116,700**

7. OTHER OPERATING EXPENSES, €1,000	2024	2023
Contracts, assignments etc. undertaken externally	30,727	23,156
Other rental expenses	4,798	4,657
Other costs	13,596	14,461
Total	**49,121**	**42,274**

8. AUDITORS' FEES, €1,000	2024	2023
PricewaterhouseCoopers Oy		
Auditing fee		162
Other fees		77
KPMG Oy		
Auditing fee	101	
Other fees	176	
Total	**277**	**239**

9. FINANCE INCOME AND COSTS, €1,000	2024	2023
Dividend income from Group companies	-	150
Interest income from Group companies	1,727	2,077
Interest income from associated companies	-	1
Interest and other finance income from others	27,157	32,399
	28,884	34,628
Interest and other finance costs to others	-55,587	-43,553
Interest and other finance costs to Group companies	-277	-293
	-55,864	-43,846
Total	**-26,980**	**-9,218**

10. INCOME TAXES, €1,000	2024	2023
Income taxes for the financial year	34,404	30,366
Income taxes for the previous financial years	-44	-30
Changes in deferred taxes	-556	5,014
Total	33,804	35,350

Deferred tax assets in balance sheet, €1,000		
On temporary differences from congestion income	20,271	19,714
Total	20,271	19,714

Deferred tax assets and liabilities of balance sheet, €1,000		
Deferred tax assets		
On temporary differences	571	574
	571	574
Deferred tax liabilities		
On temporary differences	431	450
On appropriations	73,819	61,479
	74,251	61,929
Total	**73,680**	**61,355**

11. GOODWILL, €1,000	2024	2023
Cost at 1 Jan	128,664	128,664
Cost at 31 Dec	**128,664**	**128,664**
Accumulated amortisation according to plan 1 Jan	-128,664	-128,664
Carrying amount 31 Dec	**0**	**0**

12. INTANGIBLE ASSETS, €1,000	2024	2023
Cost at 1 Jan	195,777	184,697
Increases 1 Jan–31 Dec	7,016	11,647
Decreases 1 Jan–31 Dec	-406	-567
Cost at 31 Dec	202,387	195,777
Accumulated amortisation according to plan 1 Jan	-125,919	-117,694
Decreases, amortisation according to plan 1 Jan–31 Dec	-	101
Amortisation according to plan 1 Jan–31 Dec	-9,735	-8,326
Carrying amount 31 Dec	66,733	69,858
Accumulated amortisation difference 1 Jan	-42,061	-43,872
Changes in amortisation difference reserve 1 Jan–31 Dec	2,378	1,812
Accumulated amortisation in excess of plan 31 Dec	**-39,683**	**-42,061**

13. TANGIBLE ASSETS, €1,000	2024	2023
Land and water areas		
Cost at 1 Jan	24,143	21,391
Increases 1 Jan–31 Dec	1,927	2,752
Cost at 31 Dec	**26,070**	**24,143**
Buildings and structures		
Cost at 1 Jan	491,334	418,487
Increases 1 Jan–31 Dec	45,398	73,435
Decreases 1 Jan–31 Dec	-	-588
Cost at 31 Dec	**536,731**	**491,334**
Accumulated depreciation according to plan 1 Jan	-136,086	-120,932
Decreases, depreciation according to plan 1 Jan–31 Dec	-	434
Depreciation according to plan 1 Jan–31 Dec	-16,826	-15,590
Carrying amount 31 Dec	**383,820**	**355,246**
Accumulated depreciation difference 1 Jan	-16,100	-15,743
Changes in depreciation difference reserve 1 Jan–31 Dec	-594	-357
Accumulated depreciation in excess of plan 31 Dec	**-16,694**	**-16,100**
Machinery and equipment		
Cost at 1 Jan	1,453,306	1,364,036
Increases 1 Jan–31 Dec	100,189	111,415
Decreases 1 Jan–31 Dec	-	-22,145
Cost at 31 Dec	**1,553,495**	**1,453,306**
Accumulated depreciation according to plan 1 Jan	-831,139	-796,994
Decreases, depreciation according to plan 1 Jan–31 Dec	-	20,525
Depreciation according to plan 1 Jan–31 Dec	-56,106	-54,668
Carrying amount 31 Dec	**666,251**	**622,170**
Accumulated depreciation difference 1 Jan	-6,858	9,535
Changes in depreciation difference reserve 1 Jan–31 Dec	-38,271	-16,393
Accumulated depreciation in excess of plan 31 Dec	**-45,129**	**-6,858**
Transmission lines		
Cost at 1 Jan	1,407,750	1,385,232
Increases 1 Jan–31 Dec	46,120	23,943
Decreases 1 Jan–31 Dec	-252	-1,426
Cost at 31 Dec	**1,453,618**	**1,407,750**
Accumulated depreciation according to plan 1 Jan	-725,028	-688,130
Decreases, depreciation according to plan 1 Jan–31 Dec	137	1,219
Depreciation according to plan 1 Jan–31 Dec	-39,129	-38,116
Carrying amount 31 Dec	**689,599**	**682,722**
Accumulated depreciation difference 1 Jan	-242,378	-228,816
Changes in depreciation difference reserve 1 Jan–31 Dec	-25,213	-13,562
Accumulated depreciation in excess of plan 31 Dec	**-267,591**	**-242,378**
Other property, plant and equipment		
Cost at 1 Jan	110	110
Cost at 31 Dec	**110**	**110**

