



Caruna's year 2021

caruna | Positive energy.



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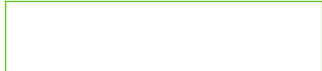
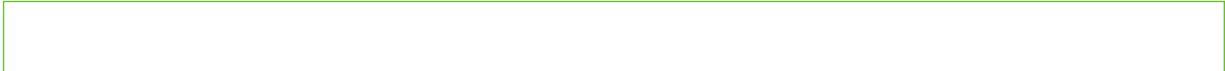
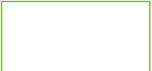
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Caruna's numerical key figures for 2021 can be found in summary starting on page 59.



Navigating the energy transition with our customers in 2021

During the year under review, every operator in the energy sector was swept into the swirls of energy transition in Finland. At Caruna, we always take into consideration the transition of our society towards a carbon-neutral future in everything we do. Among other things, this influenced the updates to our strategy in the early autumn.

We have over 700,000 customers within the catchment areas of our networks on various voltage levels, and they were and remain the focus of our operations. The length of our network remained unchanged at 88,100 kilometres (2020: 88,350), and it continued to offer a very high standard of reliability 99.99% (2020: 99.98). Our electricity network is located in Southern, Southwestern, and Western Finland,

the regions of Satakunta and Koillismaa, and the city of Joensuu.

PRICES FELL IN CARUNA ESPOO OY'S NETWORK AREA

Our group includes two distinct distribution companies: Caruna Oy, which mainly operates in sparsely populated areas, and the urban company Caruna Espoo Oy. These companies price their services to customers by the same principles, and this provided Caruna Espoo Oy with the opportunity to reduce its prices by an average of 2.5% as of 1st of November 2021. Caruna Espoo Oy's network has been comprehensively refurbished, and there are more customers than ever to share the costs per kilometre of network, which made possible to revise the prices. In addition, there is no immediate pressure to raise prices in Caruna Oy's network area. Our lower pace of investment also contributes to this.

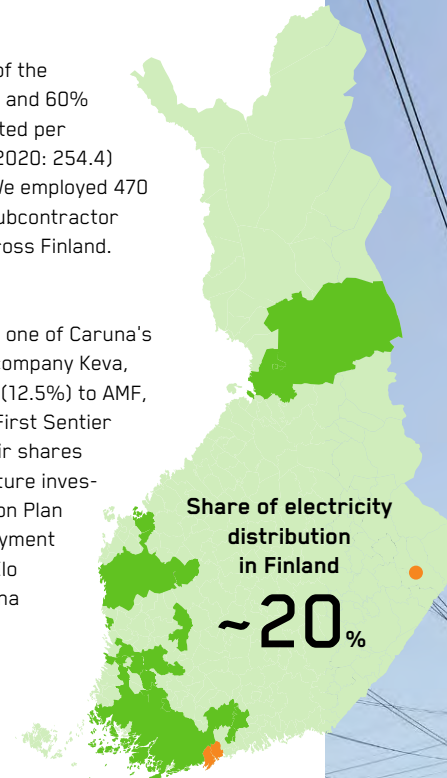
Caruna Espoo Oy had 35 metres (2020: 36) of network per customer. The corresponding figure for Caruna Oy was 165 metres (2019: 168).

The respective cabling rates of the network were 81% (2020: 78) and 60% (2020: 57), and the sum invested per resident came to EUR 216.0 (2020: 254.4) and EUR 154.2 (2020: 95.4). We employed 470 (2020: 570) contractor and subcontractor companies in our projects across Finland.

CHANGES IN OWNERSHIP

During the year under review, one of Caruna's original owners, the pension company Keva, sold its share in the company (12.5%) to AMF, a Swedish pension company. First Sentier Investors and Omers sold their shares (40% each) to two infrastructure investors: Ontario Teachers' Pension Plan Board and KKR. Finnish Employment Pension Insurance Company Elo continue as an owner of Caruna with a share of 7.5%.

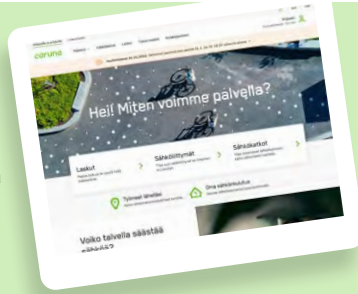
- Caruna Oy
- Caruna Espoo Oy



Aiming for a million satisfied customers

85

We re-launched the Duunienergiaa campaign, which employed 85 young people in summer jobs in more than 30 municipalities.



We compiled an information package on our website about the pricing of electricity distribution, which shows our customers how the distribution fees are used.

> [Pricing site \(in Finnish\)](#)



On the ground under the power lines – or on a ‘cable street’ as professionals call it – it is possible to grow seedlings of Christmas trees, for example!

Our new owners are the Ontario Teachers’ Pension Plan Board and KKR, as well as the Swedish employment pension insurance company AMF.

A public survey we conducted showed that consumers are interested in solar energy: 54 percent of Finns are interested in using solar panels.



We installed 15 snow load sensors on the Rymättylä power line, that indicate when snow and ice accumulate on the power lines. Excess cargo can be removed, for example, by helicopter before it has time to cause damage. Pictured on the right is our maintenance manager with the sensor in his hand.



-2.5%

We reduced the price of electricity distribution in the area of Caruna Espoo Oy by an average of 2.5 percent. The price reduction affected approximately 226,000 customers in Espoo, Kauniainen, Kirkkonummi and the center of Joensuu.



We made it even easier to set up a solar community by launching an electronic counter that instantly tells how big solar power complex is worth acquiring in a housing company.

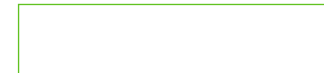
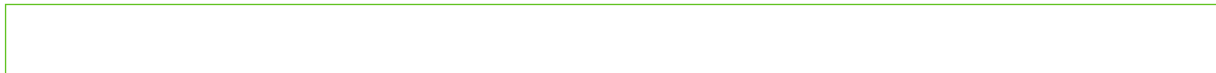
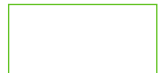
> [Solar Community Counter \(in Finnish\)](#)

Regulatory changes slow down the reform of electricity network – customers and climate goals are the ones who lose

We spent another year learning to live with the COVID-19 and the associated uncertainty and restrictions. The COVID-19 did not stop us from performing our basic duty – distributing electricity reliably. The reliability rate of the network was good, and the volume of energy transmitted in our networks increased due to a cold start to the year. Customer service and network construction went as planned, despite the abnormal operating environment.

The COVID-19 was not the only subject for discussion last year; the energy production, availability, and price were also hot topics. Renewable energy is carbon-free but also highly dependent on the weather. A dry season in Norway and Sweden and a shortage of water reserves pushed the price of electricity to the limits of tolerance.

Society must be electrified for Finland to achieve its ambitious climate targets. Modern smart electricity networks will become essential as the consumption of electricity and the share of weather-dependent production increases. At Caruna, we are working hard with our partners to enable clean, renewable energy to be distributed to our customers and ensure our network can withstand increasingly extreme weather conditions.



Caruna is now mid-way through its investment programme. Most of our customers in built-up areas are covered by a reliable, weather-proof electricity network. However, we still have plenty of work to do in sparsely populated areas. Ageing electricity networks are a problem in rural areas, and investment is needed to ensure that our network is smart, weather-proof, and capable of enabling renewable electricity production in sparsely populated areas.

Storm Paula, which wreaked havoc in Koillismaa in the midsummer week, showed that the legislative requirement to restore electricity to customers in sparsely populated areas within 36 hours is highly challenging. About 120 people worked around the clock to repair the network in Koillismaa and, in some places, built entirely new sections. The last electrical faults in huge areas of deforestation were repaired 10 days after the storm.

CHANGES IN THE SUPERVISORY MODEL THREATEN FUTURE INVESTMENTS

The need for technical renewal in Finland's electricity networks is a huge undertaking for electricity distribution companies. The network we are building now should still be in operation in the 2060s and 2070s. For this reason, we need predictable regulation that takes a long-term perspective and incentivises operators to make

the necessary investments. Electricity distribution is a strictly regulated sector, and the Energy Authority supervises operators with four-year regulatory periods. The model has worked well, so it is hard to understand the decision to alter the regulations at the start of 2022, mid-way through a regulatory period.

The changes are financially significant, and it is abundantly clear that stricter regulations will impede the capacity of network operators to make investments. At the same time, there is a growing risk of electricity networks forming a bottleneck to the addition of renewable energy, the electrification of transport, and the reduction of industrial emissions. It is becoming increasingly important to reconcile supply with demand, as the share of renewable energy increases in electricity production. Customers are assuming a more important role as active parties, and electricity distribution companies should be seen as a solution in this context, not as a problem.

Over a long term, the changes will also have a negative impact on investors' willingness to invest and the price of financing. We detected the first indication of this when a credit rating agency called Standard & Poor's, announced that Caruna's prospects had weakened due to the changes in the supervisory model. S&P also noted that the risk to similar surprising, negative changes has increased. This is very unfortunate

A reliable and intelligent electricity network is the backbone of a clean energy system.



news to a capital-intensive, outsourced-dependent industry. In January of 2022 S&P announced that they were changing Caruna's credit rating from the level "BBB+ and significantly lowered prospects" to "BBB and stable prospects".

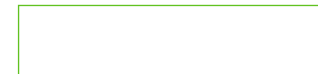
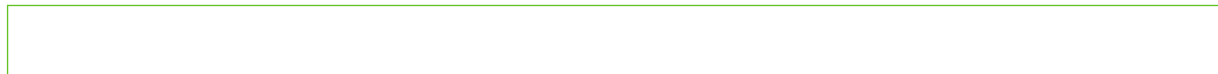
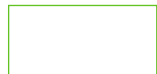
A NEW ORGANISATION WILL ACCELERATE THE IMPLEMENTATION OF THE STRATEGY

Stricter regulation and the rapid transformation of the sector, with all the challenges that accompany it, call for new types of expertise and agility, as well as a closer cooperation between Caruna's various units. For this reason, we revised our operating model and organisational structure to reflect the updated strategy. The

operational restructuring that began in the autumn went very smoothly with the support of the new owners, and the changes took effect at the start of December.

This is my last review as Caruna's CEO. During the spring of 2022, I will move on to a new role outside Caruna. I would like to express my warmest thanks to our customers, personnel, partners, and investors for the great and constructive cooperation. All of you have an important role to play in enabling the energy transition – the journey towards cleaner energy production, distribution, and consumption.

Tomi Yli-Kyynty
CEO



We updated our strategy with the energy transition

The energy transition requires operators in the energy sector to undergo major changes. This includes Caruna. We aim to guide our customers and Finnish society through the transition and ensure that carbon-neutrality is achieved according to the schedule.

In the second half of the year under review, we updated our strategy to be better equipped to meet the rapidly evolving demands of a society in the grips of accelerating climate change. It is our job to safeguard high-quality, cost-efficient, and sustainable electricity distribution for our customers under all conditions. We have selected five focal areas that will help us to carry out this demanding task.

FUTURE-PROOF, EFFICIENT, AND PROFITABLE ACTIVITIES

At the end of the year under review, we revised our organisational structure to enable us to serve our customers in the ways that serve them best. Our goal is for our customers to

receive an effortless service. We made major progress on the development of our digital services in 2021, and this work will continue. When we develop our electricity network, we take into account our customers' future needs as well as the trends and regional differences in the energy market, and this inspired us to update our construction methods in 2021.

EFFECTIVE USE OF SYSTEM MANAGEMENT AND DATA

New expertise is required in order to promote the energy transition cost-effectively. The most critical work in the future will be to develop our electricity network and make it weather-proof and capable of responding to changes in the operating environment. During the year under review, we began altering our IT architecture to meet the future needs of an electricity network operator.

COOPERATION WITH DECISION-MAKERS AND THE AUTHORITIES

Over the years, we have accumulated plenty of expertise and information on the importance of the electricity network for the proper functioning of society. We know our network areas and our customers, and we shared our knowledge during numerous meetings with decision-makers and

listened attentively to their hopes concerning our operations. We remain in open dialogue with the authorities.

POTENTIAL FOR GROWTH IN REGULATED ELECTRICITY DISTRIBUTION

Electricity distribution must function in Finland under all conditions. Stricter regulations, the energy transition, and the efficiency requirements imposed on the electricity network require electricity distributors to possess expertise and financial resources. Finland's electricity distribution market is highly decentralised, with a total of 77 distribution companies. The smallest of these have fewer customers overall than the number of new customers that come to Caruna Group every year, so we expect a certain amount of consolidation to occur in the future. We stand ready to engage in cooperation with the other operators in the sector in this regard.

OTHER OPPORTUNITIES TO SUPPORT THE COMPETITIVENESS OF REGULATED OPERATIONS

If the energy transition requires it, we may also consider engaging in business activities or providing services that are beyond the scope of regulation. These must support the regulated

Electricity network needs to be capable of responding to changes in the operating environment.

operations or be essential to their success. Such value-added services must be genuinely beneficial to our customers and society. These may include services related to demand-side management or batteries for storing electricity. Our new organisation also creates possibilities for development in these directions.

WE REVISED OUR ORGANISATIONAL STRUCTURE TO REFLECT OUR UPDATED STRATEGY

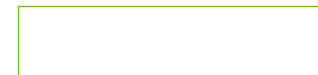
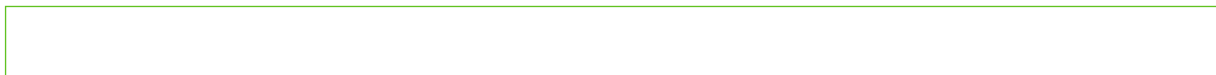
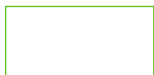
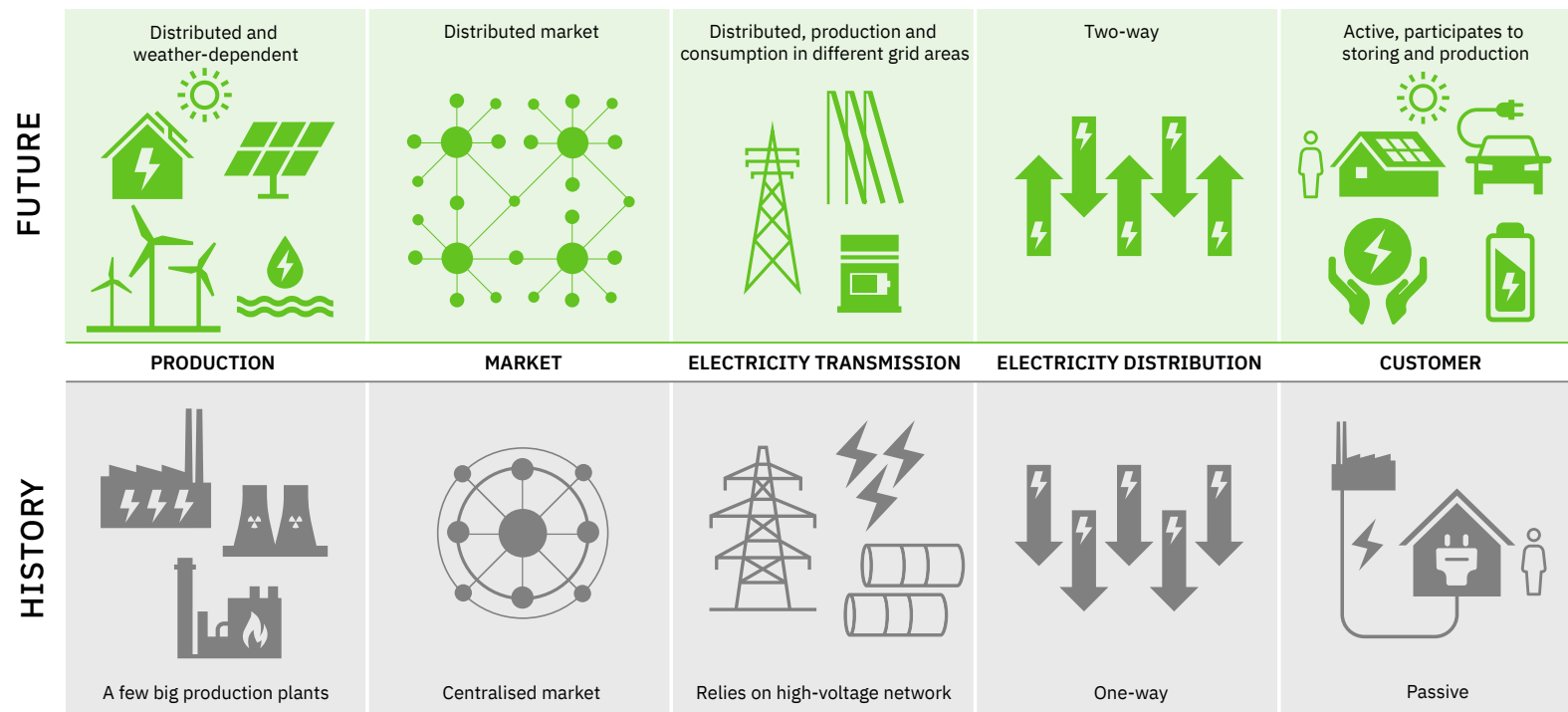
We now have four units in our organisation instead of the previous six. The units are:

- Customer Value and New Ventures
- Network Management and Operations
- People, Public Affairs and Regulation
- Company Services

The new organisation took effect on 1st of October 2021, and our operating model was revised shortly after. We continued taking action in relation to the change for the rest of the year.

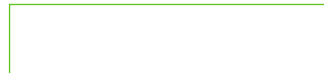
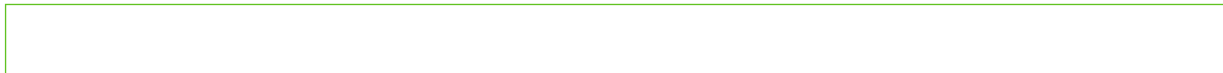
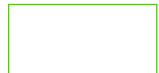
Electricity network is the backbone of the energy transition

Energy transition refers to the transition from fossil fuels to the use of renewable energy. The transition is necessary to resolve the climate crisis, and sustainable, renewable electricity network is a prerequisite for the transition to take place. The customer will become an active player in the decentralized energy market.



Corporate responsibility

- Active dialogue with our stakeholders continued
- We updated our materiality analysis
- Energy transition at the core of our strategy



VALUE CREATION MODEL

INPUTS

INCREASING CUSTOMER BASE AND DATA

- 713 000 in low-voltage networks, 800 in medium-voltage network, 60 in high voltage network
- 1,5 million Finns
- Proportion of electricity distribution in Finland over 20%
- Customer specific data on use of electricity
- 12,060 micro producers of renewable energy

DEVELOPING AND REGENERATING ELECTRICITY NETWORK

- 88 100 km electricity network, value EUR 3 billion
- 4 500 remote-controlled sites
- 708 000 smart electricity meters
- 62% cabled network

COMPETENT AND COMMITTED EXPERTS

- 308 Caruna employees, over 800 contractor employees
- Employee Engagement Index (EEI) 73

STRONG COOPERATION NETWORK

- 470 contractors
- 9 suppliers of services and network materials
- Collaboration with authorities
- A functional transmission grid

NATURAL RESOURCES ENABLING OPERATION

- Electricity network metals e.g. aluminium, copper
- Energy losses 425,5 GWh

FINANCIAL MODEL ENABLING OPERATION

- Equity EUR -110,0 million
- Interest-bearing debt EUR 3 379,4 million
- Balance sheet EUR 4 257,0 million
- Credit rating BBB+ (S&P)

CARUNA'S BUSINESS MODEL AND OUTPUTS

SERVICE PLATFORM SUPPORTING ENERGY TRANSITION

- Renewable energy production, solar communities and virtual power plants
- Changing heating solutions
- Electricity storages
- Smart homes, digital services, flexible energy consumption
- Electrification of transport
- Customer advice and involvement in the energy market

GUARANTEEING SECURITY OF SUPPLY

- Smooth everyday life for customers 24/7
- Effective operation and renewal of electricity networks
- Local solutions
- Sector integration
- Ensuring cyber security

CLIMATE CHANGE DIGITALISATION URBANISATION

IMPACTS

ON STAKEHOLDERS

HELPING DAILY LIVES RUN SMOOTHLY

- Reliability of supply rate 99,99%
- Customer satisfaction 19,1 (NPS)
- Transparent and reasonable pricing

COMPETITIVENESS OF CITIES AND MUNICIPALITIES

- An electricity network to meet changing energy needs
- Enabling the business operations

SAFE AND DEVELOPING WORKING ENVIRONMENT

- Injury frequency of supply chain 6,3 (LWIF)
- Constant development of skills and safety culture
- Training of new experts in the industry and cooperation between educational institutions

ON FINNISH SOCIETY

FUNCTIONING FINNISH SOCIETY

- Adaptation to the climate change and security of supply
- Reducing and shortening power cuts
- Joint construction of electricity and telecom networks and municipal infrastructure
- A significant employer in rural areas

CONTROLLING CLIMATE AND ENVIRONMENTAL IMPACTS

- Controlled completion of the energy transition
- Renewable energy production to the grid 4 220 GWh, 4% increase
- Conservation of biodiversity
- Recovery rate of dismantled material 93%
- 4 oil spills (>100 kg)

FINANCIAL FOOTPRINT

- Net sales EUR 499,8 million
- Dividend distribution EUR 85,6 million
- Direct jobs 308
- Paid wages, salaries and social services EUR 27,1 million
- Purchases EUR 154,9 million
- Corporate tax EUR 10,7 million
- Electricity and value added taxes paid to tax authorities EUR 274,9 million
- Investments in electricity network EUR 140,1 million



Corporate responsibility is part of our strategy and day-to-day work

Corporate responsibility is in our strategy and everyday work: target setting, business planning, monitoring, and reporting.

Corporate responsibility permeates our entire organisation, from our Board of Directors to our Management Team and throughout our operational activities. In the Management Team, corporate responsibility became the responsibility of the SVP People, Public Affairs and Regulation. The Sustainability Manager is responsible for the practical coordination and development of corporate responsibility. We also require all our partners to operate responsibly.

We take every aspect of corporate responsibility into consideration equally: environmental responsibility, social and financial responsibility, and good governance. Our corporate responsibility programme is based on our stakeholders' requirements and needs (known as a materiality analysis). Our mission – to guide our customers and society through the energy transition – is also at the heart of our corporate responsibility programme.