Prepayments and purchases in progress		
Cost at 1 Jan	266,338	181,962
Increases 1 Jan–31 Dec	448,595	307,784
Transfers to other tangible and intangible assets 1 Jan–31 Dec	-200,577	-223,407
Cost at 31 Dec	**514,356**	**266,338**
Tangible assets total*	**2,280,206**	**1,950,729**

14. INVESTMENTS, €1,000	**2024**	**2023**
Interests in Group companies		
Cost at 1 Jan	16,896	16,896
Cost at 31 Dec	**16,896**	**16,896**
Interests in associated companies		
Cost at 1 Jan	12,736	12,736
Cost at 31 Dec	**12,736**	**12,736**
Other shares and interests		
Other investments		
Cost at 1 Jan	75,245	
Increases 1 Jan–31 Dec	46,949	95,711
Decreases and transfers to short-term financial securities 1 Jan–31 Dec	-41,066	-20,466
Cost at 31 Dec	**81,127**	**75,245**
Investments total, carrying amount 31.12.	**110,759**	**104,877**

15. INVENTORIES, €1,000	**2024**	**2023**
Materials and consumables at 31 Dec	20,529	19,104
Total	**20,529**	**19,104**

16. OTHER NON-CURRENT RECEIVABLES, €1,000	**2024**	**2023**
Loan receivables from Group companies	29,928	35,416
Deferred tax assets	20,271	19,714
Other non-current receivables	228	74
Total	**50,427**	**55,205**

17. RECEIVABLES FROM GROUP COMPANIES, €1,000	**2024**	**2023**
Current:		
Trade receivables	297	291
Interest receivables	-	9
Other receivables	-	56
Loan receivables	5,488	5,488
Prepayments and accured income	39	23
Total	**5,824**	**5,867**

18. RECEIVABLES FROM ASSOCIATED COMPANIES, €1,000	**2024**	**2023**
Current:		
Trade receivables	19,801	17,578
Prepayments and accured income	1,395	436
Total	**21,195**	**18,014**

19. OTHER RECEIVABLES, €1,000	2024	2023
Interest and other financial items	3	13,878
Other receivables	5,754	2,028
Total	**5,757**	**15,906**

20. ACCRUED INCOME, €1,000	2024	2023
Interest and other financial items	11,083	8,432
Accruals of sales and purchases	11,805	11,561
Tax assets	709	-
Total	**23,597**	**19,993**

21. UNRECORDED EXPENSES AND PAR VALUE DIFFERENTIALS ON THE ISSUE OF LOANS INCLUDED IN ACCRUED INCOME, €1,000	2024	2023
Par value differentials	**6,883**	**1,369**

22. FINANCIAL SECURITIES, CASH IN HAND AND BANK RECEIVABLES, €1,000	2024	2023
Short-term fixed income funds	92,115	102,115
Cash in hand and bank receivables	611,288	253,737
Bank deposits, over 3 months	20,000	-
Other short-term interest rate instruments	23,305	25,688
Total	**746,709**	**381,540**

23. SHAREHOLDERS' EQUITY, €1,000	2024	2023
Share capital 1 Jan	55,922	55,922
Share capital 31 Dec	**55,922**	**55,922**
Share premium account 1 Jan	55,922	55,922
Share premium account 31 Dec	**55,922**	**55,922**
Profit from previous financial years 1 Jan	**174,350**	**165,966**
Dividend distribution	-137,110	-133,037
Profit from previous financial years 31 Dec	**37,240**	**32,929**
Profit for the financial year	**134,980**	**141,421**
Shareholders' equity 31 Dec	**284,064**	**286,195**
Distributable shareholders' equity	**172,219**	**174,350**

Number of shares	Series A shares	Series B shares	Total
1 Jan 2024	2,078	1,247	3,325
31 Dec 2024	**2,078**	**1,247**	**3,325**

Series A shares confer three votes each at the Annual General Meeting and Series B shares one vote each. When electing members of the Board of Directors, Series A shares confer 10 votes each at the Annual General Meeting and Series B shares one vote each.

Series B shares have the right before Series A shares to obtain the annual dividend specified below from the funds available for profit distribution. If the annual dividend cannot be distributed in some year, the shares confer a right to receive the undistributed amount from the funds available for profit distribution in the subsequent years; however, such that Series B shares have the right over Series A shares to receive the annual dividend and the undistributed amount.

Fingrid Oyj's Annual General Meeting decides on the annual dividend
Eighty-two (82) per cent of the dividends to be distributed for each financial year is distributed for all Series A shares and eighteen (18) per cent for all Series B shares, however such that EUR twenty (20) million of the dividends to be distributed for each financial year is first distributed for all Series B shares. If the above-mentioned EUR twenty (20) million minimum amount for the financial period is not distributed (all or in part) for Series

B shares in a financial period, Series B shares confer the right to receive the undistributed minimum amount in question (or the accumulated undistributed minimum amount accrued during such financial periods) in the next profit distribution, in any disbursements paid out, or in any other distribution of assets prior to any other dividends, disbursements or asset distribution until the undistributed minimum amount has been distributed in full for Series B shares.

There are no non-controlling interests.

24. ACCUMULATED APPROPRIATIONS, €1,000	2024	2023
Accumulated depreciation from the difference between depreciation according to plan and depreciation carried out in taxation	369,097	307,397
Total	**369,097**	**307,397**

25. BONDS, €1,000				2024	2023
Currency	Nominal value	Maturity	Interest	Balance sheet value	
EUR	300,000	3 Apr 2024	3.50%		300,000
EUR	70,000	7 May 2025	0.527%	70,000	70,000
EUR	100,000	23 Nov 2027	1.125%	100,000	100,000
EUR	25,000	27 Mar 2028	2.71%	25,000	25,000
EUR	10,000	12 Sep 2028	3.271%	10,000	10,000
EUR	500,000	4 Dec 2029	2.750%	500,000	
EUR	80,000	24 Apr 2029	2.95%	80,000	80,000
EUR	30,000	30 May 2029	2.888%	30,000	30,000
EUR	500,000	20 Mar 2034	3.250%	500,000	
				1,315,000	615,000
NOK	100,000	16 Sep 2025	4.31%	12,512	12,512
NOK	500,000	8 Apr 2030	2.72%	43,478	43,478
				55,990	55,990
Bonds, long-term total				1,288,478	370,990
Bonds, short-term total				82,512	300,000
Total				**1,370,990**	**670,990**

26. LOANS FALLING DUE IN FIVE YEARS OR MORE, €1,000	2024	2023
Bonds	543,478	153,478
Loans from financial institutions	103,716	124,101
Total	**647,194**	**277,579**

27. LIABILITIES TO GROUP COMPANIES, €1,000	2024	2023
Current:		
Other liabilities	5,249	4,427
Total	**5,249**	**4,427**

28. LIABILITIES TO ASSOCIATED COMPANIES, €1,000	2024	2023
Current:		
Accruals	-	353
Total	**0**	**353**

29. OTHER LIABILITIES, €1,000	2024	2023
Current:		
Other loans/Commercial papers	193,006	-
Electricity tax	505	777
Other liabilities	1,509	1,400
Value added tax	5,930	-
Total	**200,950**	**2,176**

30. ACCRUALS, €1,000	2024	2023
Non-current:		
Congestion income	429,919	387,081
Total	429,919	387,081
Current:		
Interest and other financial items	23,416	17,261
Salaries and additional personnel expenses	11,134	10,311
Accruals of sales and purchases	15,614	18,651
Tax debts	-	1,163
Congestion income	411,914	588,650
Total	462,079	636,036
Total	**891,997**	**1,023,117**

*Information on the accrual and use of congestion income can be found in note 36

31. PROVISIONS FOR LIABILITIES AND CHARGES, €1,000	2024	2023
Creosote-impregnated and CCA-impregnated wooden towers, disposal costs	2,854	2,870
Total	**2,854**	**2,870**