We comply with international sustainable development principles and commitments in our operations, and we make a direct contribution to several of the UN's Sustainable Development Goals.

CARUNA'S CODE OF CONDUCT IS THE FOUNDATION FOR OUR WORK

Our Code of Conduct and company policy include our statements and commitments on the sustainable development principles, and they form the basis of how we work. Our Code of Conduct defines how we take care of our assets, how we work together and treat each other, and how we conduct the electricity distribution business. Every Caruna employee has completed an online training course covering our Code of Conduct.

WE MAINTAIN AN OPEN DIALOGUE WITH OUR STAKEHOLDERS

We have identified our most important stakeholders and their expectations. We engage in active dialogue with our stakeholders, and we collect feedback from them every year by means of surveys on topics such as reputation,

customer satisfaction, and the Great Place to Work survey, which gauges the commitment of our personnel.

Our work with stakeholders in 2021 highlighted the crucial role of electricity distribution companies in achieving Finland's goal of becoming carbon neutral. The increasing rate of electrification in different sectors of society and the substantial increase in renewable electricity production depend on reliable electricity networks.

In 2021, we entered into wide-ranging discussions with our stakeholders on our role as a promoter of the energy transition and how we at Caruna can help society and our customers in this context. We also highlighted the fact that the development of a smart power system requires stable, transparent, and predictable regulation based on cost-efficiency.

We met with our stakeholders and also arranged events, such as the Smart Networks Leading to Zero webinar, virtual meet-ups, and media information events. In a year beset by the COVID-19, effective communication with stakeholders was vital. We sent newsletters, published blogs and articles in various media,

and produced Electricity in the Air podcast series. We were also active in social media: we made extensive use of LinkedIn, Instagram, and Twitter, and we gained new followers in these communication channels.

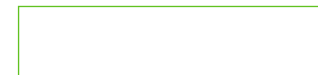
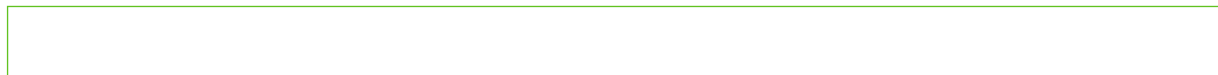
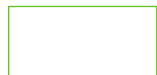
One important aspect of our work with stakeholders is sharing our expertise. We want to be a reliable and competent partner to our stakeholders. Last year, we took part in numerous working groups and events in an expert capacity.

REPORTING AND INVESTIGATING SUSPECTED MISCONDUCT

All suspicions of misconduct reported by external parties and Caruna employees are investigated confidentially and impartially in accordance with a separately defined procedure. In some cases, the authorities may lead the investigation.

No sanctions are imposed and no disciplinary action is taken until the investigation is complete.

Caruna employees and third parties can also submit a report in their own name or anonymously through the whistleblowing channel on Caruna's website.



Stakeholder	Stakeholder expectations	Caruna's actions in 2021
Employees	<ul style="list-style-type: none"> Professional development Well-being and meaningful work Occupational safety, including during the pandemic 	<ul style="list-style-type: none"> Strategy and development day Job rotation Great Place to Work employee study and employee surveys (4 times per year) Coaching and training Flexible work arrangements and remote working Developing the company culture Promoting occupational well-being Competence management
Customers	<ul style="list-style-type: none"> Reliability of supply Transparent pricing Safety and sustainability Professional customer service Quick communication of disturbances and rapid fault repair 	<ul style="list-style-type: none"> Promoting a multichannel approach New pricing page on the caruna.fi website Regular meetings with key customers, as well as corporate and municipal customers
Contractors, network material suppliers, service providers and ICT suppliers	<ul style="list-style-type: none"> Building open and predictable partnerships Keeping promises Actively developing collaboration Non-discrimination and maintaining well-functioning markets Procurement and project entities of interest to the supplier market 	<ul style="list-style-type: none"> Stakeholder events and regular meetings Actively developing supplier relations Audits of contractual suppliers
Decision-makers and authorities	<ul style="list-style-type: none"> Maintaining the reliable operation of the electricity network Operating responsibly and cost-efficiently Open and reliable partnership Developing the industry 	<ul style="list-style-type: none"> Regular contact with various authorities and decision-makers Reporting to the authorities Contributing to the development of legislation, statements, and rejoinders
Industry organisations, partners, interest groups and NGOs	<ul style="list-style-type: none"> Developing the industry sustainably Acting as an expert and promoting the energy transition Maintaining an active dialogue 	<ul style="list-style-type: none"> Developing the energy system, offering solutions and sharing expertise with partners Working with various other parties and industry advocacy Wielding influence within industry organisations and working on the committees and in the working groups of such organisations

Stakeholder	Stakeholder expectations	Caruna's actions in 2021
Emergency services	<ul style="list-style-type: none"> Active and proactive cooperation with the authorities Sharing expertise and participating in various exercises Drawing up contingency and emergency plans 	<ul style="list-style-type: none"> Developing the preparedness of municipalities in collaboration with the emergency services Active communications with the emergency services and authorities Updating contingency and emergency plans Participating in preparations for exercises arranged by the authorities Contributing to the work of Traficom's interference cooperation working group (HÄTY)
Shareholders	<ul style="list-style-type: none"> Increasing the company's value in a sustainable way Implementing the chosen strategy Good corporate governance 	<ul style="list-style-type: none"> Participating in Board meetings and committee work Regular personal contact Complying with guidelines and policies
Investors	<ul style="list-style-type: none"> Complying with legislation and regulations Complying with the UN Declaration of Human Rights, the International Labour Organization's (ILO) conventions, the UK anti-corruption principles and the UN Global Compact initiative Maintaining a strong credit rating Open communications and disclosure of information about the company's financial standing 	<ul style="list-style-type: none"> Bi-annual and annual reporting Compliance certificates Maintaining effective operations and a strong cash flow Meetings with credit rating agencies, banks and other financial institutions
Media	<ul style="list-style-type: none"> Open and proactive communications Raising media awareness of themes of relevance to the energy industry Explaining the operating logic of an electricity distribution company and the rationale behind the price of electricity distribution Ensuring that managers and experts are available for interviews Timely and easy access to information 	<ul style="list-style-type: none"> Active media work: press releases, articles, websites, blogs, podcasts, webinars, meetings Media and argumentation training Timely communication in the event of large-scale disturbances Active use of social media

Materiality analysis is the basis of sustainability

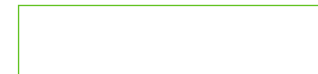
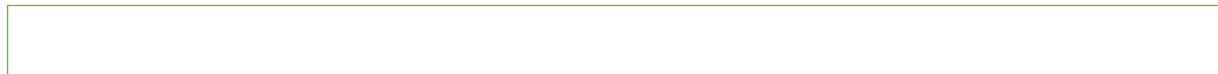
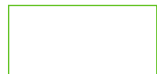
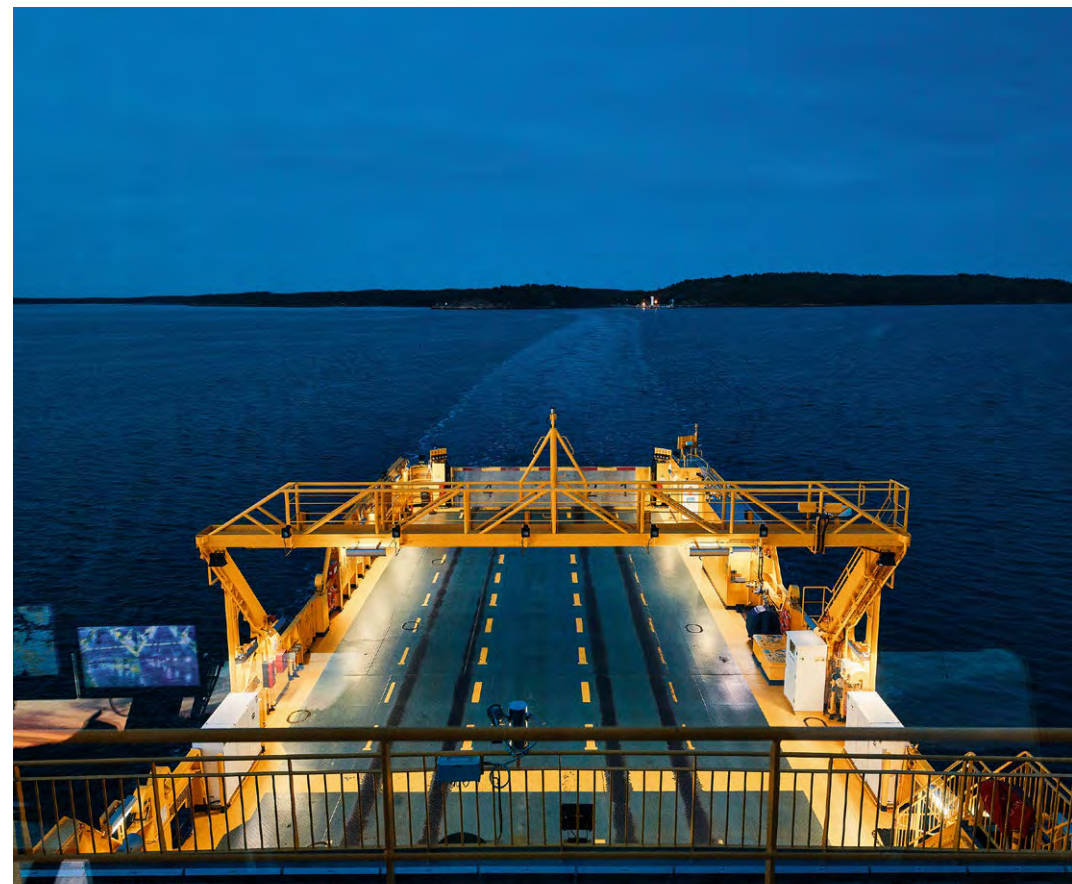
Our corporate responsibility is based on a materiality analysis, which is an analysis of the requirements and needs of our key stakeholders, as well as an assessment of the significance of these factors to our company's business.

The analysis covers the needs of our personnel, our various customer segments, municipalities, authorities, civic organisations, our owners, our financiers, our contractors, and our contractual suppliers in terms of the security of the electricity supply, social and societal responsibility, environmental responsibility, and financial responsibility.

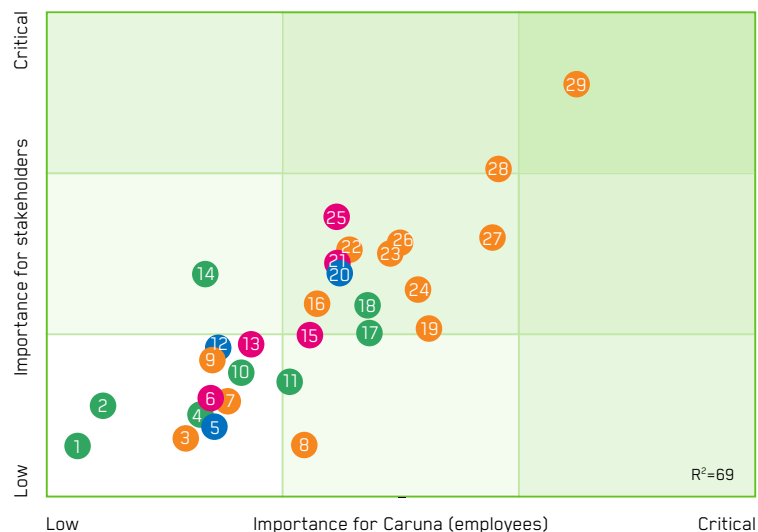
A comprehensive materiality analysis is carried out at least once every three years, and the need for updates is verified annually as part of the business performance management process. The materiality analysis is supplemented by various impact assessments related to different stakeholders or specific themes, such as environmental impact assessments.

We updated our materiality analysis in spring 2021. Our stakeholders gave a similar assessment to Caruna's in-house evaluation. Above all, Caruna is expected to ensure social responsibility, reasonable prices, open communications, and stakeholder dialogue. In particular, open communication, combating climate change, and cost-efficiency have grown in importance since the previous materiality analysis in 2018. Investments and subcontractor responsibility are still considered important, but their significance has decreased. Our financial impacts are described in more detail in the chapter entitled "Sustainable electricity distribution", our environmental impacts are described in "Combating climate change", and our social impacts are described in "Work and safety".

We updated our materiality analysis in spring 2021.



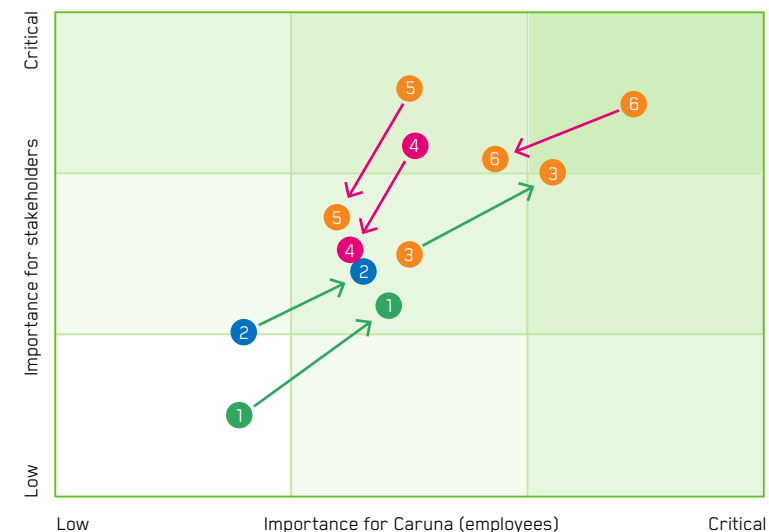
MATERIALITY MATRIX



- Reliability of electricity supply
- Social and societal responsibility
- Environmental responsibility
- Financial responsibility

1. Noise nuisance
2. Procurement of eco-friendly electricity for losses
3. Equality and diversity
4. Procurement of network materials
5. Ensuring solvency and shareholder value
6. Preparedness to momentary peaks in electricity consumption
7. Development of new services based on smart grids
8. Occupational health and well-being at work
9. Non-discriminatory treatment of customers
10. Biodiversity and landscape impacts
11. Material efficiency
12. Prevention of grey economy
13. Small producers
14. Energy efficiency
15. New technologies and investments to smart grid
16. Employment
17. Environmental hazards
18. Climate change and carbon footprint
19. Developing of competencies of personnel
20. Cost efficiency
21. Investments in security of supply
22. Responsible operation of subcontractors
23. Transparency of the tax footprint
24. Occupational safety
25. Preparedness to storms and quick fault repair
26. Electrical safety
27. Customer satisfaction
28. Dialogue with stakeholders and open communications
29. Reasonable pricing

THE RESPONSIBILITY FACTORS THAT CHANGED THE MOST BETWEEN 2018 AND 2021



1. Climate change mitigation
2. Cost-effectiveness
3. Open communication
4. Investing in the reliability of the network
5. Contractors' responsibility
6. Dialogue with stakeholders



The importance has grown since 2018



The importance has decreased since 2018

The energy transition is at the heart of our strategy and corporate responsibility

The themes, commitments, and goals of our corporate responsibility programme are based on the materiality analysis. Based on the materiality analysis updated in 2021, we placed the energy transition and the theme of combating climate change at the heart of our corporate responsibility programme, we restated our commitments, and we updated our key corporate responsibility metrics.










Our action to combat climate change focuses on promoting emission-free energy production and consumption and reducing our carbon footprint with the goal of becoming carbon neutral. In our core business – sustainable electricity distribution – we aim to secure the smooth day-to-day life of our customers, achieve operational efficiency, and earn the trust of stakeholders. In terms of work and safety, we develop contractor safety and employee well-being.

Our mission – the energy transition – is also at the core of our corporate responsibility

Our corporate responsibility themes based on the materiality analysis

COMBATING CLIMATE CHANGE	SUSTAINABLE ELECTRICITY DISTRIBUTION	SECURITY & WORK
<ol style="list-style-type: none">1. We help our customers and society through the energy system transformation2. Our intelligent network enables the sustainable increase of renewable energy without compromising the security of supply3. We provide and develop services and solutions to our customers to help them in their climate and energy efficiency efforts4. We adapt our own operations to climate change and actively reduce our own carbon footprint5. We cannot combat the climate change alone. We actively develop cooperation, partnerships and business models.6. We consider our environmental impacts in all our activities; use of natural resources and long-term materials, recycling of old materials, respect for nature and biodiversity	<ol style="list-style-type: none">1. We secure reliable electricity supply to over 700,000 customers by our 88,000 kilometers of electricity distribution network2. Our sustainable electricity distribution is a prerequisite for a functional society, and it enables a vibrant, local business sector3. We maintain and develop our network cost efficiently, always considering the overall benefit to the society and customers4. In a customer-centric way, we take local needs into account and cooperate for example with municipalities, fibre-optic operators and wind power generators5. We cooperate actively with local communities, the industry, authorities and other stakeholders	<ol style="list-style-type: none">1. We employ directly and indirectly more than 1,300 persons in Finland. We generate wellbeing to all our interest groups.2. We provide safe and motivating work environment to our employees and to our partners. For us, job satisfaction and responsibility are the most important creators of motivation.3. We want people to develop together with us. We ensure that our and our partners' competences are up-to-date and develop in a long-term.4. We always puts people's safety and wellbeing first. Everyone has the right to return home safely5. Our goal is to prevent all accidents6. We support responsible Finnish partners and ensure, that our and our partners' operations are of a high standard

Corporate responsibility KPI's 2022-2024

Theme	Scope	KPI	ACT 2020	ACT 2021	TGT 2022*	TGT 2023*	TGT 2024*
  	Carbon footprint	Reduction of carbon footprint (GHG Protocol Scopes 1-2)** (ktCO ₂ e) (NEW)	0.7	1.3	-25 %	-25%	-25%
	Renewable production	Grid emissions factor***, production in Caruna's grid (gCO ₂ /kWh) (NEW)	52.8	58.1	-5%	-5%	-5%
	Small-scale renewable production	Volume of small-scale renewable production capacity (< 1MW) in Caruna's network, (MW/%)	94/+28	108/+15	15%	15%	15%
  	Security of supply	6/36 h	1,778	2,465	900	850	800
	Trust & reputation	Trust & reputation survey (NEW)	2.24	2.3	2.36	2.4	2.43
	Operational efficiency	OPEX / customer (NEW)	127.7	117.0	111.9	107.7	103.8
  	Contractor safety	Contractor LWIF (Lost workday injury frequency)	6.0	6.4	4.0	3.8	3.6
	Employee wellbeing	E EI (Employee Engagement Index)	-	6	30	35	40

* Target setting is ongoing, the bonus targets are reviewed by NRC

** The target is limited to scope 1&2 emissions (Caruna's own direct & indirect) and based on the market-based carbon footprint calculation instead of location-based calculation (54,9 ktCO₂e in 2020)

*** Preliminary/to be specified; calculated with general fuel-specific emissions factors. Increase between 2020-2021 is caused by the increased use of natural gas & coal-fired Suomenoja CHP plant

**** T-Media's annual Trust and Reputation survey (scale 1-5)

WE PROMOTE THE IMPLEMENTATION OF SEVERAL OF THE UN'S SUSTAINABLE DEVELOPMENT GOALS

We consider all 17 UN Sustainable Development Goals (SDGs) important. Our corporate responsibility programme and our activities as a whole promote the realisation of six of the goals: 11

(Sustainable cities and communities), 9 (Industry, innovation and infrastructure), 7 (Affordable and clean energy), 13 (Climate action), 8 (Decent work and economic growth), and 4 (Quality education).

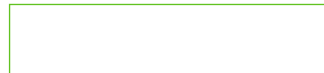
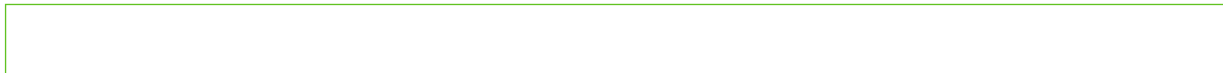
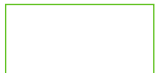
Our electricity network is one of society's vital structures, so uninterrupted electricity distri-

bution is a prerequisite for the well-functioning of society and for a vibrant business sector. We enable growth in renewable energy production without jeopardising the security of supply, and we guide our customers and society through the energy transition (SDGs 7, 9, 11, 13).

We work with an extensive network of partners and create well-being for all our stakeholders. We provide our employees and partners with a safe and meaningful working environment, and we ensure they have the latest expertise that continues to develop with us (SDGs 4, 8).

Sustainable electricity distribution

- We responded to a total of 300,000 customer enquiries in various channels
- We made preparations for the introduction of Datahub in 2022
- We invested EUR 140.1 million in the electricity network



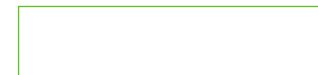
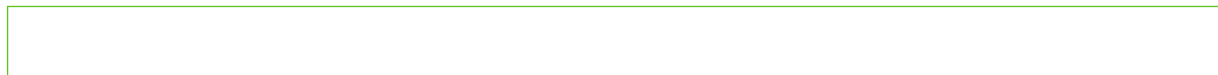
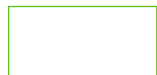
We are a part of our customers' day-to-day lives – every day of the year

Every day, we work hard to ensure we can provide our customers with safe and functional electricity distribution, effortless customer service, and reasonable prices.

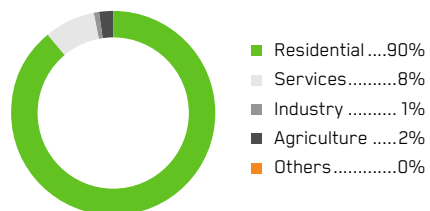
In 2021, a total of 2,800 (2020: 2,400) new connection contracts were signed. This figure includes new connections at all the voltage levels in our electricity network (low-voltage,

medium-voltage, and high-voltage connections). Thanks to these connections, the number of new Caruna customers increased to 11,744 in 2021 (2020: 11,087). Both Caruna companies grew. Our customers include private customers as well as large industrial plants.

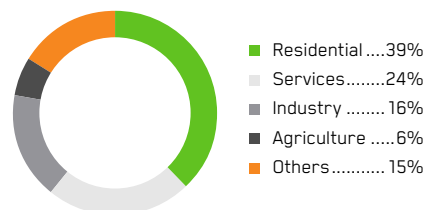
Households (residential) are our largest customer group: 90% (2020: 89.5). This group consumed 39% (2020: 38.1) of all the energy transmitted. Industry and services accounted for 9% (2020: 9) of the number of customers and 40% (2020: 41) of the energy transmitted.