32. DERIVATIVE AGREEMENTS, €1,000

	2024				2023				Hierarchy level
Interest rate and currency derivatives	Fair value pos. 31.12.24	Fair value neg. 31.12.24	Net fair value 31.12.24	Nominal value 31.12.24	Fair value pos. 31.12.23	Fair value neg. 31.12.23	Net fair value 31.12.23	Nominal value 31.12.23	
Cross-currency swaps		-10,611	-10,611	55,990		-7,944	-7,944	55,990	Level 2
Currency derivatives		-255	-255	2,147	7	-340	-333	5,172	Level 2
Interest rate swaps	117	-8,230	-8,113	480,000	283	-10,164	-9,882	280,000	Level 2
Bought interest rate options	546		546	100,000	5,181		5,181	300,000	Level 2
Total	**663**	**-19,095**	**-18,432**	**638,137**	**5,471**	**-18,448**	**-12,977**	**641,162**	
Electricity derivatives	Fair value pos. 31.12.24	Fair value neg. 31.12.24	Net fair value 31.12.24	Volume TWh 31.12.24	Fair value pos. 31.12.23	Fair value neg. 31.12.23	Net fair value 31.12.23	Volume TWh 31.12.23	
Electricity forward	14,908	-19,418	-4,510	4.5	36,787	-2,746	34,041	4.0	Level 2
Total	**14,908**	**-19,418**	**-4,510**	**4.5**	**36,787**	**-2,746**	**34,041**	**4.0**	
Metal derivatives	Fair value pos. 31.12.24	Fair value neg. 31.12.24	Net fair value 31.12.24	mt 31.12.24	Fair value pos. 31.12.23	Fair value neg. 31.12.23	Net fair value 31.12.23	mt 31.12.23	
Metal swaps					55	-40	15	302	Level 2
Total					**55**	**-40**	**15**	**302**	

33. COMMITMENTS AND CONTINGENT LIABILITIES, €1,000	**2024**	**2023**
Rental liabilities		
Liabilities for the next year	5,694	4,236
Liabilities for subsequent years	63,553	30,562
	69,247	**34,799**
Right-of-use agreements		
Liabilities for the next year	5,332	4,237
Liabilities for subsequent years	14,827	15,818
	20,160	**20,055**
Pledges given as collateral for regulatory charges	297	289
Other financial commitments		
Rent security deposit, guarantee	609	38
Credit facility commitment fee and commitment fee:		
Commitment fee for the next year	777	599
Liabilities for subsequent years	1,487	1,302
	2,873	**1,939**
Unrecognised investment commitments	**625,570**	**520,718**

The investment commitments consist of agreements signed by the company to carry out grid construction projects.

34. LEGAL PROCEEDINGS AND PROCEEDINGS BY AUTHORITIES

On 2 January 2024, Fingrid appealed to the Market Court against the Energy Authority's decision on the terms and conditions of balance service. The appeal mainly concerns the collateral model for balance responsible parties presented in the decision. In November 2023, the Energy Authority issued a decision on the terms and conditions for balance responsible parties, which include the principles for how collateral requirements are determined. The Energy Authority's decision includes major changes to the current collateral terms and conditions and sets apart Finland's collateral model from that used in other Nordic countries. The most significant changes to the current collateral model include a major reduction in the required collaterals, elimination of the requirement to provide an adequate additional collateral and a possible collateral ceiling.

On 29 January 2024, Fingrid appealed to the Market Court against the Energy Authority's decision on the methods concerning the specification of the profit for the electricity transmission grid operations for the sixth regulatory period 1 January 2024–31 December 2027 and seventh regulatory period 1 January 2028–31 December 2031. According to Fingrid's assessment, the decision on the regulatory methods is a significant weakening of the electricity transmission grid operations' reasonable profit regulatory method that expired at year-end. In Fingrid's view, the assessment of impacts in preparing the regulatory model decision has been deficient and there are still issues open to interpretation related to the presented decision. The decision weakens Fingrid's ability to invest. Fingrid's goal is a solution that would also enable the future development of the grid, allowing the hundreds of billions in green transition investments in Finland to be implemented as planned.

On 15 February 2024, Fingrid appealed to the Market Court against the decision given by the Energy Authority on 11 January 2024 on the scope of the national transmission system operator's systems responsibility regarding the grid connection of the OL3 nuclear power plant. Teollisuuden Voima Oyj ("TVO") lodged a request for an investigation with the Energy Authority on 25 May 2022 related to the claims by TVO that Fingrid has neglected its obligation to develop the main grid as stated in the Finnish Electricity Market Act and/or other applicable legislation, and that, as a result, it has placed unlawful restrictions on connecting the Olkiluoto 3 nuclear power plant to the grid, and that Fingrid is in breach of its administrative obligations linked to carrying out its public administrative task. The Energy Authority states in its decision of 11 January 2024 that Fingrid fulfilled its development, connection and transmission obligations in accordance with the Electricity Market Act. The Energy Authority also found the 1,300 MW power limit specified in Fingrid's connection terms justified and did not find Fingrid to have restricted Olkiluoto 3's access to the grid. In its decision, the Energy Authority sees, however, that Olkiluoto 3's protection scheme falls under Fingrid's responsibility based on a transmission system operator's protection scheme as intended by legislation and that Fingrid is in breach of Article 9 of the Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation and its obligation in line with Section 10, Subsection 1 of the Act on the Control of the Electricity and Natural Gas Market (2013/590) to bring the determination principles for fees it applies before the Energy Authority for approval prior to their implementation.

In accordance with the Energy Authority's decision, Fingrid submitted its proposal concerning the determination principles for fees related to the OL3 protection scheme on 30 April 2024. The Energy Authority issued its decision on the determination principles for fees on 30 December 2024. According to the decision, TVO shall bear the costs for reimbursements to response resources connected to system protection and for the construction, maintenance and use of data communication connections. The decision states that Fingrid shall bear the costs for acquiring the response resources and awarding contracts, managing the protection scheme and the tests to be carried out on the response resources for system protection, as well as for the maintenance of the measurement and monitoring system for system protection in Fingrid's operation control system. Fingrid and TVO have agreed on provisional fee arrangements for Olkiluoto 3's protection scheme as of 1 January 2025. The agreement is based on the decision issued by the Energy Authority on the costs for the protection scheme on 30 December 2024. The provisional fee arrangements for the protection scheme do not directly affect the legal proceedings concerning the protection scheme's extent, which are still ongoing in the Market Court.

Fingrid received an expropriation permit for the widening of the Torna–Lautakari right-of-way for the neutral line on 27 October 2022. In the kick-off meeting for the expropriation procedure on 1 December 2022, the expropriation committee decided that the expropriating party is obligated to assume responsibility for the tree stands within the scope of the rights and restrictions set in the expropriation permit, unless otherwise agreed. The final meeting of the expropriation procedure was held on 16 November 2023. Fingrid appealed against the decision concerning the Torna–Lautakari tree stands' expropriation to the Southwest Finland District Court's Land Rights Court on 22 December 2023.

35. SEPARATION OF BUSINESSES IN ACCORDANCE WITH THE ELECTRICITY MARKET ACT

Imbalance power and regulating power
Each electricity market participant must have an open supplier for its electricity production and procurement and for electricity consumption and deliveries. The open supplier must designate a balance responsible party for the open delivery it delivers to an electricity market participant, and the balance responsible party carries out imbalance settlement for the electricity production and procurement and the use and transmission of electricity linked with the open delivery in question through this open delivery or the linked continuous chain of open deliveries. The balance responsible party signs a balance service agreement with Fingrid. Fingrid buys and sells imbalance power to settle any imbalance in the hourly power balance of a balance responsible party. Imbalance pricing is based on the balance service agreement with impartial and public terms and conditions.

Fingrid is responsible for maintaining a power balance in Finland at all times by buying and selling balancing power. The balance responsible parties can participate in the Nordic balancing power market by submitting bids on their available capacity. The terms and conditions of participation in the balancing power market and the pricing of balancing power are based on the balancing power market agreement.

Fingrid is responsible for organising national imbalance settlement. A company jointly owned by the Finnish, Swedish, Norwegian and Danish transmission system operators, eSett Oy, draws up the imbalance settlement and manages the guarantees set by the balance responsible parties. The imbalance settlement takes place after the delivery hour by determining the actual electricity generation, consumption, electricity trading and any imbalance adjustments for reserve activation. The outcome of the balance settlement is the power balance for each balance responsible party.

Management of balance operation
In accordance with a decision by the Energy Market Authority, Fingrid Oyj shall separate the duties pertaining to national power balance operation by virtue of Chapter 12 of the Electricity Market Act. Balance responsibility is part of financially regulated grid operations.

The income statement of the balance service unit is separated by means of cost accounting as follows:

Income	direct
Separate costs	direct
Production costs	matching principle
Administrative costs	matching principle
Depreciation and amortisation	matching principle in accordance with Fingrid Oyj's depreciation principle
Finance income and costs	on the basis of imputed debt
Income taxes	based on result

The average number of personnel during 2024 was 11 (10). The operating profit was 6.4 (9.8) per cent of turnover.

MANAGEMENT OF BALANCE OPERATION, SEPARATED INCOME STATEMENT	1 Jan - 31 Dec, 2024 €1,000	1 Jan - 31 Dec, 2023 €1,000
TURNOVER	**664,371**	**700,530**
Materials and services	-618,072	-628,403
Personnel costs	-1,403	-1,354
Depreciation and amortisation expense	-1,116	-746
Other operating expenses	-1,393	-1,326
OPERATING PROFIT	**42,388**	**68,701**
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	**42,388**	**68,701**
Appropriations	108	-91
Income taxes	-7,650	-
PROFIT/LOSS FOR THE FINANCIAL YEAR	**34,845**	**68,611**