CUSTOMERS BY SEGMENT (%)



CONSUMPTION BY CUSTOMER SEGMENT (%)



WE SERVED OUR CUSTOMERS IN MANY DIFFERENT WAYS

We serve our customers in several digital channels, as well as in person. During the year under review, we improved our digital services for private customers, as well as our digital services for corporate and municipal customers and our customers' electrical contractors.

At the start of the year, we introduced a solar community service intended for housing companies on our digital Virtane service. The solar community service enables solar power to be shared among individual apartments in a housing company. Small-scale electricity producers in Caruna's network area also benefit more from the electricity they produce thanks to net invoicing, which was introduced at the start of the year. The digital Caruna+ service provides customers with the latest information about their billed consumption and sold production.

A total of 175,603 (2020: 130,707) Caruna customers have registered for our digital services. We measure our customers' satisfaction with the service regularly to help us develop the service according to their wishes.

DEVELOPMENT CONTINUED – FOCUSING ON MANAGING OUR SERVICE PROCESSES

During the year under review, we enhanced our customer service operations and the management of our service processes. Our service

Over 175,000 of our customers have registered for our digital services.

processes include customer orders, such as new electricity connection orders, connection alterations, and related advice. Our other service processes include changes to network agreement and billing details, as well as advice.

We introduced a channel strategy that incorporates a plan for developing our service channels in the coming years. A new Process Manager role promoted stronger management of service processes.

During the year under review, we deployed several software robots to process customer orders. The robots help to process orders more efficiently, eliminating inconvenience for our customers.

Our Net Promoter Score, an indicator of customer satisfaction, was 19.1 in 2021 (2020: 22.6). During the year, we improved our fault service and finalised a new contact management system for our customer service department. This work affected to the decrease in the NPS. Reforms will contribute to modernising our customer service operating model. In the year under review, our customer service department

NET PROMOTER SCORE (NPS) FOR OUR CUSTOMER SERVICE, 2019-2021 (ON A SCALE FROM -100 TO +100)



employed approximately 71 (2020: 70) people. In addition, our customers are also served by 28 professionals working for CallWaves, our customer service partner.

The organisational change carried out in the autumn also affected the structure of our customer service team at the end of the year. In place of the previous regional organisation, the teams were reorganised according to our service processes. The change will ensure efficient service processes as well as integrate the new operating models of Datahub, a centralised information exchange system for the industry introduced in February 2022, into these services processes.

WE MADE PREPARATIONS FOR THE INTRODUCTION OF DATAHUB

In 2021, we made preparations for the aforementioned Datahub introduction in February 2022. We worked with our IT suppliers and Fingrid’s Datahub organisation to ensure that our systems were developed in accordance with the requirements, and we tested the functionality of the system actively. We obtained the prioritised certifications required for the introduction of Datahub.

We participated in industry working groups to develop Datahub processes, and we contributed to the runbook for the sector.

We have taken special care to verify the quality of our data and train our personnel in the requirements set by Datahub’s functionality in preparation for the Datahub roll-out.

In 2021, we reached the set target level in terms of our preparedness for the Datahub go-live, which took place in February 2022.

WE MET CUSTOMERS FACE-TO-FACE AND ONLINE

Our Key Account Managers, who are responsible for our municipal and city customers, as well as corporate customers, took part in more than 600 customer meetings, either face-to-face or, due to the COVID-19 restrictions, online. The Net Promoter Score (NPS) for our key customer

base as a whole was excellent, reaching nearly 67. We took part in more than 250 customer meetings with municipalities in 2021 (2020: over 200), and the NPS for these meetings was nearly 70 (2020: 48).

As it was not possible to arrange traditional customer events during the COVID-19 pandemic, we held a total of 17 residents’ evenings online, hosting hundreds of customers. These events were an opportunity for us to work with our contractor partners to inform attendees of the carrying capacity of the electricity network in our network areas and our future construction projects to improve the increasing rate of electricity consumption. The events were recorded, and customers can access the material presented at the events on our website (caruna.fi/asiakastilaisuudet).

In December, we held a webinar to inform our corporate and municipal customers about our Caruna+ service.

50,000

enquiries by chat

45,000

new carunaplus.fi registrations

175,000

customer phone calls

37,000

fault reports by phone





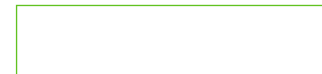
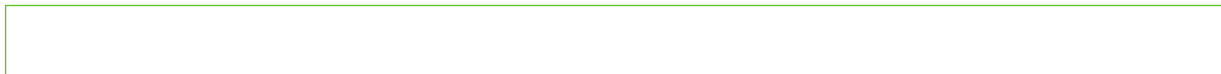
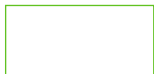
CUSTOMER SAFETY COMES FIRST

In Finland, the basic electrical safety requirements are specified in the Electrical Safety Act. We plan, build and maintain our electricity network in line with statutory requirements and the standards and best practices in the sector. The law states that the electricity network must not cause any hazard. We take special care to ensure safety when we plan the network and select network components, as well as in the requirements related to construction sites and electrical work.

We continuously evaluate hazards related to our electricity network, categorise any safety deviations, and rectify them. All our electrical equipment bears warning signs to indicate the danger of electric shocks. We prevent access to electrical equipment by means such as appropriate locking and careful placement of equipment. We repair any hazardous faults quickly. We prevent unauthorised access to our work sites by delimiting and marking them as clearly as possible.

We take special care to ensure safety when we plan the network and select network components, as well as in the requirements related to construction sites and electrical work.

We monitor faults and the quality of electricity via remotely readable meters. Any deviations recorded by the meters are analysed so that we can investigate and rectify faults. In 2021, remotely readable meters helped us find 214 (2020: 389) 0-faults, some of which were in the customer network. Our customer service team has the knowledge required to identify various types of faults based on our customers' descriptions, so we are able to rectify faults rapidly.



An electricity network for you

During the year under review, we continued to modernise and refurbish our network to handle growth in electricity consumption. We upgraded 2,400 kilometres of electricity network (2020: 3,600).

We built and renovated our network in various parts of Finland and in all our voltage levels. Joint construction and network maintenance continued in many locations. Storms put our network to the test, especially in Southwestern Finland and Koillismaa during the year under review.

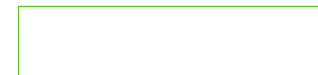
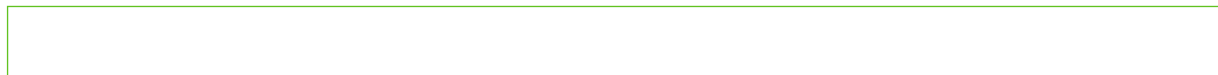
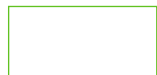
OUR DISTRIBUTION NETWORK IS PREPARING FOR THE ENERGY TRANSITION

We built and renovated 20 kilometres of the high-voltage electricity network in Pirkanmaa (2020: more than 40 km of high-voltage network

overall). Our high-voltage network distributes electricity from power plants and the main grid to electricity distribution networks and heavy industry. We also improved the reliability of our high-voltage network by renovating the substations that serve electricity distribution in Central Uusimaa and Koillismaa.

The medium-voltage network serves small industrial sites and transformers located near residential areas. We built and upgraded approximately 1,120 kilometres (2020: approx. 1,830) of this network in our network area. Most of the actions focused on the network areas in Espoo, Western Uusimaa, Southwestern Finland, and Ostrobothnia.

Electricity is distributed to homes via the low-voltage network. We built and upgraded approximately 1,310 kilometres (2020: approx. 1,770 km) of this network in our network area. We built a total of 360 kilometres (2020: 250) of low-voltage network infrastructure in built-up areas under an initiative known as the Local



The reliability of supply rate of our electricity network was 99.99 percent.

Cable Project in Southwestern Finland and Satakunta. During the year under review, similar Local Cable Projects were launched in Central Uusimaa, Koillismaa, Ostrobothnia, and Espoo.

During the year under review, network designers provided landowners with more detailed information on why we will continue to use two different construction methods in our areas. In areas on the periphery of sparsely populated areas, poles carrying overhead lines are an alternative to underground cabling. The choice of construction method depends on the importance of the electricity distribution line in terms of electricity distribution in the area, the number of customers, the electricity consumption, the life cycle costs of the line, and the line's sensitivity to faults in the event of a storm.

The security of supply requirements changed in 2021 when Parliament passed a reform of the Electricity Market Act in June. The change will not affect Caruna Espoo Oy, but Caruna Oy will be affected by the new security of supply deadline, which was postponed from 2028 to 2036, when

power cuts in sparsely populated areas may last no longer than 36 hours, and power cuts in cities and built-up areas may last a maximum of six hours.

The reliability of supply rate of our electricity network was 99.99% (2020: 99.98).

ESPOO IS EXPANDING AND ELECTRICITY CONSUMPTION IS ALSO INCREASING – THE NETWORK MUST MEET THE REQUIREMENTS

A new primary substation is under construction in Sinimäki, Espoo. The new substation is needed to cater for the growth in electricity consumption and contribute to the energy transition in Espoo. Construction work began on the station in the spring, and the station will be completed in 2023. The Sinimäki substation will replace the ageing Nuijala substation, which is in the same area. The new station will directly affect the everyday lives of about 15,000 of our customers, and it will indirectly contribute to distributing electricity to as many as 140,000 customers. This number includes private customers and businesses.

An underground high-voltage cable will also be installed during the project to cover the six kilometres between Sinimäki and Leppävaara. The cabling work will be completed by the end of 2022.

In March, the City of Espoo and Caruna signed a cooperation agreement. We are

working together to support Espoo's transition to becoming carbon neutral. The agreement led to closer cooperation with the City of Espoo in the year under review, a fact that is reflected in the increased number of meetings in various sub-areas.

In October, we began a Local Cable Project in Espoo, Kauniainen, and Kirkkonummi to refurbish the electricity network so it can provide increased electricity consumption in these areas. The project will last four years. Efforts are made to actively promote joint construction with the street lighting network and fibre-optic operators.

We also decided to invest in building a substation in Kolmiranta, Espoo.

JOINT CONSTRUCTION CONTINUED IN SEVERAL OF OUR NETWORK AREAS

In the City of Raseborg, the city's street lighting, a telecoms operator's fibre-optic networks, and Caruna's electricity network were built at the same time. The project began in 2020 and was concluded in 2021. The unneeded poles were taken to a waste-handling plant, which used them to generate energy.

In the year under review, approximately 100 kilometres of joint construction was completed under the Local Cable Project in Southwestern Finland in collaboration with municipalities and operators in the region.

Work began on cabling the final sections of the distribution network in Joensuu. The last overhead lines will be removed from the vicinity of central Joensuu after the work began on laying a total of 45 kilometres of cable. The modernised network will be completed in May 2023, along with the demolition of the old network.

WE LOOK AFTER THE CONDITION OF OUR ELECTRICITY NETWORK IN MANY WAYS

During the year under review, a total of 6,080 kilometres (2020: 10,650) of network infrastructure was inspected from ground level in our network areas. There were more than 600,000 separate inspection points. Vegetation was managed in the vicinity of more than 1,750 kilometres (2020: 1,880) of electricity network infrastructure, including network inspections and clearing with the help of a helicopter in areas such as Southwestern Finland, Koillismaa, Western Uusimaa, and Ostrobothnia. When the tree stock and tree branches next to networks are managed, fewer power cuts are caused by falling trees and branches.

In 2021, we selected three partners to manage the vegetation in different parts of our network area. Our responsible, professional partners contribute to customer satisfaction.

As a responsible operator, we also endeavour to look after the safety of birds flying near



our electricity network. Bird reflectors were installed on the lines in Suomenoja, Espoo when bird migrations began in March. In the summer, similar reflectors were installed in Joensuu, Kuusamo, Rymättylä, and Peräseinäjoki.

STORMS DAMAGED OUR ELECTRICITY NETWORK IN SOUTHWESTERN FINLAND AND KOILLISMAA

A few abnormal storms hit Finland in the year under review. The damage caused by Storms Toini and Paula took a long time to repair. Otherwise over the course of the year, faults were caused by lightning strikes, stormy gusts of wind, and snow burdens. We have been improving our electricity network for several years, and the results are reflected in fewer power cuts, which are also shorter in duration.

In January, Storm Toini hit Rymättylä, felling three high-voltage electricity poles, and the lines between the poles fell into the sea. The demanding repair work was concluded in May when the fallen poles were replaced by new ones. The power line was fully repaired in June. Overall, the damage was minor, thanks to the network overhaul that had previously been conducted.

During the repair work, the lines were fitted with sensors to detect snow burdens or ice accumulating on the lines. The sensors enable us to monitor the formation of snow burdens and any power cuts that occur as a consequence in real time. Similar sensors are in use in

Storm Toini fell down three high-voltage electricity poles in Rymättylä. The demanding repair work was concluded in May.

Koillismaa, and they proved useful in December when a snow burden had accumulated.

In June, Storm Paula ravaged our electricity network in Koillismaa. It took several days to repair the faults, and many customers spent midsummer without any electricity. We work closely with the municipality of Taivalkoski, the City of Kuusamo, and the Oulu-Koillismaa emergency services to ensure that customers in the area received constant information on the progress of the repair work and advice on how to cope with a power cut. The maximum number of customers without electricity was approximately 5,300. The extent of the storm damage and the challenging conditions in some places hindered the progress of repair work.

In 2021, the System Average Interruption Frequency Index (SAIFI), an indicator of the frequency of supply interruptions, was 1.4 (2020: 1.7). This figure means that each individual customer was subject to an average of 1.4 distribution outages. The System Average Interruption Duration Index (SAIDI), an indicator of the total duration of power cuts per customer, was 74 minutes in the year under review (2020: 103).

We are a significant economic operator and employer in Finland

Our operations had significant direct and indirect economic impacts, both locally and nationally. The impact of our investments is particularly visible in our network areas.

Our reliable electricity network ensures that our customers have electricity every day of the year. In 2021, we spent EUR 140.1 million on improving and building out our electricity network (2020: 143.2).

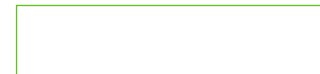
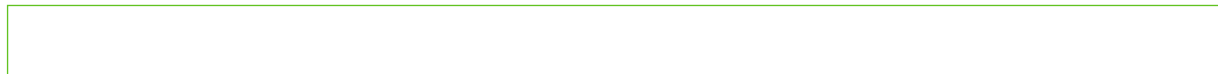
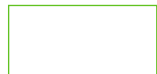
In 2021, our net sales were EUR 499.8 million (2020: 475.3) a year-on-year increase of 5.2%. Our total number of customers increased by approximately 1.6 (2020: 1.6) per cent, and we had approximately 714,000 customer connections on our network at the end of the year.

WE ARE AN EMPLOYER AND TAXPAYER IN FINLAND

At the end of 2021, we had 308 (2020: 314) employees. We paid EUR 27 (2020: 26) million in salaries, pension security contributions and social security contributions. In 2021, we employed 470 (2020: 570) contractor and subcontractor companies on projects in various parts of Finland, and the employment impact in annual work units was over 800 (2020: almost 900). The degree of our local workforce is estimated to be 100 percent.

We paid EUR 155 (2020: 149) million to our suppliers of services, materials and goods in 2021. The number includes procured materials and services, costs incurred from the loss of electricity, Fingrid's national grid fees, fault repair and maintenance costs and other smaller items of expenditure.

In compensation for the use of capital, we paid approximately EUR 67.2 (2020: 57.8) million in interest and financing expenses to the first-



in-line creditors and EUR 66.7 (2020: 66.9) million in interest for the shareholder loan that the owners have invested in the company.

We paid a total of EUR 10.7 million (2020: 10.7) in Finnish corporation tax in 2021.

OUR TAX APPROACH IS BASED ON LAWS AND REGULATIONS

Our tax approach determines the key principles for managing our tax affairs. We pay all our taxes in Finland, and the tax revenue that we pay has a positive effect on economic well-being in Finland. Our approach covers all the direct and indirect taxes applying to our operations. These taxes include corporate income tax, electricity tax, value-added tax, capital gains tax, asset transfer tax, and real estate tax. Our tax footprint also includes the income tax and social security contributions withheld from employees' salaries.

The main principles and guidelines on taxation are described in our finance policy, which is based on Caruna's business strategy, corporate responsibility, risk management policy, and Code of Conduct. Caruna's Board of Directors approves the financial policy and all related amendments.

Our tax approach is assessed annually. Caruna's CFO is responsible for implementing the policy and proposing any necessary changes to the Audit Committee. The Audit Committee

assesses the approach and proposes all necessary changes to the Board of Directors of Caruna Networks Oy.

The tax approach applies to all Caruna companies and all Caruna employees who work for Caruna's businesses, especially those whose jobs involve tax-related matters.

We use tax advice services if necessary in the event of any uncertainty or amendments to tax laws. Caruna's financial management coordinates the purchase of tax advice services.

THE KEY PRINCIPLES IN OUR TAX APPROACH ARE:

- We comply with the laws, regulations, and established interpretations of tax law in our tax policy, taking into account the letter and spirit of the law. We monitor changes in tax legislation and obligations and analyse the impacts.
- Our tax risk management is based on the Group's risk management policy. We proactively identify, assess, and manage the financial, operational, reputational, and conformance risks related to taxation
- Our taxation and the basis for our taxation is predictable and transparent. We disclose our taxes in our consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). We provide the Tax Administration and other stakeholders

involved in processing taxes with all the information necessary to process the matter. We submit our tax returns on time, and we pay our taxes in the correct amounts at the correct time.

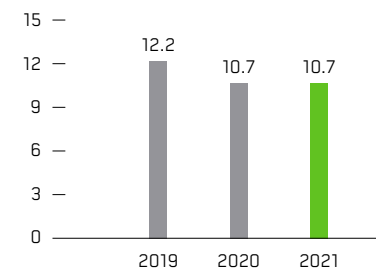
- We safeguard shareholder value by striving to make the most cost-efficient business transactions, business solutions, and optimal tax processes.
- Our distribution pricing is based on the OECD's arm's-length principle. The arm's-length principle applies to all intra-Group transactions.
- Transactions related to our taxation are always related to our business activities. We plan our taxes within the spirit of tax laws and always on business terms. We are not involved in any artificial arrangements or structures created purely for tax purposes. We do not engage in aggressive tax planning, nor do we operate in any countries defined by the EU as non-cooperative tax jurisdictions.

OUR TAX FOOTPRINT

We are a Finnish company, and we pay all of our taxes to Finland. The term 'tax footprint' refers to the income society receives from a company's corporate taxes and tax-like payments.

In addition to direct and indirect taxes, our tax footprint includes the income tax withheld from employees' salaries and social security contributions. The summary includes the taxes

CORPORATION TAX TREND, 2019-2021, MEUR



We are a Finnish company and pay all of our taxes to Finland.

and tax-like payments that we are legally obliged to pay or collect from customers. The summary does not include taxes for which we do not have a legal reporting obligation.



WE BRING POSITIVE ENERGY TO EVERYDAY LIFE

Every year, we sponsor some local organisations within our network area to support their activities. We also cooperate with entities whose values are compatible with our own.

In the year under review, we continued to act as the main partner to the 2020 Floorball World Championships organisation. The championships, held in Finland, marked an important step in the Finnish Floorball Federation's strategy, enabling and defining the direction of the sport and fostering a sense of community. The championships aimed to enable exercise for all.

Our partnership supported the goals of the organisation in charge of the world championships. Interest in the championships increased, and survey results indicate that men and under-45s were particularly well aware of the championships. The event boosted the reputation of floorball as a communal and non-discriminatory sport with a low threshold for participation.

Last year was a great year for floorball – there were four world championship competitions: women's, men's, and under 19-year-old women's and men's championships. The year culminated in the championships in Helsinki from 3 to 11 December 2021.

Caruna achieved visibility on players' clothing and in the arenas. We took part in the SunSäbä tour, which discovered three finalists for the first ever Caruna Säbäfortuna Finnish championships. The final was played at the world championships, and nine-year-old Wäinö was crowned Finnish Champion.

During the world championships, a mobile game called Maalikunkku was available to play on Caruna's website. More than 150 visitors to the website played the game, and 15 lucky players won tickets to the world championships.

Our agreement with the Finnish Floorball Federation will continue in 2022. During the year, we will continue to promote an active lifestyle and bring positive energy to everyday life.

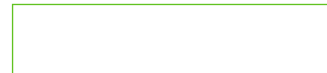
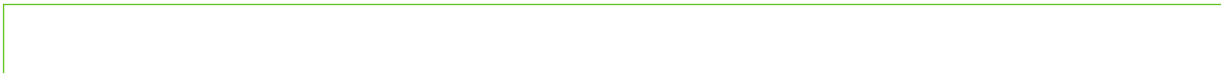
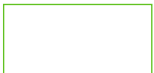
DONATIONS TO SMALL ORGANISATIONS

In addition to our main partnership, we annually support local sports and cultural events and other responsible Finnish projects in our network areas.

Last year, we donated money to organisations such as Tammisaaren Meripelastajat ry, which purchased a new boat for rescue missions. We delighted the residents in nursing home in Leppävaara by bringing Valentine's Day buns.

SUMMER JOBS FOR YOUNG PEOPLE IN SEVERAL MUNICIPALITIES

We arranged our Duunienergiaa (Work Energy) summer job campaign for the second time in 2021. We employed 85 young people in the municipalities within our network areas as part of the campaign. The Duunienergiaa campaign made it to the final of Duunitori's Rekrügala (Recruitment Gala) in autumn 2021 in the category Recruitment Act of the Year, which included significant nationwide recruitment campaigns. We were also able to arrange recruitment for summer jobs in-house as planned.



Our supply chain

Our material suppliers, construction contractors, and service providers served us effectively without any major disruptions, despite the challenging conditions brought on by the COVID-19.

OUR COMPETITIVE PROCUREMENT PROCESSES COMPLY WITH THE FINNISH ACT ON PUBLIC PROCUREMENT IN SPECIAL SECTORS

We handle every phase of procurement, from preparing contract details to competitive tendering, finalised contracts and material orders, using an electronic procurement portal. Suppliers of goods and services can see the competitive tendering processes on the Tarjouspalvelu.fi website, which also forwards data to the national HILMA notification channel and the EU-level TED portal.