MANAGEMENT OF BALANCE OPERATION, SEPARATED BALANCE SHEET

ASSETS	31 Dec 2024 €1,000	31 Dec 2023 €1,000
NON-CURRENT ASSETS		
Intangible assets		
Other non-current expenses	2,125	2,311
Tangible assets		
Machinery and equipment	631	707
Investments		
Interests in associated companies	1,501	1,501
TOTAL NON-CURRENT ASSETS	**4,257**	**4,519**
CURRENT ASSETS		
Current receivables		
Trade receivables	6,457	14,616
Receivables from Group companies	17,239	
Receivables from associated companies	19,801	17,578
	43,496	32,194
Cash in hand and bank receivables	1	1
TOTAL CURRENT ASSETS	**43,497**	**32,195**

TOTAL ASSETS	**47,754**	**36,714**

SHAREHOLDERS' EQUITY AND LIABILITIES	**31 Dec 2024**	**31 Dec 2023**
	€1,000	**€1,000**
EQUITY		
Share capital	32	32
Share premium account	286	286
Profit from previous financial years	-	-51,490
Profit for the financial year	34,845	68,611
TOTAL SHAREHOLDERS' EQUITY	**35,162**	**17,438**
ACCUMULATED APPROPRIATIONS	**-422**	**-314**
LIABILITIES		
Current liabilities		
Trade payables	3,928	6,350
Other debt	9,086	5,485
Liabilities to Group companies	-	7,755
	13,014	19,590
TOTAL LIABILITIES	**13,014**	**19,590**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**47,754**	**36,714**

Grid operations
Grid operations refers to licensed electricity system operation that takes place on the electricity grid. Electricity system operations are defined in Chapter 1 of the Electricity Market Act (588/2013) and grid operations are defined in Chapter 5. Of Fingrid Oyj's operations, activities related to the management of the power reserve system and guarantees of origin for electricity, as well as the Datahub system are not included in grid operations. Operations that are not part of grid operations constitute 'other operations' as referred to in Chapter 12 of the Electricity Market Act and must be separated from grid operations in accordance with that Chapter.

The income statement and balance sheet of grid operations and other operations have, in compliance with Chapter 12 of the Electricity Market Act, been separated by means of cost accounting as follows:

Income	direct
Separate costs	direct
Production costs	matching principle
Administrative costs	matching principle
Depreciation and amortisation	matching principle in accordance with Fingrid Oyj's depreciation principle
Finance income and costs	on the basis of imputed debt
Income taxes	based on result
Balance sheet items	matching principle

SEPARATED INCOME STATEMENT	TRANSMISSION SYSTEM OPERATION 1 Jan - 31 Dec, 2024 €1,000	TRANSMISSION SYSTEM OPERATION 1 Jan - 31 Dec, 2023 €1,000
TURNOVER	**1,271,028**	**1,208,041**
Other operating income	133,345	119,723
Purchases during the financial year	-762,689	-769,881
Loss power procurement	-81,074	-75,203
Change in stock	1,424	406
Grid service charges	-96	-93
Other services	-89,763	-70,127
Personnel costs	-45,050	-40,719
Depreciation and amortisation expense	-8,457	-6,625
Depreciation according to plan for the electricity grid	-113,338	-110,075
Other operating expenses	-43,068	-36,302
Renting expenses	-4,798	-4,657
OPERATING PROFIT	**257,464**	**214,490**
Other interest and financial income	27,157	32,401
Other interest and financial expenses	-54,486	-42,065
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	**230,135**	**204,825**
Accumulated depreciation and amortisation difference for the electricity grid	-61,431	-26,306
Accumulated depreciation and amortisation difference for other non-current assets	-269	-2,194
Income taxes	-33,734	-35,261
PROFIT/LOSS FOR THE FINANCIAL YEAR	**134,701**	**141,064**

SEPARATED INCOME STATEMENT	OTHER OPERATION 1 Jan - 31 Dec, 2024 €1,000	OTHER OPERATION 1 Jan - 31 Dec, 2023 €1,000
TURNOVER	**1,534**	**1,614**
Personnel costs	-280	-299
Other operating expenses	-1,254	-1,316
OPERATING PROFIT	**0**	**-0**
Finance income and costs		
Revenue from group companies	-	150
Other interest and financial income in group companies	1,727	2,077
Other interest and financial expenses in group companies	-277	-293
Other interest and financial expenses	-1,101	-1,488
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	**349**	**446**
Income taxes	-70	-89
PROFIT/LOSS FOR THE FINANCIAL YEAR	**279**	**357**