We comply with the Act on Public Procurement in Special Sectors in our competitive procurement processes, and we treat service and material providers equally without discrimination.

In 2021, our procurement and purchasing organisation conducted competitive tendering processes for the new Sinimäki substation in Espoo, a large project entity in Southwestern Finland, and development and maintenance consulting related to robotics, among other things. The public procurement processes went well, and we have not received notice of any complaints submitted by participants to the Market Court.

DESPITE THE COVID-19 PANDEMIC, OUR MATERIAL PURCHASES WENT VERY WELL

Despite the challenging COVID-19 situation and the shortage of raw materials, Caruna's network material procurement and logistics streams were handled well. Exacting requirements are set for material purchasing during the competitive tendering phase, emphasising environmental, quality, safety, and sustainability aspects. In addition, we safeguard the availability of materials by selecting several suppliers for different network components.

In 2021, we ran a specialised public procurement procedure to obtain competitive tenders for distribution cabinets. When we compared



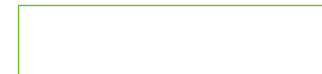
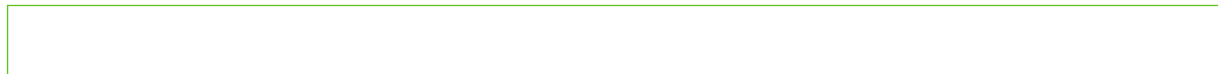
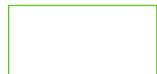
tenders, we emphasised factory and transportation safety, as well as the safety of distribution cabinets for people and the environment.

We continued to cooperate closely with our contractual suppliers in the year under review. We held regular meetings with our principal suppliers to verify the success of operations throughout the contractual period and review any areas of cooperation in need of development or improvement. In addition, we shared information about our activities and topical themes, such as occupational safety, construction quality, and corporate responsibility.

WE BUILD WITH OUR PARTNERS

We have outsourced network construction to our contractual partners, most of which are Finnish companies. Contractors are building a high-quality, modern electricity network for Finnish society in line with technical requirements. Our service providers, including our project supervision partner, ensure adequate capacity and expertise to monitor the construction and maintenance work on our electricity network.

In 2021, we had 16 main contractors and 450 subcontracting companies building and repairing our electricity network (2020: 15 and





560). Because our projects are so large, our main contractors are all large and medium-sized companies, and we approve the subcontractors they use.

Our project quality control partners monitor construction on our projects and conduct inspections during our network's warranty period. We inspect details such as the cable installation depth to ensure that cables have been installed in compliance with our requirements and that the environment is tidy once the construction project is complete.

AUDITS ARE A PART OF OUR CONTRACTUAL SUPPLIERS' RISK MANAGEMENT

Our auditing plan enables us to audit and improve our most important contractual suppliers every year. From 2016 to 2021, we audited over 20 of Caruna's largest contractual suppliers. Together, these suppliers account for more than 80 per cent of Caruna's procurements of goods, construction, and services by value.

In 2021, we audited seven suppliers: two material suppliers, three construction contractors, one ICT supplier, and one recycling partner. In addition to supplier audits, we conducted a takeover audit for a new construction agreement with a contractor and tool calibration audits with four contractors.

The audits revealed a small number of irregularities, and corrective measures were initiated

to address the irregularities. There was no need for any repeat audits in 2021.

Last year, we also commissioned corporate responsibility assessments for our most important contractual suppliers. The previous assessment round took place in 2018, and the responses obtained this time round show that our contractual suppliers have taken some major steps to improve the corporate responsibility of their operations. All the suppliers who responded to the assessment now include corporate responsibility in their strategies, and corporate responsibility is strongly engrained in their operational activities.

Our audits cover themes related to the quality of operations, social responsibility, and environmental responsibility.

OUR SUPPLY CHAIN IS MAKING MAJOR IMPROVEMENTS IN TERMS OF CORPORATE RESPONSIBILITY

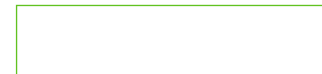
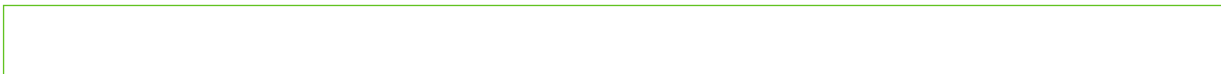
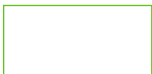
We aim to continuously enhance collaboration within our supply chain and improve the transparency and management of our supply chain. We added corporate responsibility requirements to our competitive tendering processes, and we discussed relevant corporate responsibility themes with our most important contractual suppliers, especially in reference to means of enabling reductions in their carbon footprints.

Our Supplier Code of Conduct obliges our

We aim to continuously enhance collaboration within our supply chain and improve the transparency and management of our supply chain.

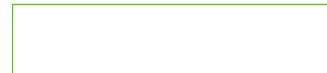
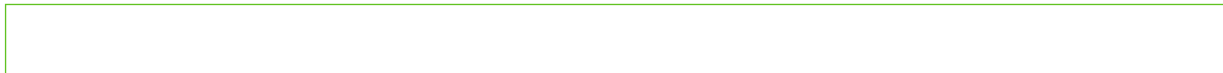
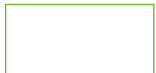
contractual suppliers to operate in line with ethical business principles and to constantly develop their operations. All of our contractual suppliers are committed to complying with the guidelines and are also responsible for ensuring that their subcontractors operate accordingly. Our main contractual suppliers also go through an online course that was created at the end of 2019 on the basis of our Supplier Code of Conduct. It has already been completed by 179 representatives of our contract suppliers.

In 2021, the annual corporate responsibility day for contractual suppliers was again held as a webinar for a wider group of stakeholders. The main theme of the webinar was cybersecurity, and our partner was Elisa Corporation. During the day, we discussed security and topical views on corporate responsibility, and we held a panel discussion on the theme of cybersecurity involving experts from Caruna and Elisa.



Combating climate change

- 12,060 solar power producers
- 4.22 TWh of renewable electricity production on our network





We take care of our shared environment

We take the environment into consideration in everything we do throughout the life cycle of our electricity network. Our operations have held ISO 14001 environmental certification since 2000.

Our activities are visible and influential in our network areas in many ways. We refurbish, maintain and build new sections of the electricity network and dismantle the decommissioned parts. We strive to continuously improve the energy and material efficiency of our operations, reduce the harmful environmental impacts, and enhance our positive environmental impacts.

We are committed to using land responsibly and safeguarding biodiversity when we design, build and maintain our reliable electricity network. The environmental impacts of the electricity network are taken into consideration throughout the network's life cycle so as to

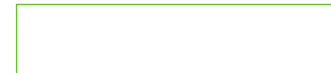
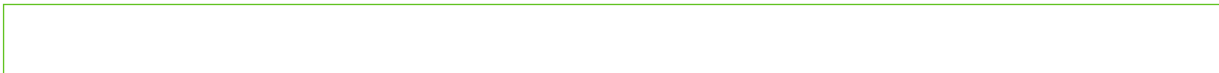
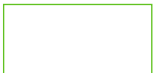
ensure that they are as minor as possible or potentially even positive for the climate, environment and biodiversity, as well as for landowners and other stakeholders. We continuously monitor the progress of environmental goals and actions and report openly on our performance.

Our positive role in the fight against climate change is increasingly in evidence as we carry out the energy transition that is essential for achieving climate goals. We describe our climate impacts in more detail on the page 33.

WE PROTECT BIODIVERSITY

It is our goal to look after environmental and cultural values and build and maintain the electricity network while respecting nature and conservation sites, which also means taking biodiversity into consideration in everything we do.

We promote our goals related to biodiversity by systematically investigating and taking account of the environmental conditions, conservation sites, and other special areas in



We revised our biodiversity principles in 2021.

all our activities in every phase of the electricity network's life cycle. We ensure smooth cooperation with landowners and other stakeholders in matters related to land use and permits and ensure environmental management during and after work on project sites. We release land and forest areas for other uses by placing cables underground, and execute projects to promote biodiversity, such as installing bird balls on overhead power lines and building insect villages along cable routes. We also take into account the guidelines issued by the authorities to prevent the proliferation of invasive species as a consequence of our operations.

We revised our biodiversity principles in 2021.

WE PROCURE MATERIALS RESPONSIBLY

We set precise requirements for material procurements during the competitive tendering phase, with a major weighting on environmental, energy efficiency, quality, safety and other corporate responsibility aspects. Our electricity network investments in 2021 led to the instal-

lation of 1,100 new distribution transformers (2020: 1,400) and 1,000 (2020: 1,700) kilometres of cable. The new distribution transformers we use conform to the ECO Directive.

The parts of the network made obsolete as a result of our investments are dismantled and recycled. In 2021, we dismantled 2,600 (2020: 2,400) kilometres of old overhead lines. Our recycling partner was responsible for processing the dismantled materials, collecting the materials from worksites and processing them at its local facilities.

DISMANTLED ELECTRICITY POLES MAY CONTAIN HAZARDOUS CHEMICALS

Every year, thousands of impregnated timber poles are removed from our electricity network. Old impregnated wooden poles often contain chromated copper arsenate (CCA) or creosote, which may be hazardous to humans, animals or the environment if handled incorrectly. Laws restrict how impregnated wooden poles can be used and disposed of, and we handle dismantled poles by following an operating model that meets legal requirements.

Of all the impregnated wooden poles removed from the network, 3,093 (2020: 2,500) tonnes were sent for use as energy.

WE PREVENT ENVIRONMENTAL POLLUTION AND WE CLEAN UP BEHIND OURSELVES

Typical incidents of environmental damage in our business involve transformer oil leaking into the environment if a pole-mounted transformer is damaged by an event such as a lightning strike. We handle all oil leaks promptly and take remediation measures and samples to ensure that they do not leave a permanent mark on the environment. In 2021, 30 (2020: 25) oil leaks occurred on our electricity network, four of which were over 100 kg. There were no severe oil leaks or environmental impacts caused by oil leaks.

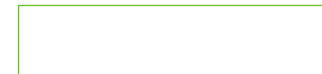
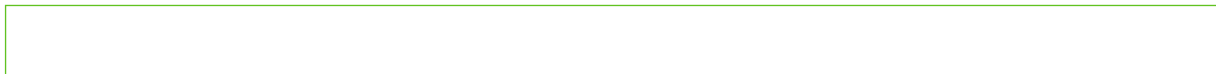
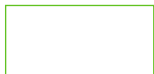
All the new transformers used in our investment programmes are equipped with oil recovery basins that prevent transformer oil from leaking into the environment if the transformer is damaged. In order to reduce the risk of oil leaks, we launched a separate investment programme in 2016 to replace pole-mounted transformers in groundwater areas with pad-mounted transformers fitted with oil recovery basins. From 2016 to 2021, we have replaced 1,359 pole-mounted transformers. All remaining pole-mounted transformers in groundwater areas will be replaced within the next few years.

In 2021, there was one (2020: 2) SF6 gas leak due to switchgear breakage. No deviations with a significant biodiversity impact occurred in 2021.



Key environmental impacts

Environmental impact	<h2>CLIMATE IMPACTS AND ENERGY EFFICIENCY</h2>	<h2>USE OF MATERIALS</h2>
Target	<ul style="list-style-type: none"> • Reinforcing our carbon handprint: our positive climate effects • Promoting a carbon-neutral energy system • Energy-efficient, low-carbon solutions for customers • Creating partnerships and new business models • Carbon neutrality by reducing the carbon footprint • Adapting to the impacts of climate change 	<ul style="list-style-type: none"> • Ensuring safety throughout the life cycle of materials • Quality and durability of new materials • Reducing the amount of waste and improving the recovery rate of dismantled materials • Avoiding the onset of hazardous waste by making new material choices
Measures	<ul style="list-style-type: none"> • Improving the structure and intelligence of the electricity network to meet the changing needs of energy markets, customers and climate conditions • Flexible connection of decentralised energy production to the electricity network • Developing an energy-trading platform • Energy storage and local flexibility to balance out variations between production and consumption • Offering energy-efficient, low-carbon solutions to customers • Solutions for the electrification of transport • Energy-sharing services for housing companies • Joint projects to advance the carbon-neutrality goals of municipalities • Managing and compensating for energy losses on the electricity network • Joint construction with other operators (municipalities and other infrastructure networks) • Increasing the rate of underground cabling and network automation to reduce the need for fieldwork (inspections, maintenance, fault repair) 	<ul style="list-style-type: none"> • Using materials that take into consideration the impacts throughout their life cycles • Ensuring the composition and properties of new materials, as well as safe use and disposal methods • Appropriate treatment, exploitation and disposal of dismantled materials • Selecting contractual partners and ensuring that operations conform to requirements • Instructions, monitoring and supervision of parties that handle materials • A watertight waste management and accounting process
Indicators	<ul style="list-style-type: none"> • Network emissions factor • Renewable energy connected to the network, gross production (MWh), small-scale production capacity (MW) • Number of small-scale producers of solar power • Ratio of joint construction to total construction (%) • Carbon footprint (GHG Scope 1-3) • Carbon handprint generated for customers 	<ul style="list-style-type: none"> • Quantities of new material (units of each component type) • Waste accounting (tonnes and euros) • Recycling rate of dismantled material (%) • Contractor and supplier audits (number of audits) • Material audits and approvals (units)



Environmental impact

Target

RESPONSIBLE LAND USE AND BIODIVERSITY

- Minimising adverse environmental impacts
- Avoiding operating in sensitive natural areas
- Reinforcing positive impacts
- Reducing land use restrictions
- Promoting biodiversity and ensuring no net loss
- Preventing the spread of invasive species

Measures

- Thoroughly investigating and paying consideration to environmental conditions, conservation areas and other special areas in all electricity network operations in every phase of the life cycle
- Effective collaboration with landowners and other stakeholders in land use and permit matters
- Restoring the areas surrounding project sites to at least their original state
- Managing customer feedback and developing operations on the basis of feedback
- Land and forest areas freed up for new uses through underground cabling
- Installing bird balls on overhead power lines to prevent collisions; other projects to promote biodiversity

Indicators

- Cabling rate (%)
- Land released for agricultural and forestry uses (ha)
- Electricity network located in nature conservation areas (km)
- Number of observations made during worksite inspections
- Number of customer feedback messages
- Stakeholder satisfaction (NPS, number of pieces of feedback)
- Number of deviations causing a loss of biodiversity
- Number of projects to promote biodiversity

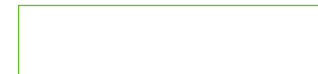
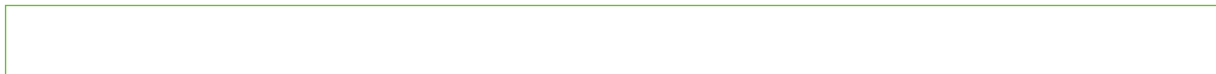
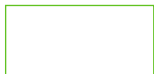
LEAKS INTO THE ENVIRONMENT

- Preventing oil leaks
- Preventing SF6 leaks
- Absolute prevention of severe and permanent environmental damage

- Eliminating sites with a high risk of oil leaks by renovating pole-mounted transformers in groundwater areas
- Preventing oil from leaking into the environment by using oil recovery basins in primary substations, as well as in real estate substations and pad-mounted substations
- Systematic processing of environmental damage and ensuring that adequate remediation measures are taken
- Managing the SF6 gas balance, ensuring contractor competence

- Number of pole-mounted transformers/all transformers in groundwater areas and other areas
- Number of oil spills
- Amount of SF6 gas leaked (kg)

We do not sell energy – we use the output of our small-scale solar power systems for our own consumption. Our business processes do not consume water or generate waste. We do not use radioactive material or generate radioactive waste in our operations. Our operations do not cause any gas emissions other than the greenhouse gases included in the calculation of our carbon footprint.



Our mission is to help our customers and society through the energy transition

We are actively working to foster the energy transition by taking into consideration the overall interests of our customers and the security of supply for society.

Finland aims to become carbon-neutral by 2035. Achieving this climate goal will require an energy transition in which fossil fuels are replaced by emission-free energy sources, the energy system is electrified, and smart, flexible electricity distribution, storage, and consumption solutions are created. The proper functioning of society depends on reliable electricity distribution.

Our smart electricity network enables electricity consumption and renewable energy production to increase without jeopardising the security of supply.

We invest in boosting the transmission and distribution capacity of the electricity network

in order to carry out the energy transition, and we keep the need for capacity in balance by increasing the amount of flexibility in the energy market through a smarter electricity network and opportunities for the inclusion of customers in the energy market. The controlled implementation of the energy transition became our mission when we updated our strategy in 2021.

During the year under review, we conducted a comprehensive analysis of the energy transition's impact on the management of the electricity system.

We offered our customers and energy communities reliable, low-carbon and energy-efficient products and services. We continued to develop solutions by piloting new technologies and operating models with our partners.

We set our own climate goal – Caruna will become carbon-neutral by the end of 2025. Our investments in underground cabling freed up forest areas and increased Finland's carbon sinks.

We keep the need for capacity in balance by increasing the amount of flexibility in the energy market.

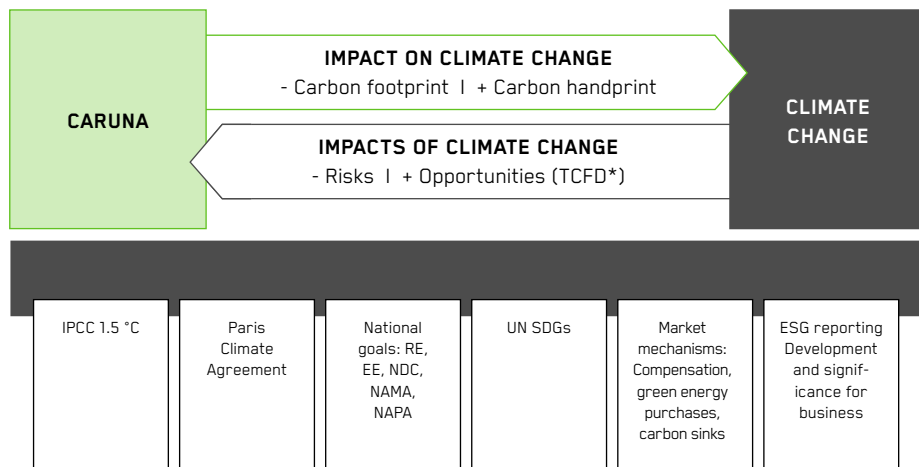
Although our actions can help to slow the progression of climate change, we also need to adapt to its impacts, such as the increasing incidence of extreme weather conditions. The principal measures we are taking to adapt to the impacts of climate change are cabling the electricity network, making the overhead line network more weather-resistant, and automating the electricity network.

CLIMATE RISKS AND OPPORTUNITIES

Climate risk management is integrated into our company's risk management. Climate risks are divided into transition risks and physical risks. Physical risk management, such as adapting to



OUR CLIMATE ACTION IS FOUNDED ON A COMPREHENSIVE ASSESSMENT OF CLIMATE IMPACTS



*Task Force on Climate-related Financial Disclosures

the risks posed by extreme weather conditions, has long been among the main influential factors for our business. Since 2019, we have evaluated the risks and opportunities of climate change in accordance with the TCFD (Task-force on Climate-related Financial Disclosures) framework.

TRANSITION RISKS

Our strategy is to take advantage of the transition to a low-carbon energy system and avoid the related risks. Replacing fossil fuels with emission-free, renewable electrical energy will

increase the need for capacity in the electricity network. The production of electricity will become dependent on the weather, and the amount of balancing capacity as a share of gross production will decrease significantly, thereby increasing the need for demand-side management.

We are developing opportunities for customers to participate in the electricity market by offering flexibility through their own production, timing of consumption, and energy storage, among other things. We have made use

of technological advances in the development of our electricity network. We utilise automation, remote control, and various sensors that proactively monitor the status of the network. The electricity network can help society to achieve its goal of becoming carbon neutral while optimising the climate, societal, and economic impacts.

However, the legislation related to the climate, energy efficiency, and the electricity market is somewhat fragmented and may lead to partial optimisation and solutions that are not ideal for society as a whole. Electricity market legislation does not take into consideration the EU and Finnish climate goals, and amendments to the legislation may even prevent the investments required to ensure a controlled energy transition.

We endeavour to overcome the barriers presented by legislation. An example of a joint influencing effort to overcome the barriers is an initiative to enable use of renewable energy production between customers' various buildings.

PHYSICAL RISKS

Climate change also affects our physical operating environment. Abrupt, extreme weather events, such as storms, freezing rain, and heavy precipitation, are on the increase. Snow burdens may accumulate on lines or in the forests bordering power line corridors and pose a threat to electricity distribution. Heatwaves are becoming more common, and the risk of forest fires is increasing. As the climate heats up, the

ground will not freeze in the same way as before, so trees may be more liable to fall during winter storms, and heavy rain could cause landslides and flooding.

We prepare for physical climate risks in areas such as our construction principles, improved network automation, remote control, and proactive measurement of the status of the network and environment using various sensors, such as snow burden sensors, and improved backup power supply options when this is a viable option in the overall interests of customers. When we make investments, we take into account the possibility of flooding in accordance with the flood limits specified in the building regulations, and we have conducted a separate evaluation of the local risks of flooding affecting our network, including the potential for urban flooding.

Thanks to our investments in the security of supply – underground cabling and appropriate construction decisions for the overhead line network – our electricity network is now significantly more weatherproof, and the share of our customers now covered by our weatherproof network is larger than ever. We have made thorough preparations for disturbances. We cooperate with the Finnish Meteorological Institute to forecast the weather. We work with our stakeholders to maintain guidelines, recovery plans, and expertise on resources backed by contracts, and we rehearse the actions to be taken in the event of a disturbance.



WE EVALUATED THE SUSTAINABILITY OF OUR OPERATIONS IN ACCORDANCE WITH THE EU'S SUSTAINABLE FINANCE TAXONOMY

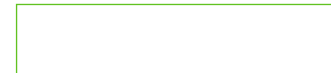
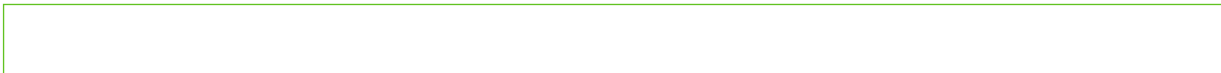
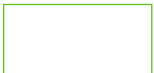
In the year under review, we carried out an assessment of the sustainability of our operations in the areas of climate change mitigation and adaptation using the evaluation criteria provided for the electricity transmission and distribution sector in the EU taxonomy for sustainable activities. Electricity network investments and electricity distribution functions are considered sustainable in terms of the climate when they enable the decarbonisation of the energy system. According to our study, 99.8 per cent (2020: 99.7) of our net sales and 99.8 per cent (2020: 99.1) of our investments are in line with the EU sustainable finance taxonomy.

As part of the assessment, we revised our procedures to ensure that our operations do not cause significant harm to the four other EU environmental goals sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. We also ensured that the social safeguards are in place by implementing the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work as part of our operating instructions, company policies, and management system.

ROADMAP OF THE ENERGY TRANSITION'S IMPACT ON THE ELECTRICITY SYSTEM

The energy transition required to achieve the climate goals will give rise to major changes in electricity production and consumption. Electricity consumption will increase significantly, and the change will be greatest in high-voltage networks, as industry electrifies and the amount of wind power increases. The production of electricity will become dependent on the weather, and the amount of balancing capacity as a share of gross production will decrease significantly. This change will increase the need for consumption to be flexible in response to the volume of generated electricity, and there will be more temporary energy storage. The most significant change for the distribution network will be power fluctuations, which are caused by new phenomena: heat pumps, charging of electric vehicles, solar power, and demand-side management.

In order to ensure our capability to carry out the energy transition in a controlled way, we identified four alternative future development paths, prepared scenarios for them, and assessed their regional impacts. We used the scenarios as a basis for drawing up a capability roadmap for our short-, medium-, and long-term actions. The key development measure is to enhance our capability to model future changes in electricity consumption and production through data and analytics in order to ensure we develop the network in a timely, cost-effective way.



Our climate actions focus on our climate handprint

Our climate actions are divided into three categories: measures that strengthen our carbon handprint, measures that reduce our carbon footprint, and development of the management and communication of climate-related matters.

We improve our carbon handprint by promoting the use of renewable energy sources and the power system required by the energy transition, offering our customers information and low-carbon solutions, and developing cooperation, partnerships, and operating models.

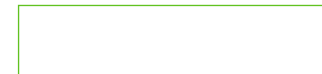
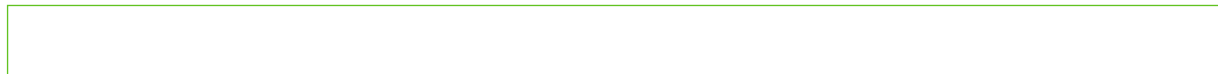
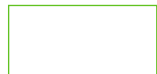
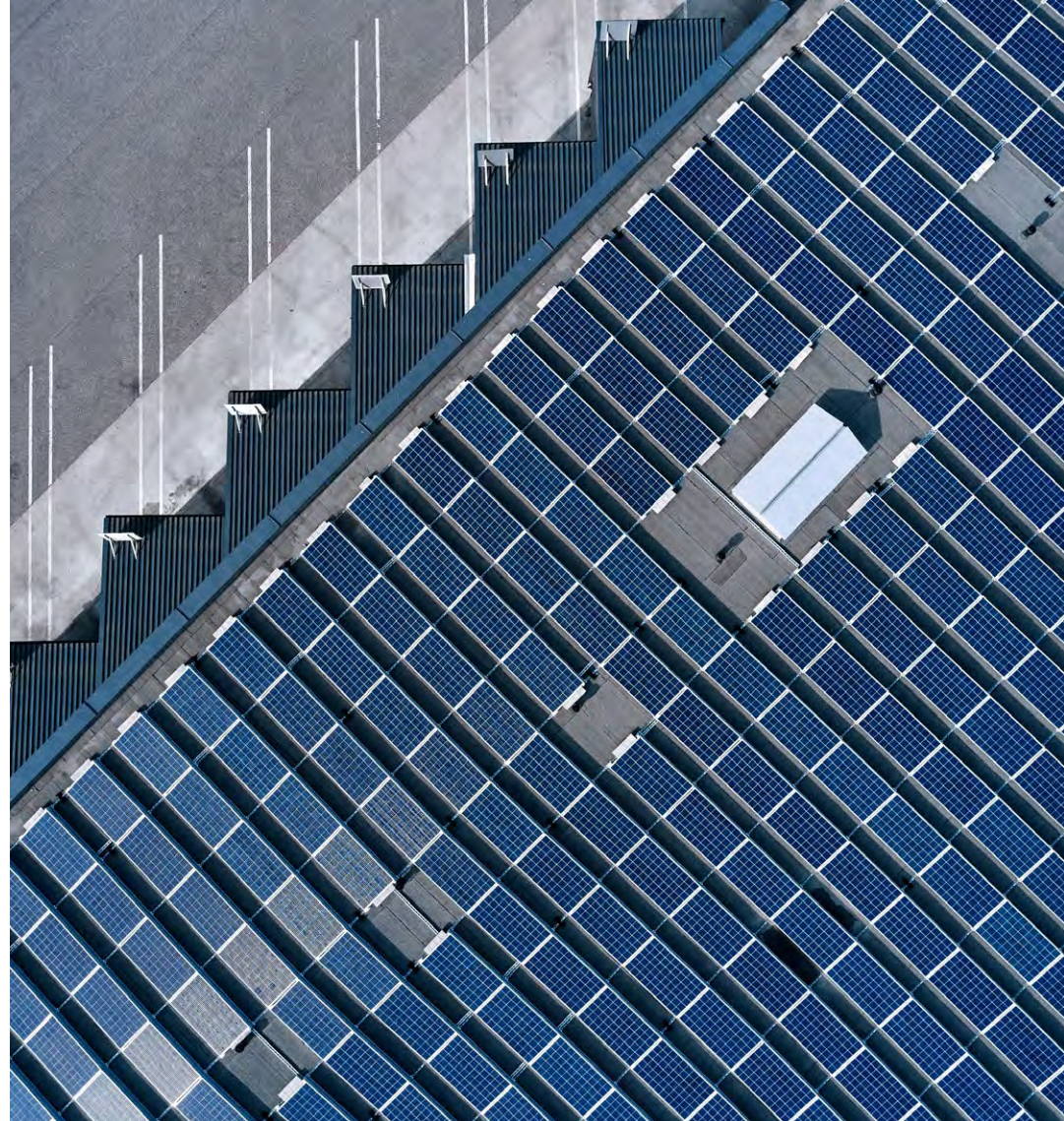
OUR MOST SIGNIFICANT CARBON HANDPRINT COMES FROM CONNECTING RENEWABLE ENERGY TO THE ELECTRICITY NETWORK

We help society and our customers to reduce their carbon footprints by means such as enabling the distribution of renewable energy from the point of production to customers, offering a platform for solutions that use clean energy instead of fossil fuels, including electric transport, and offering services that enable customers to

reduce their carbon footprints, use energy more efficiently, participate in the flexibility market, and generate their own energy. We assess our carbon handprint by identifying the potentially positive effects of our operations on the climate and calculating the magnitude of such effects.

Our most significant carbon handprint comes from connecting renewable energy to the electricity network. Our smart electricity network enables renewable energy to be connected and distributed to customers without compromising the reliability of supply or losing renewable production. In 2021, approximately 4.22 TWh of renewable electricity (2020: 4.05 TWh) was fed into Caruna's network, accounting for 11 per cent of all the renewable electricity generated in Finland. This is equivalent to the annual carbon footprint of approximately 48,000 average Finns.

We introduced a new key climate indicator: the grid emissions factor, which describes the cleanliness of the electricity produced to our network. Over the short term, the grid emissions factor fluctuates mostly according to the hydrological situation. Over the long term, the emissions factor will approach zero as coal is replaced by renewable or otherwise emission-free energy sources.



We calculated our carbon footprint for the fourth time

In the year under review, we calculated the carbon footprint of our own operations for the fourth time in line with the Green House Gas Protocol.

Our calculation covers the emissions caused by our value chain (scope 3) in addition to our own direct and indirect emissions (scopes 1 and 2). From 2021 our scope 2 emissions are also reported as market-based calculation method, taking into account the emissions from the purchased electricity.

Our carbon dioxide emissions are mainly caused by the materials used to build the electricity network, the loss of electricity in electricity distribution, the carbon dioxide emissions from the electricity transmitted on electricity

networks and construction work on the electricity network.

Our direct carbon dioxide emissions (scope 1) are generally very low, as they consist mainly of minor leaks of sulphur hexafluoride, which we use as an insulating gas, as well as the use of backup power systems. The collapse of a 100 kV high-voltage pylon in Rymättylä at the start of 2021 caused an abnormal peak in our direct emissions, as several generators were started up in addition to backup supply connections in order to safeguard electricity distribution.

Energy loss always occurs when electricity is transmitted and distributed, and the electricity network owner is liable for this. Our indirect emissions (scope 2) mainly consist of losses in electricity distribution and transformation, as well as the electricity and heat we use in our office. In 2021, our losses amounted to approximately 425.5 (2020: 377.1) GWh. We used

1.4 GWh (2020: 1.1) of electricity in our office and 1.6 GWh (2020: 1.2) of heat.

We buy electricity with no CO2 emissions, and our indirect emissions in scope 2, calculated on market terms, are caused only by heating. Location-based calculation involves calculating emissions using the emission coefficients for

The collapse of a high-voltage pylon in Rymättylä caused an abnormal peak in our direct emissions.



energy production in Finland (Statistics Finland, benefit sharing method).

The vast majority of our carbon footprint arises in our procurement and supply chain (scope 3). Supply chain emissions were 99 per cent of the market-based GHG calculation and 62 per cent of the location-based GHG calculation. Most of the supply chain emissions are caused by the network materials used in the network construction.

We buy carbon emissions free nuclear electricity to compensate the grid losses. In market-based GHG calculation the losses do not cause any emissions, and in location-based GHG calculation the losses were 37 per cent of the total carbon footprint in 2021.

Caruna's total carbon footprint (market-based calculation method) in 2021 was 84.6 (2020: 91.3) ktCO₂e, which is equivalent to the annual carbon footprint of approximately 8,200 average Finns.

CARUNA TO BE CARBON-NEUTRAL BY THE END OF 2025

In 2021, we revised our climate roadmap, metrics, and actions. We set ourselves the target of becoming carbon-neutral by the end of 2025. The target applies to scopes 1 and 2 in the GHG protocol, covering our own direct and indirect emissions.

All the electricity we purchase, whether it is distribution losses or consumed in our office, is CO₂-free nuclear power or renewable electricity. We take this into consideration in our climate goal in accordance with the market-based emission calculation method. The key actions required to become carbon neutral are to take energy efficiency into consideration when we choose materials for the electricity network and operate the network, minimise leaks from equipment containing SF₆ gas throughout the life cycle of such equipment, analyse viable solutions from a technical and economic perspective, pay special consideration when using SF₆ gas, enhance the energy efficiency of reserve power generators, optimise operations, and innovate alternative future reserve power solutions. We compensate for some of our emissions. In other words, we offset them by supporting carbon sinks or emission reductions elsewhere through a reliable, third-party verified partner.

In scope 3 – the supply chain – we have identified the initial levels of our main suppliers in the carbon footprint calculation. We aim to work with our suppliers to improve the calculation of the supplier- or product-specific carbon footprints so that targets can be set for reducing emissions.

WE CONTINUED OUR INVOLVEMENT IN THE ENERGY EFFICIENCY AGREEMENT

Improving energy efficiency is one of our climate actions and one of the key aspects of customer cooperation. We have been involved in the national energy efficiency agreement, and the energy saving agreement that preceded it, since the since its foundation in 1997. The previous agreement ended at the end of 2016, and Caruna joined the agreement for the next period from 2017 to 2025. We have analysed the impacts of our investments on electricity network losses. In our estimate, the development measures we are taking will reduce relative network losses by approximately 1.0 (2020: 0.9) GWh in 2021.

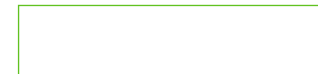
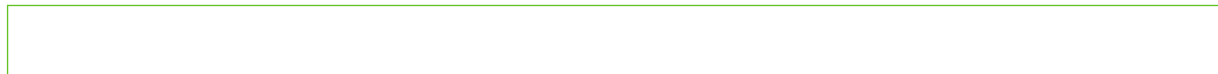
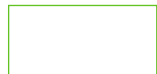
In terms of the overall efficiency of the energy system, losses are a less important concern than the objective of taking maximum advantage of renewable, non-adjustable production through balancing production and consumption and storing energy. If necessary, we prioritise system-level energy efficiency at the cost of the losses in the electricity network. When fossil fuels are replaced by emission-free electricity, the consumption of electricity will increase, and this will increase the losses in the electricity network. The electricity network is designed in such a way that at times of peak renewable

electricity production, it may be momentarily overloaded. This increases momentary losses, but it is cost-efficient and, therefore, in the best interests of customers and society.

WE ALSO GENERATED SOLAR POWER

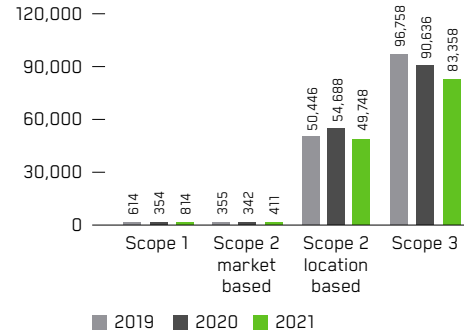
We have two solar power production points, which are primarily intended to provide first-hand experience of distributed energy production. We have installed 110 solar panels on the roof of our Upseerinkatu office building, and the total output of the panels in 2021 was approximately 49 (2020: 26). We used this energy in our office.

We have 119 solar panels on the roof of our substation in Keilaniemi, Espoo. In 2021, the solar panels generated approximately 24 MWh (2020: 25) of energy.

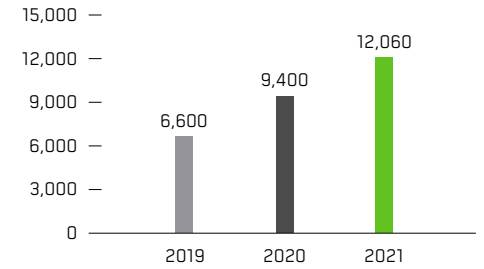




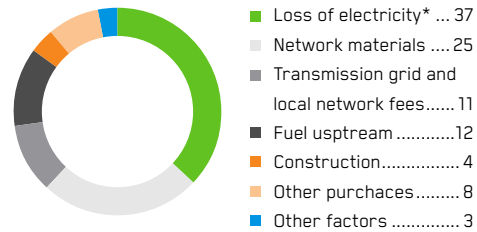
CARBON FOOTPRINT, LOCATION AND MARKET BASED CALCULATION



SMALL-SCALE SOLAR ENERGY PRODUCERS (PCS)

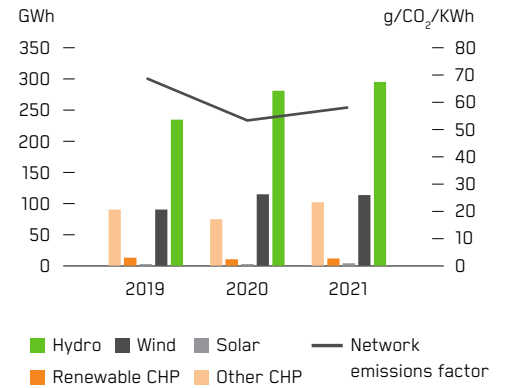


MOST SIGNIFICANT FACTORS IN CARUNA'S CARBON FOOTPRINT, LOCATION BASED CALCULATION, (%)



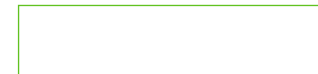
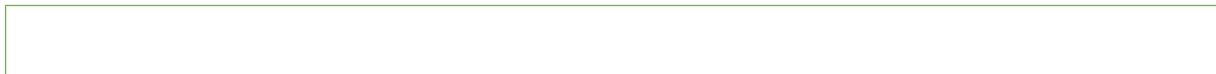
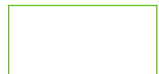
*Market based calculation

TOTAL PRODUCTION TRANSMITTED TO THE CARUNA'S NETWORK AND NETWORK EMISSIONS FACTOR



Work and safety

- We are a responsible employer
- We renewed our Great Place to Work certification
- We were awarded the best classification by the Zero Accidents Forum





Caruna as an employer

There was some relief from the COVID-19 pandemic in 2021, and many Caruna employees returned to the office for a while. In autumn, we restructured our organisation and way of working, and some Caruna employees gained new teammates as a result.

A RESPONSIBLE EMPLOYER

We are a significant employer in Finland. We employ approximately 1,300 people, directly and indirectly, 300 of whom are Caruna personnel, and almost 1,000 are contractors and subcontractors. We support responsible Finnish actors.

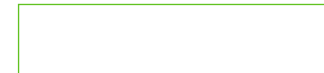
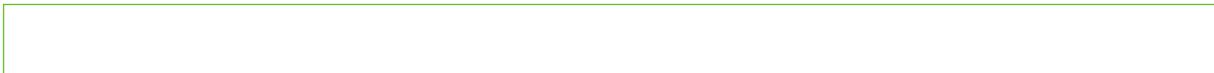
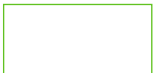
The basic premise is that everyone employed by Caruna and our contractual suppliers works in a consistent, responsible, and ethical way. Our company's values and Code of Conduct determine how we collaborate and treat each other, engage in the electricity distribution business, and look after our assets. Our employment policy and occupational health, safety and envi-

ronmental policy supplement our commitments and principles. We also require our contractors, contractual suppliers, and other contractual partners to act in accordance with the Supplier Code of Conduct and applicable policies.

For us, job satisfaction and responsibility are important creators of motivation. We offer our personnel and partners a safe and inspiring working environment, and we prioritise the safety and well-being of people in everything we do. We are a member of the Zero Accident Forum of the Finnish Institute of Occupational Health, and we are committed to its goals.

We ensure that we and our partners have the latest competences, which grow over the long term to address future needs. We have identified the key competence requirements for our operations, and we develop them actively, both among our own employees and in our partner network.

In 2021, we began reforming our operating model. We streamlined our operating model and organisation to provide better support for the implementation of our strategy and our mission to help customers and society through the energy transition. Many Caruna employees gained new teammates or new supervisors, and



many were also presented with new opportunities. The reform required the changes to be communicated effectively and supervisors to be supported in making changes. It also called for some extra personnel informational events.

EQUAL OPPORTUNITIES

We are committed to promoting equality and diversity in all our operations. All our employees have equal opportunities, and we make use of their various competences and strengths in our operations. The remuneration we pay is transparent and based on job complexity grades. The job descriptions and complexity grades are available for every member of personnel to see. Almost every member of personnel, except for the senior management and certain representatives of support functions, is covered by a collective agreement. According to research conducted by our remuneration partner, our salary levels remained above the market median level for the private sector.

In addition, we reward our personnel with the help of performance-based short-term incentives (STIs) and long-term incentives (LTIs), as well as bonuses for years of service, one-off bonuses, and smaller sums on important dates.

OCCUPATIONAL HEALTH AND WELL-BEING

Our competent, healthy, and committed employees are our most important resource. We regularly assess work resources and

stress factors. Regular job satisfaction surveys help in this assessment, as well as workplace surveys by the occupational health care provider and workplace risk assessments, which are conducted at least once every three years. During the year, we also asked our employees about their desire to continue working remotely. The new remote work recommendation increased the proportion of hybrid work when previous remote working practices were made more flexible.

Year after year, personnel surveys and departure interviews highlight the importance of a good work atmosphere and colleagues. Our main occupational health and safety questions are related to ergonomics and the psychosocial workload on office workers. We encourage our personnel to balance their work and private lives. We use flexible working hours, and our personnel can make flexible agreements on matters such as remote working and various family leave arrangements, as well as exchanging their holiday bonuses for leave.

In the year under review, we invested in occupational well-being by offering lectures by an occupational psychologist, an occupational health nurse, and an emotional skills trainer. Caruna employees can make use of their flexible working hours and hybrid work in the way they consider best. In addition, an occupational physiotherapist and an occupational health nurse toured the office, and influenza vaccinations were also offered.

We are committed to the Zero Accident Forum's goal of zero accidents in all our operations

- Zero accidents
- Zero occupational diseases
- Zero tolerance for bullying
- Zero incidents of sick leave due to work
- Zero unhandled incidents of violence and harassment
- Zero cases of burnout
- Zero supervisors and employees unaware of occupational well-being



Our occupational health care service agreement and occupational health action plan are up to date and available to every member of personnel on our intranet. In 2021, we carried out a statutory workplace survey with our occupational health partner. The positive factors in our workplace are considered to be, above all, the pleasant colleagues, meaningful work, secure income, and flexible remote working opportunities. The most burdensome factors were considered to be the execution and communication of changes related to the reform of the operating model and organisation.

In the second half of the year, we introduced a new, secure occupational health cooperation portal, which provides us with data such as the latest key figures for occupational health cooperation. These key figures help us to direct occupational health cooperation measures to the areas where they are needed most.

Caruna's employees have the option of joining the Enerkemi insurance fund, which promotes and supports the health and working capacity of its members by paying supplementary compensation for costs related to medical treatment. The fund also acts as a social security office for

its members in matters related to benefits under the Health Insurance Act, thereby safeguarding its members' income throughout absences due to illness and parental leave. In addition, the fund works in cooperation with the occupational health service to support and advise members whose working capacity is reduced by an illness. Fixed-term employees can also join the fund if their employment relationship lasts at least six months.

Caruna has an active occupational health and safety committee, which consists of two health and safety representatives elected by the personnel, the deputies to the said representatives, and representatives of the employer. The committee meets regularly to promote matters related to the occupational well-being of personnel, among other things. In 2021, the occupational health and safety committee revamped the Open-plan Office Ground Rules online course and the mental stress helper package. The occupational health and safety committee was reformed in early 2022, as the existing committee's two-year term of office ended on 31 December 2021.

We support our employees by supporting their leisure activities. Our in-house gym was open in accordance with the COVID-19 restrictions, and our employees had the option of using sports and cultural vouchers. We kept our lunch restaurant open within the constraints of the COVID-19 restrictions, and when the restaurant closed, we offered our employees a lunch pass. We

offered our employees Pilke childcare services. We promoted cycling to work by offering our personnel a city bike pass and paying for half the cost of bicycle maintenance with Yeply.