SEPARATED BALANCE SHEET

ASSETS	TRANSMISSION SYSTEM OPERATION 31 Dec 2024 €1,000	TRANSMISSION SYSTEM OPERATION 31 Dec 2023 €1,000
Intangible assets:		
Intangible assets of the electricity grid	55,103	57,316
Other intangible assets	11,630	12,543
	66,733	**69,858**
Tangible assets		
Tangible assets of the electricity grid	1,727,596	1,642,227
Other property, plant and equipment	38,254	42,164
Prepayments and purchases in progress	514,356	266,338
	2,280,206	**1,950,729**
Investments:		
Investments	93,863	87,981
	93,863	**87,981**
TOTAL NON-CURRENT ASSETS	**2,440,802**	**2,108,568**
CURRENT ASSETS		
Inventories	20,529	19,104
Non-current		
Other receivables	20,498	19,788
	20,498	**19,788**
Current		
Trade receivables	108,276	32,359
Other receivables	5,757	15,906
Prepayments and accrued income	24,992	20,429
	139,025	**68,693**
Financial securities	135,420	127,803
Cash in hand and bank receivables	610,555	252,546
TOTAL CURRENT ASSETS	**926,027**	**487,935**
TOTAL ASSETS	**3,366,829**	**2,596,503**

SEPARATED BALANCE SHEET

SHAREHOLDERS' EQUITY AND LIABILITIES	TRANSMISSION SYSTEM OPERATION 31 Dec 2024 €1,000	TRANSMISSION SYSTEM OPERATION 31 Dec 2023 €1,000
EQUITY		
Share capital	55,920	55,920
Share premium account	55,922	55,922
Profit from previous financial years	37,138	32,808
Profit for the financial year	134,701	141,064
TOTAL SHAREHOLDERS' EQUITY	**283,681**	**285,715**

Accumulated depreciation difference for grid assets	392,886	331,455
Accumulated depreciation difference for other assets	-23,789	-24,058
PROVISIONS FOR LIABILITIES AND CHARGES	2,854	2,870
LIABILITIES		
Non-current liabilities		
Bonds	1,248,065	339,503
Loans from financial institutions	205,506	236,598
Accruals	429,919	387,081
	1,883,490	**963,182**
Current liabilities		
Bonds	82,512	300,000
Loans from financial institutions	239,387	40,355
Trade payables	36,469	59,453
Other liabilities	7,936	2,169
Accruals	461,405	635,363
	827,708	**1,037,339**
TOTAL LIABILITIES	**2,711,198**	**2,000,521**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**3,366,829**	**2,596,503**
Return on investment (ROI) in transmission system operation, %	17.5 %	20.2 %

SEPARATED BALANCE SHEET

	OTHER OPERATION	OTHER OPERATION
ASSETS	**31 Dec 2024**	**31 Dec 2023**
	€1,000	**€1,000**
Intangible assets:		
Investments	16,896	16,896
	16,896	**16,896**
TOTAL NON-CURRENT ASSETS	**16,896**	**16,896**
CURRENT ASSETS		
Non-current		
Other receivables	29,928	35,416
	29,928	**35,416**
Trade receivables	297	291
Other receivables	5,488	5,544
Prepayments and accrued income	39	32
	5,824	**5,867**
Cash in hand and bank receivables	733	1,191
TOTAL CURRENT ASSETS	**36,485**	**42,474**
TOTAL ASSETS	**53,381**	**59,370**

SEPARATED BALANCE SHEET

SHAREHOLDERS' EQUITY AND LIABILITIES	OTHER OPERATION 31 Dec 2024 €1,000	OTHER OPERATION 31 Dec 2023 €1,000
EQUITY		
Share capital	3	3
Profit from previous financial years	102	121
Profit for the financial year	279	357
TOTAL SHAREHOLDERS' EQUITY	**384**	**480**
LIABILITIES		
Non-current liabilities		
Bonds	40,413	31,487
Loans from financial institutions	6,654	21,943
	47,068	**53,430**
Liabilities to Group companies, interest bearing	5,244	4,426
Liabilities to Group companies	1	1
Other liabilities	8	8
Accruals	677	1,026
	5,930	**5,460**
TOTAL LIABILITIES	**52,998**	**58,890**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**53,381**	**59,370**

Other non-current assets included in the separated balance sheet for grid operations

SEPARATED BALANCE SHEET

ASSETS	TRANSMISSION SYSTEM OPERATION 31 Dec 2024 €1,000	TRANSMISSION SYSTEM OPERATION 31 Dec 2023 €1,000
Intangible assets:		
Other intangible assets	11,630	12,543
	11,630	**12,543**
Tangible assets		
Land and water areas	22,041	20,141
Buildings and structures	7,015	11,051
Machinery and equipment	6,929	8,613
Transmission lines	2,157	2,249
Other property, plant and equipment	110	110
Prepayments and purchases in progress	514,356	266,338
	552,610	**308,502**
TOTAL NON-CURRENT ASSETS	**564,240**	**321,045**