WE RENEWED OUR GREAT PLACE TO WORK CERTIFICATION

We regularly measure our employees' coping capacity and well-being. Our key occupational well-being metrics are the employee engagement index (EEI), the results of the Trust Index, a part of the Great Place to Work survey, employee turnover, absences due to illness, overtime work stresses, and the share of preventative health care (KL1) in total occupational health care costs.

Job satisfaction is analysed using the Pulse survey, which is conducted three times per year. As the COVID-19 pandemic went on and our personnel were mainly working remotely, we monitored our employees' coping capacity more regularly using Well-being this Week surveys. The results of the last Pulse survey of the year were revealed in December 2021, and they were worse than previous results, which may be due to the aftermath of the organisational change, which was carried out in December, as well as the protracted pandemic. The employee commitment index remained at the previous year's level.

We took part in the Great Place to Work competition for the fourth time. The annual survey, which seeks to gauge job satisfaction among employees, consists of the Trust Index



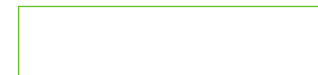
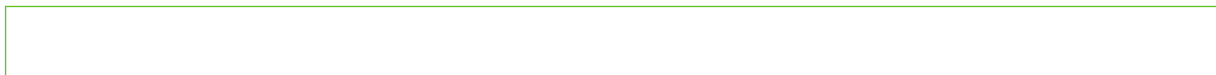
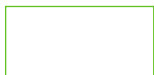
employee survey and the Culture Audit management questionnaire. The Great Place to Work survey showed that our strengths in 2021 continued to be a good team spirit, colleagues, and flexibility. Our employees value their benefits and the work of supervisors. However, there was found to be room for improvement in resourcing, the distribution of workloads, and cooperation between units. In the 2021 survey, the Trust Index and the commitment index remained steady, and we renewed our Great Place to Work certification. 82 per cent of the respondents considered Caruna a good place to work overall.

We have low rates of absence due to illness, and these rates even decreased over the COVID-19 pandemic.

The overheated labour market and competition for experts in the industry also made an impact on us, and employee turnover increased somewhat, especially towards the end of the year. Due to the turnover rate, our recruitment work was active, and we took on several new employees.

We hired about 20 summer workers, just under half of whom remained with Caruna after their summer internships. The summer workers worked for example as network service experts and network planners.

Our operations also provided work for contractors and subcontractors. Our projects indirectly employed over 800 people in various parts of Finland.





Toimin rohkeasti + Hyvällä energialla + Yhdessä

“Caruna on alan suunnannäyttävä, teemme asioita eri tavalla kuin muut.”

EVERYONE IS RESPONSIBLE FOR A GOOD WORKING COMMUNITY

We are building our corporate culture in a determined way, as we believe that culture and work atmosphere have a major effect on well-being. We are an active bunch, and doing things together is a part of our culture. We have several hobby groups that Caruna employees can join according to their interests.

WE WANT TO BE A PLACE WHERE PEOPLE CAN DEVELOP

Alongside digitalisation and the energy transition, the ageing of the population and the retirement of experts are megatrends that affect the availability of qualified workers. We maintain and develop the competences and capabilities of our personnel. Performance appraisals, strategic competence assessments, and annual training plans are important tools in maintaining and developing competences.

During the year, Caruna employees spent an average of 3.7 hours on training (2020; 10.6), the change being mainly due to the COVID-19. Our experts also gave Caruna Academy lectures, which were interactive presentations of current themes related to our sector or our company. We also use online courses for training and orientation. We have online courses on themes such as the Code of Conduct, the customer experience, occupational health, safety, and the environment, competition law, procurement,

open-plan office ground rules, cyber security, data protection, and the use of IT systems. In 2021, we introduced an online course about asset management.

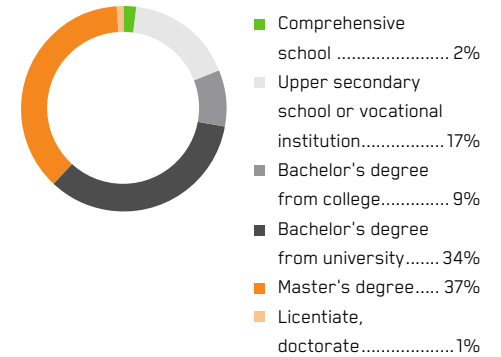
The coaching themes for the personnel and supervisors emphasises hybrid and remote work management, emotional leadership, mental coping strategies and recuperation. In addition, a group of experts was involved in a coaching programme entitled The Expert as a Cultural Influencer. At the end of the year, we also began planning a training programme about the industry and the energy market.

TRAINING FOR PARTNERS

We also provide our partners with different types of training in safety and environmental matters, such as on-duty service, fault detection, land-use planning, major disturbance situations and forest operations near power lines. A total of 1,970 people attended these courses in 2021 (2020: over 1,200), the result includes the new standard time webinars launched during the year of review. The online course about safety and the environment is a mandatory general orientation course for all our contractor-partners, and it must be re-taken every three years. Approximately 430 people completed the course in 2021 (2020: 400), and approximately 300 people completed the electrical safety course (2020: 320).

To ease the shortage of experts in the sector and ensure that our contractors are up to

EMPLOYEES' EDUCATIONAL BACKGROUND (%)



speed with the latest operating environment and electricity network technologies, we launched the Caruna Academy Kärkiryhmä (Spearheads) in 2020 with Barona and the Tampere Adult Education Centre. We held an information and discussion webinar related to the competences required in the sector in cooperation with Barona, TAKK, and Finnish Energy in spring 2021, and Kärkiryhmä 2.0 started in May. At the end of 2021, there were 33 people studying in the Kärkiryhmä, 26 of whom aimed to gain a vocational qualification in the energy sector (electricity network electrician) and seven of whom aimed to gain a specialist vocational qualification in the energy sector (electricity network manager).

Comprehensive development of a culture of safety continued

We encourage our personnel and our partners to report accidents, as well as near-misses and safety observations. All deviations are investigated to the extent required by their risk potential. The investigation involves describing the chain of events, analysing the root causes of the deviation, and specifying corrective measures to prevent similar events from occurring again. A safety bulletin is prepared in relation to the investigation and distributed to the relevant stakeholders.

In spring 2021, a subcontractor working on a Caruna worksite suffered a fatal electrical accident. This was the first such accident in Caruna's history. The incident was investigated with the authorities, and we will take corrective measures related to our operating methods throughout our supply chain, and we will also modify our technical solutions.

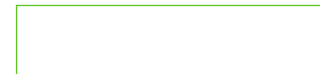
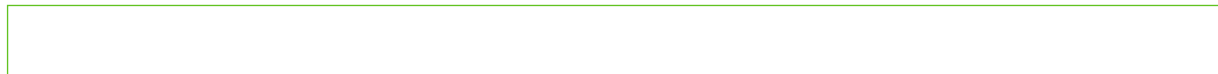
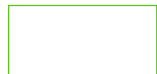
The Lost Workday Injury Frequency (LWIF) in our partner network increased slightly year-on-year. On our worksites, we aimed to decrease the injury frequency to a rate of less than 4.0

accidents per million working hours, but we sadly did not achieve this aim, and the total number of accidents leading to absences remained at the previous year's level.

THE SAFETY AWARD WAS PRESENTED FOR THE SEVENTH TIME

Since 2015, we have rewarded partners whose actions have enhanced a culture of safety within their companies. In the year under review, the first prize went to Eltel Networks Oy's team in Ostrobothnia, the second prize went to Puska-pojat Oy, and the third prize went to A-Products Oy. The prize sums were EUR 6,000, EUR 2,000, and EUR 1,000.

In 2021, we also gave an award to municipalities where occupational safety was taken into consideration in an exemplary fashion. The municipalities that won prizes were Isokyrö, Koski TL, and Merikarvia. These municipalities carried out excavation work in the year under review without breaking any underground electricity cables.





DEVELOPING SAFETY CULTURE

Caruna is developing safety culture internally and in collaboration with its partners. The HSEQ group is Caruna's internal collaboration group with members from different parts of the organisation. The HSEQ network also includes representatives of Caruna's most important contractors.

We continued to develop a culture of safety in line with our coaching model in the year under review. We trained new safety coaches and expanded the coaching to new personnel groups and meetings.

Towards the end of the year, we executed two safety-related communication campaigns. The first of these focused on electrical safety. We distributed an electrical safety information pack to all our contractors and engaged in multi-channel communication on electrical safety. We also arranged information events.

The other campaign involved publishing web pages containing the information obtained from our investigations of safety observations and accidents. We ran a campaign on the use of personal protective equipment, and we guided target groups to our website to go through the information pack.

We conduct regular observation tours, safety walks on our worksites. At the start of the year, we had to limit the number of observation tours

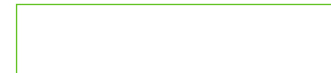
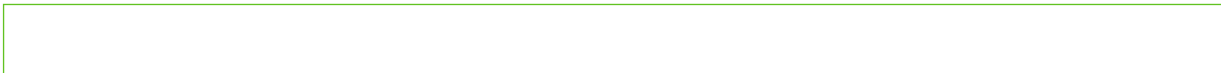
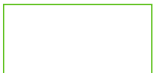
due to the COVID-19 restrictions, but we went back to normal in the spring.

Our network partners monitor their safety performance and report to us regularly. Our worksites are mainly inspected by our contractors and project supervisor partners, which report on safety and ensure that any shortcomings are addressed. In 2021, our project supervisors and contractors reported almost 3,892 (2020: 3,766) site inspections.

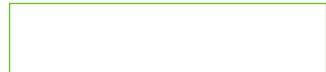
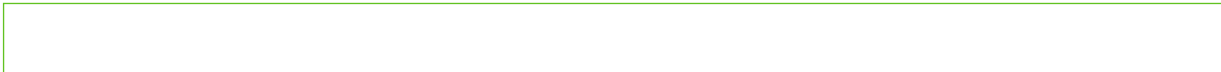
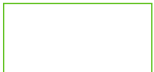
OTHER PEOPLE WORKING IN THE VICINITY OF THE ELECTRICITY NETWORK

Caruna's electricity network is an essential part of society. We want everyone working in the vicinity of the electricity network to understand the hazards posed by the electricity network and know how to work correctly in the vicinity of the network. That is why we have made a booklet called Be Sure Before You Act, which was updated in the year under review.

We added instructions for working near underground cables and gave these instructions a higher weight. An online version of the booklet is available on our website for everyone who needs information on the subject. We have also carried out classroom training for municipal excavation workers in our network area and, for example, people building district heating networks.



Corporate responsibility reporting and GRI



Our corporate responsibility reporting principles

We report on our corporate responsibility in this annual report. The corporate responsibility governance practices are included in the Corporate Governance report, and numerical data is included in a separate ESG Indicators section.

In order to ensure that our reporting is transparent and comparable, we use the Global Reporting Initiative (GRI) guidelines in our reports. The reports cover all the operations in the three companies within Caruna Networks Group: Caruna Networks Oy, Caruna Oy and Caruna Espoo Oy.

Non-financial information, as defined in the Accounting Act, is included in the Operating and Financial Review.

This report covers the period from 1 January to 31 December 2021. The previous report was published in March 2021, and the next report will be published in spring 2023. In addition to the annual report, we report on our corporate responsibility in our half-yearly reports.

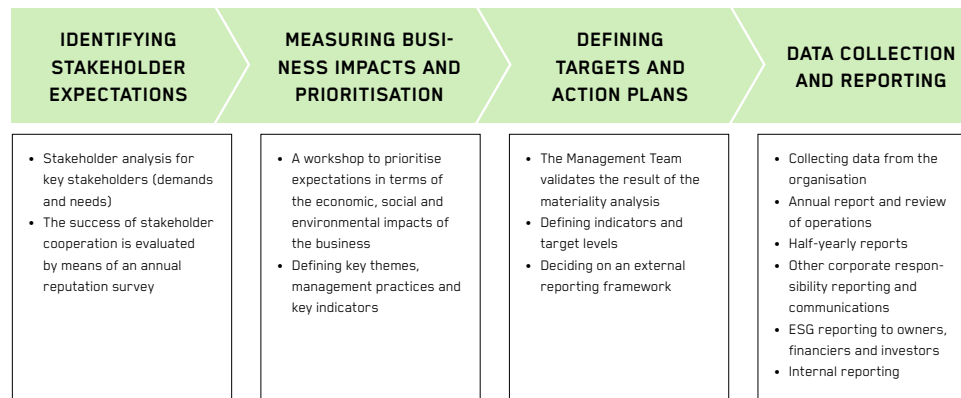
DEFINING THE REPORT CONTENTS

Our corporate responsibility report for 2021 complies with the Global Reporting Initiative's GRI Sustainability Reporting Standards. The report covers the basic information required by the GRI Standards and the Electric Utilities Sector Disclosures, as well as the other sustainability topics that are considered material to our operations.

Our corporate responsibility is based on creating added value for our stakeholders. We analyse the demands and expectations of our stakeholders with regard to our operations, and we assess the importance of these to our operations with the help of a materiality analysis. A comprehensive materiality analysis is conducted at least once every three years and updated whenever necessary in conjunction with the annual strategy process. The materiality analysis was last updated in 2021.

We use the materiality analysis as the basis for defining the focal areas of corporate responsibility and updating the key corporate responsibility themes. Our Management Team validated the focal areas and themes in early 2021. New focuses were adopted in the 2022 corporate responsibility programme and report.

MATERIALITY ANALYSIS AND REPORTING PROCESS



Thorough materiality analysis and target-setting every three years, as well as annual updates

OUR CLIMATE WORK IS BASED ON WIDELY ADOPTED FRAMEWORKS

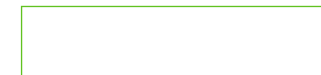
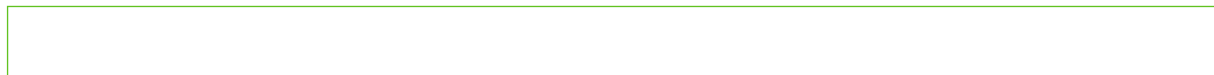
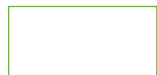
We calculate the carbon footprint of our operations in accordance with the Green House Gas (GHG) Protocol. Our calculation covers the emissions caused by our procurement and supply chain (scope 3) in addition to our own direct and indirect emissions (scope 1 and 2). From 2021 onwards we report the scope 2 emissions using both market-based and location-based calculation method.

The Taskforce on Climate-related Financial Disclosures (TCFD) is an international framework for reporting on climate risks and opportunities, providing for a comprehensive examination of

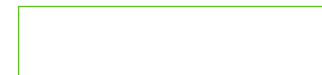
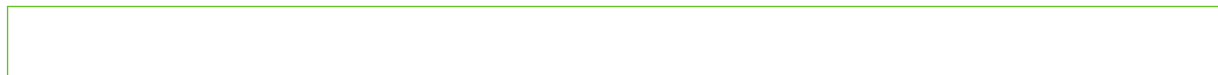
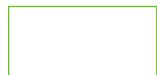
the economic impacts of the risks and opportunities. The responsibilities included in our TCFD report are described in the Corporate Governance report, the strategy and business impacts can be found on [page 7](#), risk management, metrics and targets are on the [page 36](#). During the year under review, we further strengthened the management of climate matters and their linkage with the strategy and targets, and we carried out a comprehensive analysis of the ways the energy transition could affect the power system.

GRI content index

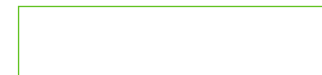
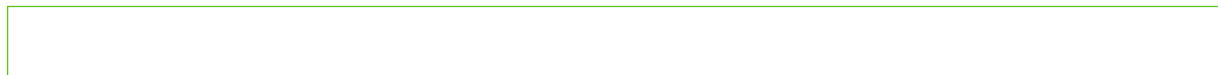
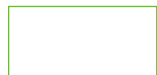
Disclosure	GRI content	Location	Comments
GRI 2: General Disclosure			
Organisation and its reporting practices			
2-1	Organisational details	Caruna's year 2021, GRI Content Index, backcover (location)	Caruna Networks Oy
2-2	Entities included in the organisation's sustainability reporting	Reporting principles	
2-3	Reporting period, frequency and contact point	Reporting principles	
2-4	Restatements of information	GRI Content Index	No adjustment
2-5	External assurance	Reporting principles	Not verified
Activities and workers			
2-6	Activities, value chain and other business relationships	Value creation model	
2-7	Employees	ESG Indicators	Partially reported
2-8	Workers who are not employees	ESG Indicators	Partially reported
2-9	Governance structure and composition	Corporate Governance	
2-10	Nomination and selection of the highest governance body	Corporate Governance	
2-11	Chair of the highest governance body	Corporate Governance	
2-12	Role of the highest governance body in overseeing management impacts	Reporting principles	
2-13	Delegation of responsibility for managing impacts	Corporate Governance	
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance	
2-15	Conflicts of interest	Corporate Governance	
2-16	Communication of critical concerns	Corporate Governance	
2-17	Collective knowledge of the highest governance body	Corporate Governance	



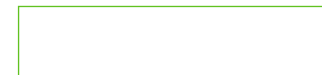
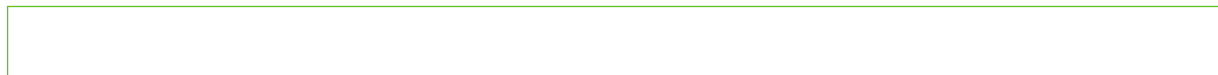
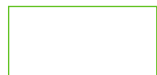
Disclosure	GRI content	Location	Comments
2-18	Evaluation of the performance of the highest governance body	Board of Directors' Report	
2-19	Remuneration policies	Work and safety, ESG Indicators	
2-20	Process to determine remuneration	Work and safety	
2-21	Annual total compensation ratio	ESG Indicators	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Corporate Responsibility	
2-23	Policy commitments	Corporate Responsibility	
2-24	Embedding policy commitments	Corporate Responsibility	
2-25	Processes to remediate negative impacts	Corporate Responsibility	
2-26	Mechanisms for seeking advice and raising concerns	Corporate Responsibility	
2-27	Compliance with laws and regulations	GRI Content Index	No violations
2-28	Membership associations	GRI Content Index	Finnish Energy, Climate Leadership Council, FIBS Pro, EDSO for Smart Grids, EU DSO Entity, Eurelectric
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Corporate Responsibility, Sustainable electricity distribution	
2-30	Collective bargaining agreements	ESG Indicators	
Material topics			
3-1	Process to determine material topics	Corporate Responsibility	
3-2	List of material topics	Corporate Responsibility	
3-3	Management of material topics	Corporate Responsibility	
Economic responsibility			
GRI 201: Economic performance			
201-1	Direct economic value generated and distributed	Sustainable electricity distribution, ESG Indicators	
201-2	Financial implications and other risks and opportunities due to climate change	Combating climate change	



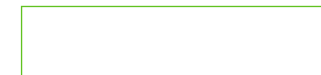
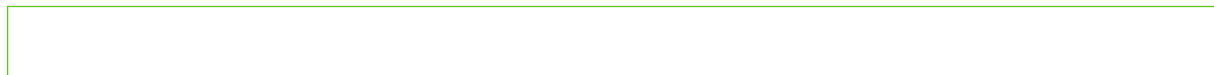
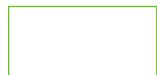
Disclosure	GRI content	Location	Comments
GRI 203: Indirect economic impacts			
203-1	Infrastructure investments and services supported	ESG Indicators	
203-2	Significant indirect impacts	Corporate Responsibility	
GRI 204: Procurement practices			
204-1	Proportion of spending on local suppliers	Sustainable electricity distribution, ESG Indicators	
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	GRI Content Index	No risk functions. Operations in Finland according to Finnish legislation. All suppliers are required to operate in accordance with the Supplier Code of Conduct.
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance, Corporate Responsibility, ESG Indicators	
205-3	Confirmed incidents of corruption and actions taken	GRI Content Index	No reported cases in 2021
GRI 206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	GRI Content Index	No reported cases in 2021
GRI 207: Tax			
207-1	Approach to tax	Sustainable electricity distribution	
207-2	Tax governance, control, and risk management	Sustainable electricity distribution	
207-3	Stakeholder engagement and management of concerns related to tax	Sustainable electricity distribution	
207-4	Country-by-country reporting	ESG Indicators	
Environmental responsibility			
GRI 301: Materials			
301-1	Materials used by weight and volumes	ESG Indicators	



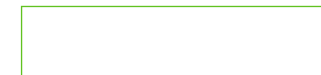
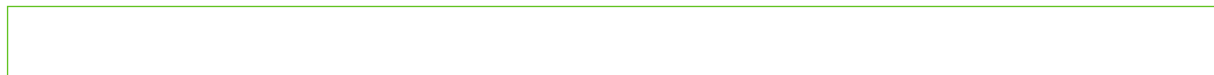
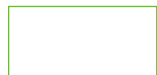
Disclosure	GRI content	Location	Comments
GRI 302: Energy			
302-1	Energy consumption within the organisation	ESG Indicators	
302-3	Energy intensity	ESG Indicators	
302-4	Reduction of energy consumption	ESG Indicators	
GRI 304: Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas, and high biodiversity value outside protected areas	Combating climate change, ESG Indicators	
304-2	Significant impacts of activities, products and services on biodiversity	Combating climate change	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Combating climate change, ESG Indicators	
305-2	Energy indirect (Scope 2) GHG emissions	Combating climate change, ESG Indicators	
305-3	Other indirect (Scope 3) GHG emissions	Combating climate change, ESG Indicators	
305-4	GHG emissions intensity	Combating climate change, ESG Indicators	
305-5	Reduction of GHG emissions	Combating climate change, ESG Indicators	
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	Combating climate change, ESG Indicators	
306-2	Management of significant waste-related impacts	Combating climate change	
306-3	Waste generated	ESG Indicators	
306-4	Waste diverted from disposal	ESG Indicators	
306-5	Waste diverted to disposal	ESG Indicators	
GRI 308: Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria	Sustainable electricity distribution, ESG Indicators	
308-2	Negative environmental impacts in supply chain and action taken	GRI Content Index	No suppliers with significant negative environmental or social impacts were identified



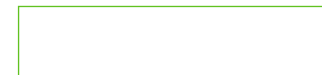
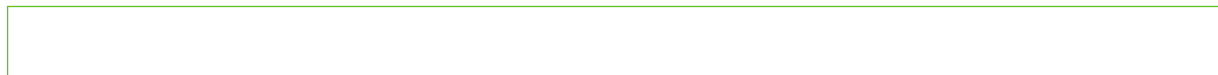
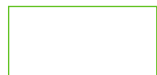
Disclosure	GRI content	Location	Comments
Social responsibility			
GRI 401: Employment			
401-1	New employee hires and employee turnover	ESG Indicators	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	GRI Content Index	There are no such benefits.
401-3	Parental leave	ESG Indicators	
GRI 403: Occupational health and safety			
403-1	Occupational health and safety management system	Corporate Governance, Work and safety	
403-2	Hazard identification, risk assessment, and incident investigation	Work and safety	
403-3	Occupational health services	Work and safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	Work and safety	
403-5	Worker training on occupational health and safety	Work and safety, ESG Indicators	
403-6	Promotion of worker health	Work and safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Work and safety	
403-8	Workers covered by an occupational health and safety management system	GRI Content Index	100%
403-9	Work-related injuries	Work and safety, ESG Indicators	
403-10	Work-related ill health	ESG Indicators	
GRI 404: Training and education			
404-1	Average hours of training per year per employee	ESG Indicators	
404-2	Programs for upgrading employee skills and transition assistance programs	Work and safety	



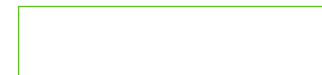
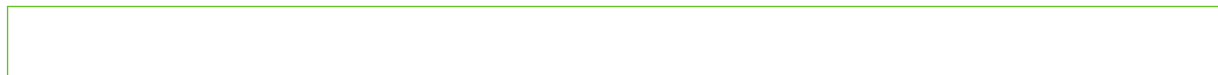
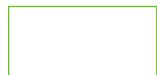
Disclosure	GRI content	Location	Comments
404-3	Percentage of employees receiving regular performance and career development reviews	GRI Content Index	100%
GRI 405: Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	ESG Indicators	
405-2	Ratio of basic salary and remuneration of women to men	ESG Indicators	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	GRI Content Index	No cases of discrimination have been identified
GRI 407: Freedom of association and collective bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainable electricity distribution, GRI Content Index	Operations in Finland according to Finnish legislation. All suppliers are required to operate in accordance with the Supplier Code of Conduct.
GRI 408: Child labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	GRI Content Index	No risk functions. Operations in Finland according to Finnish legislation. All suppliers are required to operate in accordance with the Supplier Code of Conduct.
GRI 409: Forced or compulsory labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	GRI Content Index	No risk functions. Operations in Finland according to Finnish legislation. All suppliers are required to operate in accordance with the Supplier Code of Conduct.
GRI 413: Local communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainable electricity distribution	
413-2	Operations with significant actual and potential negative impacts on local communities	Sustainable electricity distribution, GRI Content Index	No significant negative effects
GRI 414: Supplier social assessment			
414-1	New suppliers that were screened using social criteria	Sustainable electricity distribution, ESG Indicators	



Disclosure	GRI content	Location	Comments
414-2	Negative social impacts in supply chain and action taken	GRI Content Index	No suppliers with significant negative environmental or social impacts were identified
GRI 415: Public policy			
415-1	Political contributions	GRI Content Index	Caruna does not directly or indirectly support political activity
GRI 416: Customer health and safety			
416-1	Assessment of health and safety impacts of products and service categories	Sustainable electricity distribution, ESG Indicators	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainable electricity distribution, ESG Indicators	
GRI 418: Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Indicators	
GRI 419: Socioeconomic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	GRI Content Index	No violations
Industry-specific content, energy			
EU: Organisational profile			
EU 3	Number of residential, industrial, institutional and commercial customer accounts	Sustainable electricity distribution, ESG Indicators	
EU 4	Length of above and underground transmission and distribution lines by regulatory regime	Caruna's year 2021, Sustainable electricity distribution, ESG Indicators	
Economic responsibility			
EU 12	Transmission and distribution losses as percentage of total energy	Combating climate change, ESG Indicators	



Disclosure	GRI content	Location	Comments
Social responsibility			
EU 17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	Work and safety, ESG Indicators	
EU 18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	ESG Indicators	
EU 25	Number of injuries and fatalities to the public involving company assets, including legal judgements, settlements and pending legal cases of diseases	ESG Indicators	
EU 28	Power outage frequency	Sustainable electricity distribution, ESG Indicators	
EU 29	Average power outage duration	Sustainable electricity distribution, ESG Indicators	



ESG Indicators

Governance

2-7, 2-8 EMPLOYEES

Indicator	2021	2020	2019
Total number of employees at the end of the year	308	314	313
Average number of employees	317	322.7	313.2
Number of permanent employees	284	293	290
Share of permanent employment relationships (%)	92.5	93.3	92.7
Number of fixed-term employees	23	21	23
Share of fixed-term employment relationships (%)	7.5	6.7	7.3
Number of full-time employees	287	296	301
Share of full-time employment relationships (%)	93.5	94.3	96.2
Number of part-time employees	20	18	12
Share of part-time employment relationships (%)	6.5	5.7	3.8
Number of temporary agency workers at the end of the year	7	6	14
Number of summer employees	26	22	21
Total number of fixed-term employment relationships			
Women	7	10	13
Men	16	11	10
Total number of part-time employment relationships			
Women	12	8	3
Men	8	10	9

■ In the tables, items for which figures have not been reported or are missing from previous years are marked in gray.

2-19, 2-21 REMUNERATION

Indicator	2021	2020	2019
Employee wages and salaries (EUR thousand)	23,227	22,028	20,593
Total salaries and remuneration of management and the Board of Directors	2,562,410	1,927,814	2,124,617
CEO	647,820	424,907	489,197
Other Management Team directors	1,636,590	1,224,907	1,396,587
Board and committee members and deputy members	278,000	278,000	238,833
Annual remuneration of the highest remunerated person in the organisation in relation to the median annual remuneration of other employees	11.0	7.7	9.1

2-30 EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS

Indicator	2021	2020	2019
Number of personnel within the scope of collective bargaining agreements	272	282	283
Share of collective bargaining agreements (%)	89	90	90

Top management and some employees in support functions are not covered by collective agreements.

Economic impacts

201-1 CREATION AND DISTRIBUTION OF DIRECT ECONOMIC ADDED VALUE

Direct economic added value created and distributed by Caruna (EUR thousand)

	2021	2020	2019
Revenues from customers			
Net sales	499,761	475,281	466,360
Other operating income	6,761	4,171	4,971
Fair value changes	-	-	1,732
Total revenues from customers	506,522	479,452	473,063
Payments to suppliers			
Purchased materials and services	93,751	85,478	87,232
Other costs	61,189	63,805	55,737
Real estate taxes	-214	-205	-211
Donations and sponsorships	-216	-86	-222
Total payments to suppliers	154,509	148,992	142,536
Employee remuneration			
Salaries, bonuses, and social security contributions	27,104	25,950	25,058
Total employee remuneration	27,104	25,950	25,058
Remuneration paid to financiers and shareholders			
Total financial costs to owners	66,673	66,856	75,052
Total financial costs to others	67,268	57,831	55,971
Total remuneration paid to financiers and shareholders	133,941	124,687	131,023
Non-profit investments and taxes			
Income tax payable for the financial period	10,663	10,676	12,218
Real estate taxes	214	205	211
Donations and sponsorships	216	86	222
Total non-profit investments and taxes	11,093	10,967	12,651
Added value created	179,874	168,856	161,795

203-1 INFRASTRUCTURE INVESTMENTS AND KEY COMMUNITY IMPACTS

Indicator	2021	2020	2019
Infrastructure investments (MEUR)	32	137	
Customer impact (Varmaverkko); total	434,442	410,073	
Customer impact (Varmaverkko); change from previous	24,369	36,337	
Customer impact (6/36); total	2,465	1,778	1,407
Customer impact (6/36); change from previous	687	371	
Employment impact, person-years (notional; hours worked by contractors, see 403-9)	835	827	988

6/36 and Varmaverkko describe the number of customers covered by reliability-of-supply criteria.

- City plan areas (max 6h interruption)

- Other areas (max 36h interruption)

VarmaVerkko only considers the positive customer impacts of investments, 6/36 also considers the customer impacts of operational maintenance and fault repair.

204-1 PURCHASES FROM LOCAL * SUPPLIERS

Indicator	2021	2020	2019
Share of locally purchased products and services (%)	98	96	97

*Finland

205-2 COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

Indicator	2021	2020	2019
Number and share of members of governing bodies (Board of Directors, General Meeting) to whom Caruna's anti-corruption policy and procedures have been communicated (%)	100	100	100
Number and share of personnel to whom Caruna's anti-corruption policy and procedures have been communicated (%)	100	100	100
Number and share of partners to whom Caruna's anti-corruption policy and procedures have been communicated (%)	100	100	100
Number and share of members of governing bodies who have participated in training on Caruna's anti-corruption policy and procedures (%)	100	100	100
Number and share of members of personnel who have participated in training on Caruna's anti-corruption policy and procedures (completion rate of Caruna Code of Conduct online training course) (%)	98	98	98
Number and share of partners who have participated in training on Caruna's anti-corruption policy and procedures (completion rate of Supplier Code of Conduct training course) (%)	95	95	

207-4 PAID TAXES

Caruna's tax footprint (EUR thousand)	2021	2020	2019
Taxes payable			
Income taxes	10,663	10,676	12,220
Unemployment insurance contributions	648	597	464
Social security contributions	337	281	128
Real estate taxes	214	205	210
Asset transfer taxes	11	0	2
Lottery tax	1	2	
Total taxes payable	11,874	11,761	13,025
Taxes to be collected and remitted			
Value-added tax (net)	98,921	94,491	84,547
Electricity tax	176,025	191,272	202,476
Withholding tax	6,565	6,242	5,474
Total taxes to be remitted	281,511	292,005	292,497

We pay all of our taxes to Finland.

EU 3 NUMBER OF CUSTOMERS

Numbers of customers	2021	2020	2019
Total number of customers (metering points)	714,000	703,000	692,000
Of which residential	621,000	613,000	603,000
Of which industrial & commercial	93,000	90,000	89,000
Number of Caruna Oy's customers	484,000	479,000	474,000
Number of Caruna Espoo Oy's customers	230,000	224,000	218,000
Total number of new electricity connections	2,800	2,400	2,000
of which new medium-voltage and high-voltage connections	14	10	
Number of Caruna Oy's new electricity connections	2,000	1,700	1,400
Number of Caruna Espoo Oy's new electricity connections	800	700	600
Customers per voltage levels			
Number of customers on the low-voltage network	713,000	702,000	691,000
Number of customers on the medium-voltage network	800	800	800
Number of customers on the high-voltage network	60	60	55
Customers per network areas			
Number of customers in the Uusimaa and Häme network area	380,000	371,000	362,500
Number of customers in the Southwest Finland network area	165,000	163,000	161,000
Number of customers in the Satakunta, South Ostrobothnia and Ostrobothnia network area	94,000	94,000	94,000
Number of customers in the North Ostrobothnia and Lapland network area	36,000	36,000	36,000
Number of customers in the Joensuu network area	39,000	39,000	38,500

Amounts of electricity transmitted	2021	2020	2019
Total amount of electricity supplied to customers (TWh)	12.8	11.9	12.4
Supplied electricity by company			
Total amount of electricity supplied to Caruna Oy's customers (TWh)	9.6	9.0	9.4
Amount of electricity transmitted in Caruna Oy's regional network (110 kV) (TWh)	2.6	2.6	2.7
Amount of electricity transmitted in Caruna Oy's distribution network (0.4 kV and 20 kV) (TWh)	7.0	6.4	6.7
Total amount of electricity supplied to Caruna Espoo Oy's customers (TWh)	3.2	2.9	3.0
Amount of electricity transmitted in Caruna Espoo Oy's regional network (110 kV) (TWh)	0.1	0.1	0.1
Amount of electricity transmitted in Caruna Espoo Oy's distribution network (0.4 kV and 20 kV) (TWh)	3.1	2.8	2.9
Supplied electricity by voltage levels			
Amount of electricity supplied to low-voltage network customers (TWh)	7.9	7.1	7.4
Amount of electricity supplied to medium-voltage network customers (TWh)	2.2	2.1	2.2
Amount of electricity supplied to high-voltage network customers (TWh)	2.7	2.7	2.8

EU 4 LENGTH OF ELECTRICITY NETWORK (OVERHEAD AND UNDERGROUND CABLES / DISTRIBUTION LINES)

Indicator	2021	2020	2019
Total length of electricity network (km)	88,100	88,350	87,370
Length of low-voltage network	54,350	54,350	53,800
Length of medium-voltage network	31,700	31,900	31,500
Length of high-voltage network	2,050	2,050	2,070
Length of underground network constructed during the year (km)	2,400	3,600	3,800
Total cabling rate of the electricity network (%)	62	59	56
Underground cabling rate on the low-voltage network (%)	58	55	53
Underground cabling rate of the medium-voltage network (%)	72	69	64
Number of distribution transformers	30,900	31,100	30,600
Total capacity of distribution transformers (MVA)	5,218		
Number of primary substations	187	187	188

EU 28 SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX PER CUSTOMER (SAIFI) AND EU 29 SYSTEM AVERAGE INTERRUPTION DURATION INDEX PER CUSTOMER (SAIDI)

Indicator	2021	2020	2019
System Average Interruption Frequency Index per customer (SAIFI) (number)	1.39	1.66	1.4
System Average Interruption Duration Index per customer (SAIDI) (minutes)	74	103	79

C1 OPERATIONAL EFFICIENCY

Indicator	2021	2020	2019
Operative expenses per customer	117.0	121.5	117.3

Environmental responsibility

301-1 MATERIALS USED BY WEIGHT OR VOLUME

Indicator	2021	2020	2019
Distribution transformers (pcs)	1,100	1,400	1,600
Electric cable (km)	1,000	1,700	2,200
Aluminium (tn)	1,010	1,740	2,160
Steel (tn)	500	520	600
Mineral oil (tn)	200	210	240

302-1 ORGANISATION'S OWN ENERGY CONSUMPTION

Indicator	2021	2020	2019
Own electrical energy consumption (GWh); real estate	1.44	1.41	1.53
Own thermal energy consumption (GWh); real estate	1.56	1.21	1.33

EU12, 302-3 TRANSMISSION AND DISTRIBUTION LOSSES

Indicator	2021	2020	2019
Caruna's electricity network electricity losses (GWh), total	425.5	377.1	382.0
Caruna Oy's regional network (110 kV) electricity losses (GWh)	45.1	38.0	34.8
Caruna Oy's regional network (110 kV) electricity losses as a share of total transmitted electricity (%)	0.6	0.6	0.6
Caruna Oy's distribution network electricity losses (GWh)	288.2	252.9	263.8
Caruna Oy's distribution network electricity losses as a share of total distributed electricity (%)	3.9	3.7	3.7
Caruna Espoo Oy's distribution network electricity losses (GWh)	92.2	86.2	83.4
Caruna Espoo Oy's distribution network electricity losses as a share of total distributed electricity (%)	2.7	2.7	2.6

302-4 REDUCTION OF ENERGY CONSUMPTION

Indicator	2021	2020	2019
Energy consumption efficiency measures, network losses (GWh)	1.0	0.9	1.6

C2 CARUNA'S OWN ELECTRICITY GENERATION

Indicator	2021	2020	2019
Own electrical energy gross production (MWh)	48.1	51.4	50.8
Production by Upseerinkatu solar panels (MWh)	24.3	26.1	25.7
Production by Keilaniemi substation solar panels (MWh)	23.9	25.3	25.1

304-1 ACTIVITIES IN CONSERVATION AREAS OR IN THEIR VICINITY

Indicator	2021	2020	2019
Network located in conservation areas (km)	264	270	
Network located in conservation areas (%)	0.3	0.3	
Network adjacent to conservation areas (km)	180	184	
Network adjacent to conservation areas (%)	0.2	0.2	

305-1 DIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1), 305-2 INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 2), 305-3 OTHER INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 3), 305-4 GHG GREENHOUSE GAS EMISSION INTENSITY

Indicator	2021	2020	2019
GHG emissions, scope 1, (tCO ₂ e)	814	354	614
GHG emissions, scope 2, market-based (tCO ₂ e)*	411	342	355
GHG emissions, scope 2, location-based (tCO ₂ e)**	49,748	54,668	50,446
GHG emissions, scope 3 (tCO ₂ e)	83,359	90,636	96,759
GHG emissions intensity, market-based (scope 1 and 2/tonCO ₂ e/km)	0.014	0.008	0.011
GHG emissions intensity, location-based (scope 1 and 2/tonCO ₂ e/km)***	0.574	0.623	0.584
Amount of SF ₆ gas in Caruna's electricity network components (kg)	33,457	34,796	32,000
SF ₆ leaks (kg)	7.4	4.5	3.6
SF ₆ leaks (tCO ₂ e)	168.7	102.7	81.6
Share of SF ₆ leaks of the total amount of gas (%)	0.02	0.01	0.01

* carbon-neutral nuclear electricity and renewable hydroelectricity

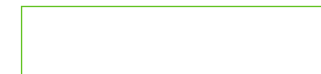
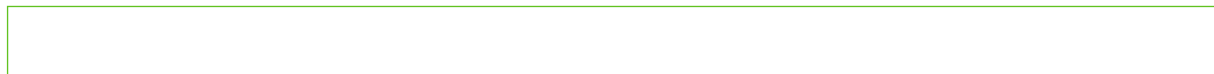
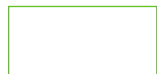
** calculated using the average emission factor for electricity production in Finland (Statistics Finland, benefit-sharing method)

*** proportional to the length of the electricity network

306-3 AMOUNT OF WASTE GENERATED BY TYPE OF WASTE, WASTE DISMANTLED FROM THE NETWORK

Indicator	2021	2020	2019
Total amount of waste (tonnes + broken down by composition below)	10,534	8,421	11,095
Amount of poles disposed of (tonnes)	3,093	2,784	3,062
Transformers (tonnes)	1,044	876	1,642
Cables	1,697	1,748	2,241
Concrete (tonnes)	2,071	1,231	1,744
Contaminated land	741	2	29
Construction waste + timber	424	428	444
Iron (tonnes)	1,372	1,242	1,797
Other (tonnes)	92	110	136
Recovery of waste (tonnes + broken down by composition below)	9,701	8,309	10,930
Amount of poles disposed of (tonnes)	3,093	2,784	3,062
Transformers (tonnes)	1,044	876	1,642
Cables	1,697	1,748	2,241
Concrete (tonnes)	2,071	1,231	1,744
Construction waste + timber	424	428	444
Iron (tonnes)	1,372	1,242	1,797
Recovery of hazardous waste (tonnes + broken down by recovery type below + broken down by onsite/offsite)	3,356	3,005	3,538
Reuse (tonnes)	263	221	476
Recycling (tonnes)	3,093	2,784	3,062

Indicator	2021	2020	2019
Recovery of non-hazardous waste (tonnes + broken down by recovery type below + broken down by onsite/offsite)	6,347	5,234	7,457
Reuse (tonnes)	2,071	1,231	1,744
Recycling (tonnes)	3,852	3,575	5,269
Waste disposed of (tonnes + broken down by composition below)	4,119	3,019	3,578
Impregnated waste poles (tonnes)	3,093	2,784	3,062
Transformer oil (tonnes)	263	221	476
Contaminated soil, asbestos, SF6 gas	763	14	40
Hazardous waste disposed of (tonnes + broken down by processing type below + broken down by onsite/offsite)	3,834	2,786	3,091
Incineration + utilisation in energy production (tonnes)	3,093	2,784	3,062
Landfill / waste disposal centre (tonnes)	741	2	29
Non-hazardous waste disposed of (tonnes + broken down by processing type below + broken down by onsite/offsite)	447	477	469
Incineration + utilisation in energy production (tonnes)	424	428	444
Landfill / waste disposal centre (tonnes)	23	49	25



C3 EU TAXONOMY ASSESSMENT (NACE CLASSIFICATION D35.1.2, D35.1.3, TRANSMISSION AND DISTRIBUTION OF ELECTRICITY)

	2021		2020		2019	
	Net sales	CAPEX	Net sales	CAPEX	Net sales	CAPEX
Taxonomy-eligible 1) (%)	100.0	99.6	99.9	99.7		
Taxonomy-aligned 2) (%)	99.8	98.8	99.7	99.1		

1) Taxonomy-eligible: The assessment covers the sections in Caruna's operations belong-ing to the electricity transmission and distribution sector. Excluded from the assessment are fiber optics and the Virtane service platform, which are not part of the electricity transmission and distribution sector.

2) Taxonomy-aligned: Taxonomy-aligned excludes connection fees for customers with fossil fuel production facilities, the resulting investments, or the company's car purchases or office-related investments.

C4 ELECTRICITY NETWORK EMISSIONS FACTOR* (NEW, CORPORATE RESPONSIBILITY KPI)

	2021	2020	2019
Network emissions factor (gCO ₂ e/KWh)	58.1	52.8	69.1

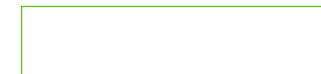
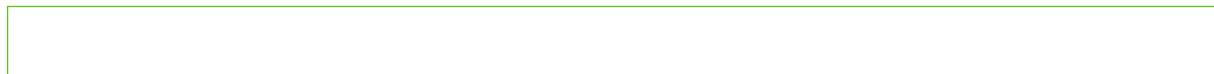
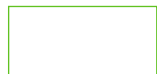
* Fuel classification and electricity production statistics (Energy: 12.3.2.3 and 12.3.4.2) of Statistics of Finland have been applied to the calculation. The production has been divided to the categories hydro, wind, solar, renewable CHP (only bio fuels), other CHP and other. Increase in 2021 is due to increased use of fossil-fuelled CHP power plant in 2021.