INTANGIBLE ASSETS, 1 000 €	2024	2023
Intangible assets of the electricity grid, € 1,000		
Carrying amount 31 Dec	55,103	57,316
Carrying amount 1 Jan	-57,316	-57,600
Amortisation according to plan 1 Jan–31 Dec	4,451	4,331
Decreases 1 Jan–31 Dec	406	466
Total	**2,644**	**4,512**
Other intangible assets, 1 000 €		
Carrying amount 31 Dec	11,630	12,543
Carrying amount 1 Jan	-12,543	-9,404
Amortisation according to plan 1 Jan–31 Dec	5,284	3,995
Total	**4,371**	**7,134**
INTANGIBLE ASSETS TOTAL	**7,016**	**11,647**

PROPERTY, PLANT AND EQUIPMENT, 1 000 €	2024	2023
Tangible grid investments, 1,000 €		
Carrying amount 31 Dec	1,727,596	1,642,227
Carrying amount 1 Jan	-1,642,227	-1,545,054
Depreciation according to plan 1 Jan–31 Dec	108,887	105,744
Decreases 1 Jan–31 Dec	-5,402	1,980
Total	**188,855**	**204,897**
Other property, plant and equipment, 1 000 €		
Carrying amount 31 Dec	38,254	42,164
Carrying amount 1 Jan	-42,164	-38,145
Depreciation according to plan 1 Jan–31 Dec	3,173	2,630
Decreases 1 Jan–31 Dec	5,516	-
Total	**4,779**	**6,648**
Prepayment and purchases in progress, 1 000 €		
Carrying amount 31 Dec	514,356	266,338
Carrying amount 1 Jan	-266,338	-181,962
Decreases 1 Jan–31 Dec	200,577	223,407
Total	**448,595**	**307,784**
TANGIBLE ASSETS TOTAL	**642,229**	**519,330**

36. CONGESTION INCOME IN GRID OPERATIONS

The congestion income received by a grid owner must be used for the purposes stated in EU Regulation 2019/943, Article 19: guaranteeing the actual availability of the allocated capacity, maintaining or increasing interconnection capacities through network investments, covering the costs of maintaining said capacity and recognising congestion income in the company's turnover. The congestion income is included as accruals in the item Other liabilities in the balance sheet. Of accruals, congestion income is recognised in the income statement in other operating income in compliance with the accrual of costs defined in regulation and in turnover to the extent that congestion income can be directly recognised for the benefit of grid customers. Alternatively, they are recognised in the balance sheet against investments, as defined by regulation, to lower the acquisition cost of property, plant and equipment. As a result, this lowers the depreciation of the property, plant and equipment in question. Fingrid reports the share to

be used during the next year in short-term liabilities. The Energy Authority's regulatory letters during the regulatory period guide the use of congestion income. The Energy Authority issues a decision on the use of congestion income as part of its supervisory decision on the reasonable return.

Congestion income, €1,000	**2024**	**2023**
Congestion income on 1 Jan	975,731	1,063,736
Accumulated congestion income	327,522	317,013
Returns matching congestion income	-301,000	-284,720
Expenses matching congestion income	-44,546	-21,806
Allocated to transmission right compensations	-85,523	-96,158
Investments matching congestion income	-30,351	-2,334
Congestion income on 31 Dec	**841,833**	**975,731**

Countertrade
The countertrade used to safeguard system security in transmission grid operations results in costs. The countertrade costs arising from countertrade at cross-border transmission connections can be covered by congestion income.

Counter trade, €1,000	**2024**	**2023**
Countertrade between Finland and Sweden	938	137
Countertrade between Finland and Estonia	5,159	651
Countertrade between Finland's internal connections	957	73
Total counter-trade	**7,054**	**861**

37. EMISSION RIGHTS

The use of emission rights had no impact on the financial result in 2024.

	2024	**2023**
Total CO_2 emissions tCO_2	5,121	4,757

9 SIGNATURES FOR THE ANNUAL REVIEW AND FOR THE FINANCIAL STATEMENTS

Statements of the Board of Directors and the President & CEO

We confirm that the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face and; that the sustainability statement within management report is prepared in accordance with sustainability report standards referred to in Chapter 7 of the Accounting Act and with the Article 8 of Taxonomy Regulation.

Helsinki, 4 March 2025

Hannu Linna
Chair

Leena Mörttinen
Deputy Chairman

Jero Ahola

Anne Jalkala

Mikko Mursula

Asta Sihvonen-Punkka
President & CEO

Auditor's notation

A report on the audit carried out has been submitted today.

Helsinki, 4 March 2025

KPMG Oy
Authorised Public Accountants

Heidi Hyry, APA