C5 PRODUCERS AND PRODUCTION CAPACITIES OF SOLAR POWER CONNECTED TO CARUNA'S NETWORK

Solar power by company and customer segment	2021	2020	2019
Number of small-scale producers of solar power / solar power systems <1MW	12,060	9,400	6,600
Nominal output of solar power (MW)	108	82	57
Other renewable small-scale production (MW)	12	11	12

C6 VOLUMES OF PRODUCTION CONNECTED TO THE CARUNA NETWORK BY TYPE OF PRODUCTION

Total production transmitted to the network by energy source (GWh)	2021	2020	2019
Hydro	2,950	2,808	2,346
Wind	1,134	1,139	900
Solar	27	25	17
Renewable CHP	109	101	119
Other CHP	1,014	748	896
Renewable production, total	4,220	4,073	3,383
Gross production (renewable + other)	5,234	4,822	4,279
Share of renewable of Finland's renewable production (%)	11	12	11



C7 DECREASE IN THE NUMBER OF OVERHEAD LINES

Indicator	2021	2020	2019
Total amount of dismantled overhead lines (km)	2,600	2,400	4,100
Caruna, amount of dismantled overhead lines (km)	2,400	2,200	
Caruna Espoo, amount of dismantled overhead lines (km)	200	200	

E27 SIGNIFICANT LEAKS

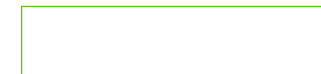
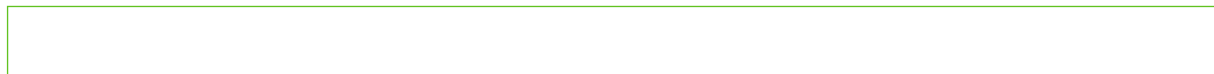
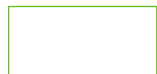
Indicator	2021	2020	2019
Number of significant (≥100 kg) oil leaks	4	3	8
Total number of oil leaks	30	25	34
Oil spill treatment costs* (EUR thousand)	170	134	204
Decontaminated soil (tonnes)	312	161	277

* Partially estimated

308-1, 414-1 SHARE OF NEW SUPPLIERS THAT HAVE BEEN ASSESSED USING ENVIRONMENTAL AND SOCIAL CRITERIA

Indicator	2021	2020	2019
Share of new suppliers that have been assessed using environmental and social criteria (%)	5		
Suppliers whose environmental and social impacts have been assessed	24		
Share of audited suppliers of all suppliers (share of purchases%)	>80	>80	>80
Total number of supplier audits	7	7	8

Suppliers with significant negative environmental or social impacts were not identified.



Social responsibility

401-1 RECRUITMENT OF NEW PERSONNEL AND PERSONNEL TURNOVER

Indicator	2021	2020	2019
Number of new employees	25	37	42
Number of permanent new employees	15	23	26
Number of fixed-term new employees	10	14	16
Share of new employees of all personnel (%)	8	12	13
Number of terminated employment relationships (including fixed-term)	36	52	45
Share of terminated employment relationships of all employment relationships (%)	12	17	14
Number of terminated permanent employment relationships	35	19	10
Turnover of permanent employees (%)	10.0	6.5	3.0

401-3 PARENTAL LEAVES

Indicator	2021	2020	2019
Parental leave			
Number of persons eligible for parental leave	all		
Number of persons who have taken parental leave	26		
Number of persons who returned after the end of parental leave	25		

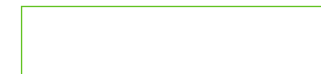
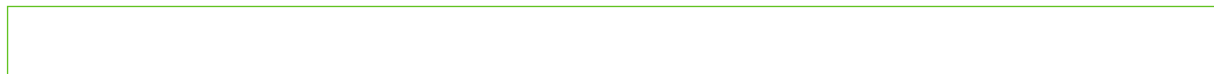
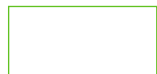
403-5 SHARE OF EMPLOYEES ATTENDING OCCUPATIONAL SAFETY TRAINING

Indicator	2021	2020	2019
Total number of employee safety training days	33	74	122

403-5, EU18 SHARE OF SUBCONTRACTORS AND CONTRACTORS ATTENDING OCCUPATIONAL SAFETY TRAINING

Indicator	2021	2020	2019
Number of subcontractors and contractors attending safety and environment-related training events	1,970*	1,200	850
Number of contractors' employees completing the 'Safety and environment' online course	430	400	250
Number of contractors' employees completing the 'Electrical safety on site' online course	300	300	180

*Includes the number of participants of the new standard time webinars



403-9, 403-10 WORK-RELATED ACCIDENTS, OCCUPATIONAL DISEASES, OWN PERSONNEL

Work-related injuries, own personnel	2021		2020		2019	
	Workplace	Commute	Workplace	Commute	Workplace	Commute
Number of lost workday injuries	0	2	0	1	0	1
of which serious injuries (over 30 lost workdays and/or permanent disability, number)	0	0	0	0	0	0
Number of medical treatment cases, no absence	0	3	0	1	0	3
Number of work-related fatalities	0	0	0	0	0	0
Total number of registered injuries	0	5	0	2	0	4
Lost workday injury frequency LWIF	0		0		0	
Total recordable injury frequency TRIF	0		0		0	

Work-related injuries, own personnel	2021	2020	2019
Number of occupational disease cases	0	0	0
Near miss reports and safety observations	107	52	62
Working hours, million hours	0.53	0.53	0.50

C8 ABSENCES DUE TO ILLNESS

Indicator	2021	2020	2019
Days of absence due to illness as a proportion of the theoretical total number of working days (%)	1.5	1.7	2.3

403-9 WORK-RELATED INJURIES, CONTRACTORS AND SUBCONTRACTORS

Work-related injuries, service providers	2021	2020	2019
Number of fatalities	1	0	0
Number of lost workday injuries	9	9	9
of which serious injuries (over 30 lost workdays and/or permanent disability, number)	2	2	0
Restricted work case	2	3	0
Number of medical treatment cases, no absence	13	11	20
Total number of registered injuries	20	20	29
Lost workday injury frequency LWIF	6.3	6.0	5.3
Near miss reports and safety observations	348	222	302
Processing rate of near misses and safety observations (%)	95	85	85
Working hours reported by network contractors* (million hours)	1.42	1.49	1.68

*includes cases reported by both Caruna and partners

**C9 NUMBER OF SAFETY WALKS CARRIED OUT BY CARUNA PERSONNEL AND
C10 TOTAL NUMBER OF SAFETY WALKS, WORKSITE INSPECTIONS AND WORKSITE
VISITS CARRIED OUT BY CARUNA PARTNERS**

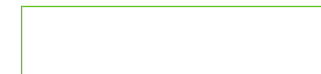
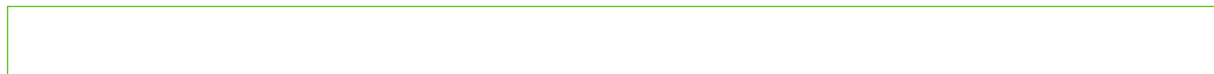
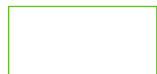
Indicator	2021	2020	2019
Number of Safety Walks carried out by Caruna personnel	364	366	1,062
Total number of Safety Walks, worksite inspections and worksite visits conducted by Caruna's contractors and other partners	3,892	3,766	3,448

404-1 AVERAGE NUMBER OF HOURS OF TRAINING PER PERSON

Indicator	2021	2020	2019
Average number of hours of training per person, total	3.7	10.8	18.0
Average number of hours of training, salaried personnel	4.6	12.9	8.3
Average number of hours of training, senior salaried personnel and management	4.6	17.2	24.7
Average number of hours of training, women	4.5	9.8	13.4
Average number of hours of training, men	4.7	10.5	21.3

405-1 DIVERSITY OF GOVERNING BODIES AND PERSONNEL

Indicator	2021 persons	2021 %	2020 persons	2020 %	2019 persons	2019 %
All personnel, total	308	100	314	100	313	100
All personnel, women	115	38	128	41	128	41
All personnel, men	192	62	186	59	185	59
All personnel, under 30-year-olds	40	13	53	17	57	18
All personnel, 30-50-year-olds	194	63	199	63	192	61
All personnel, over 50-year-olds	73	24	62	20	64	21
Salaried personnel, total	118	100	126	100	128	100
Salaried personnel, women	61	52	68	53	72	56
Salaried personnel, men	57	48	58	47	56	44
Salaried personnel, under 30-year-olds	33	28	39	31	39	30
Salaried personnel, 30-50-year-olds	55	47	57	44	60	47
Salaried personnel, over 50-year-olds	30	25	30	25	29	23
Senior salaried personnel, total	151	100	156	100	155	100
Senior salaried personnel, women	42	28	46	29	43	28
Senior salaried personnel, men	109	72	110	71	112	72
Senior salaried personnel, under 30-year-olds	7	5	16	10	18	12



Indicator	2021 persons	2021 %	2020 persons	2020 %	2019 persons	2019 %
Senior salaried personnel, 30-50-year-olds	122	81	120	77	114	73
Senior salaried personnel, over 50-year-olds	22	14	20	13	23	15
Management, total	31	100	32	100	29	100
Management, women	12	39	14	44	13	45
Management, men	19	61	18	56	16	55
Management, under 30-year-olds	0	0	0	0	0	0
Management, 30-50-year-olds	17	55	20	63	18	62
Management, over 50-year-olds	14	45	12	37	11	38
Members of governing bodies, total	8	100	9	100	10	100
Members of governing bodies, women	1	13	3	33	3	30
Members of governing bodies, men	7	87	6	66	7	70
Members of governing bodies, under 30-year-olds	0	0	0	0	0	0
Members of governing bodies, 30-50-year-olds	3	38	3	33	6	60
Members of governing bodies, over 50-year-olds	5	62	6	66	4	40

C11 AVERAGE AGE AND EDUCATIONAL BACKGROUND OF PERSONNEL

Average age of personnel	2021	2020	2019
Average age of personnel	41	40	39
Educational background of personnel (%)	2021	2020	2019
Comprehensive school	2	1	1
Upper secondary school or vocational institution	17	11	12
Bachelor's degree from institution	9	13	14
Bachelor's degree from university	34	33	34
Master's degree	37	41	39
Licentiate, doctorate	1	1	0

405-2 PAY EQUALITY

Indicator	2021	2020	2019
Difference between women's and men's average gross income (%)	12		

C12 PERSONNEL JOB SATISFACTION

Indicator	2021	2020	2019
Personnel job satisfaction ¹⁾ (EEI)	73	72	72
eNPS ²⁾	6		

1) Employee Engagement Index

2) Employee Net Promoter Score

404-3 SHARE OF PERSONNEL COVERED BY REGULAR PERFORMANCE ASSESSMENTS AND DEVELOPMENT DISCUSSIONS

Indicator	2021	2020	2019
Share of personnel within the scope of performance discussions (%)	100	100	100

416-1, EU25 HEALTH AND SAFETY IMPACT ASSESSMENT IN PRODUCT AND SERVICE CATEGORIES

Indicator	2021	2020	2019
Electrical accidents suffered by third parties (reported to Tukes)	1	1	0
Near misses occurring to third parties (reported to Tukes)	76	23	12
Reported overvoltage incidents (neutral-faults) due to faults in the electricity network	214	389* (858)	159* (482)

No electrical safety deviations that would have led to regulatory consequences

*The zero defect statistical method has been updated in 2021, the results for 2020 and 2019 have been corrected to correspond to the new statistical method

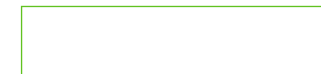
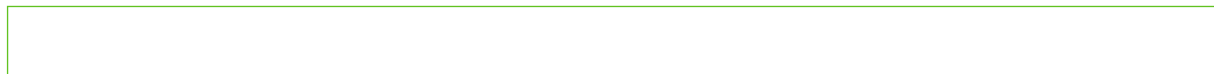
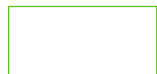
418-1 COMPLAINTS ABOUT BREACHES OF CUSTOMER PRIVACY AND LOSS OF CUSTOMER DATA

Indicator	2021	2020	2019
Total number of confirmed complaints about breaches of customer privacy or loss of customer data	3	4	3
Complaints from third parties	3	0	3
Complaints from authorities	0	4	0
Total amount of customer data leaked, stolen or lost during the reporting period	3	0	3

C13 REPUTATION AND CUSTOMER SATISFACTION

Indicator	2021	2020	2019
Customer satisfaction in customer contacts (NPS, scale from -100 to +100)	19.1	22.6	24.2
Trust and reputation indicator* (corporate responsibility indicator)	2.30	2.24	

* T-Media's annual Trust and Reputation survey



Governance at Caruna

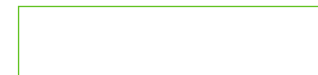
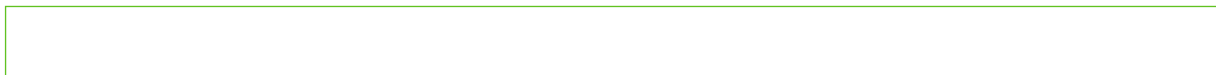
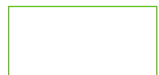
CORPORATE STRUCTURE

Caruna Networks Oy is the parent company of Caruna Networks Group ("Caruna"). The parent company of Caruna Networks Oy is Suomi Power B.V., which has its domicile in the Netherlands. Caruna Networks Oy is the owner of the other two companies in the Group, Caruna Oy and Caruna Espoo Oy.

The corporate governance is based on Finnish law, Group companies' articles of association and the Finland Chamber of Commerce's recommendations for improving corporate governance in unlisted companies.

The consolidated financial statements and interim reports are prepared in line with the International Financial Reporting Standards (IFRS) approved by the EU. The parent company's annual report and financial statements have been prepared in line with the Finnish Companies Act, Accounting Act, and instructions and statements issued by Finnish Accounting Board.

The auditor's report covers both the consolidated financial statements and parent company financial statements.



Governing bodies of Caruna Networks Oy

Caruna Networks Oy's governing bodies are the General Meeting and Board of Directors. The Board of Directors' three committees, the Audit Committee, the Nomination and Remuneration Committee, and the Health, Safety and Environment Committee, prepare the items for the Board and assist the Board in its decision-making.

The CEO is responsible for executive management. In decision making, the CEO is supported by Caruna's Management Team. Internal auditors help ensure that the Group's operations remain effective and appropriate. They report to the Board and Audit Committee.

GENERAL MEETING

Caruna Networks Oy's General Meeting exercises the highest decision-making power in the Group.

The Annual General Meeting appoints the members of the Board of Directors for a term of office commencing at the Annual General Meeting and ending at the next Annual General Meeting.

Planning the composition of the Board of Directors involves taking into account Caruna's current and future business needs and seeking to ensure the diversity of the Board in several aspects. Caruna's Board members must have adequate experience and expertise that complement those of the other members. The members' individual qualities are also emphasised.

The General Meeting's decisions usually require a simple majority of votes. Such decisions include approving the financial statements, paying dividends, discharging the Board of Directors and the CEO from liability, electing the Board of Directors and the auditors, and making decisions regarding their remuneration.

In accordance with the Limited Liability Companies Act and the articles of association, the General Meeting is convened by the Board of Directors.

BOARD OF DIRECTORS

Caruna's Board of Directors is responsible for the Group's strategic development and for monitoring and steering the Group's business operations and governance. In accordance with the Limited Liability Companies Act and the articles of association, the Board of Directors is tasked with representing the Group and ensuring the oversight of accounting and financial management. The Board of Directors ensures that Caruna has values to complement the Code of Conduct it has adopted.

The Board has between one and ten ordinary members and at most four deputy members. The Annual General Meeting elects the members for a term which ends at the next Annual General Meeting.

The Board convenes according to an agreed schedule to discuss matters assigned to it. The Board has approved the charter for its activities.

The CEO, the CFO and the General Counsel, who also acts as the Board's secretary, regularly attend Board meetings. Other Management Team members and directors of the Group attend the meetings by invitation.

COMMITTEES OF THE BOARD OF DIRECTORS

Committees under the Board are the Audit Committee, the Nomination and Remuneration Committee, and the Health, Safety and Environment Committee. The committees support the work of the Board by preparing and evaluating matters for decision-making by the Board.

Committee members are elected by the Board. Each committee must consist of a minimum of three members. The members' terms of office end after the conclusion of the next Annual General Meeting. All Board members have the right to attend committee meetings.

Each committee's Chair regularly reports to the Board on the committee activities after each meeting. All Board members can access the committee meeting documents and minutes. The Board of Directors has approved the committees' written charter. The charters are regularly reviewed and updated.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in its task related to oversight. The key duties of the Audit Committee include reviewing the financial information disclosed by Caruna and interaction with auditors.

Caruna's auditor, CEO, CFO and General Counsel, who acts as the committee secretary, regularly attend the committee meetings. Other directors attend the meetings by invitation.

The Audit Committee oversees the financial reporting process and auditing. Moreover, it monitors the effectiveness of the company's internal control, risk management and internal auditing, as well as the processes that ensure Caruna's compliance with the rules and regulations related to, for example, financial reporting. The Audit Committee reviews the policies in its area before they are submitted to the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee assists the Board of Directors in tasks related to the nominations and remuneration of the Group's management. The committee meetings are regularly attended by the CEO and the Head of People and Culture, who also acts as the committee secretary.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

The Health, Safety and Environment (HSE) Committee assists the Board in decision-making concerning the safety of operations, environmental issues and corporate responsibility. The committee reviews the health, safety and environmental policy and approves the Group's corporate responsibility programme and indicators. The Health, Safety and Environment Committee oversees the non-financial reporting process.

The CEO, the member of the Management Team responsible for HSE matters, the HSEQ Manager and the Sustainability Manager, who also acts as the committee secretary, regularly attend the meetings.

Board of Directors and committees in 2021

MEMBERS OF THE BOARD OF DIRECTORS

The changes of ownership that took place during the spring of 2021 also resulted in several changes in the composition of the Board and the committees.

From the beginning of 2021, the Board of Directors of the Caruna Group's parent company consisted of Chair Matti Ruotsala and members Jouni Grönroos, Matthew Liddle, Michael Mc Nicholas, Niall Mills, Ellen Richardson, Laura Tarkka and deputy members Agnieszka Gawron and Nicolas Grant. Niall Mills, Ellen Richardson and Nicolas Grant resigned from the Board on March 1, 2021.

From 2 March 2021 until the Annual General Meeting on 13 April 2021, the Board of Directors of the parent company consisted of Matti Ruotsala (Chair), and members James Adam, Jouni Grönroos, Matthew Liddle, Fredrik Lundeberg, Michael Mc Nicholas, Oleg Shamovsky and Laura Tarkka.

At the Annual General Meeting on 13 April 2021, Matti Ruotsala was elected Chair of the Board, and James Adam, Jouni Grönroos, Matthew Liddle, Fredrik Lundeberg, Michael Mc Nicholas, Oleg Shamovsky, Laura Tarkka were elected as members, and Tara Davies, Agnieszka Gawron, Katarina Romberg and Charles Thomazi were elected as deputy members. Matthew

Liddle, Michael Mc Nicholas, and Agnieszka Gawron resigned on 11 May 2021.

From 12 May 2021, the Board consisted of Matti Ruotsala (Chair), members James Adam, Julia Giese, Jouni Grönroos, Kerron Lezama, Fredrik Lundeberg, Oleg Shamovsky, Laura Tarkka, and deputy members Tara Davies, Katarina Romberg and Charles Thomazi.

At the Extraordinary General Meeting on 8 June 2021, Shankar Krishnamoorthy was elected as member of the Board to replace Julia Giese.

From 11 November 2021, the Board consists of Matti Ruotsala (Chair), members James Adam, Andrew Furze, Jouni Grönroos, Shankar Krishnamoorthy, Kerron Lezama, Fredrik Lundeberg, Laura Tarkka, and deputy members Tara Davies, Katarina Romberg and Charles Thomazi.

The Board of Directors convened seven times in 2021.

AUDIT COMMITTEE

At the beginning of 2021, the Audit Committee consisted of Jouni Grönroos (Chair), Matthew Liddle and Ellen Richardson (until 1 March 2021).

From 10 March 2021, the Audit Committee consisted of Jouni Grönroos (Chair), James Adam, Matthew Liddle, Fredrik Lundeberg and Oleg Shamovsky.

From 12 May 2021, the Audit Committee members were Jouni Grönroos (Chair), James Adam, Fredrik Lundeberg and Oleg Shamovsky.

From 1 September 2021, the Audit Committee consisted of Jouni Grönroos (Chair), James Adam, Shankar Krishnamoorthy and Fredrik Lundeberg.

From 3 November 2021, the Audit Committee consists of Jouni Grönroos (Chair), Shankar Krishnamoorthy, Kerron Lezama and Fredrik Lundeberg.

The Audit Committee convened four times in 2021.

NOMINATION AND REMUNERATION COMMITTEE

At the beginning of 2021, the Nomination and Remuneration Committee consisted of Matti Ruotsala (Chair), Nicolas Grant (until 1 March 2021) and Michael Mc Nicholas.

From 10 March 2021, the Nomination and Remuneration Committee consisted of Matti Ruotsala (Chair), James Adam, Michael Mc Nicholas and Oleg Shamovsky.

From 12 May 2021, the Nomination and Remuneration Committee consisted of Matti Ruotsala (Chair), James Adam and Oleg Shamovsky.

From 11 November 2021, the Nomination and Remuneration Committee consists of Matti Ruotsala (Chair), James Adam and Andrew Furze.

The Nomination and Remuneration Committee convened six times in 2021.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

At the beginning of 2021, the Health, Safety and Environment Committee consisted of Nicolas Grant (Chair, until 1 March 2021), Matthew Liddle, Ellen Richardson (until 1 March 2021) and Laura Tarkka.

From 10 March 2021, the Health, Safety and Environment Committee consisted of James Adam (Chair), Matthew Liddle, Fredrik Lundeberg, Oleg Shamovsky and Laura Tarkka.

From 12 May 2021, the Health, Safety and Environment Committee consisted of James Adam (Chair), Fredrik Lundeberg, Oleg Shamovsky and Laura Tarkka.

From 1 September 2021, the Health, Safety and Environment Committee consisted of Shankar Krishnamoorthy (Chair), James Adam and Laura Tarkka.

From 3 November 2021, the Health, Safety and Environment Committee consists of Shankar Krishnamoorthy (Chair), Kerron Lezama and Laura Tarkka.

The Health, Safety and Environment Committee convened five times in 2021.

ORDINARY BOARD MEMBERS



Matti Ruotsala
Chair



James Adam



Andrew Furze



Jouni Grönroos



Shankar Krishnamoorthy



Kerron Lezama



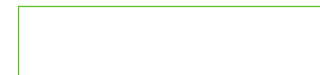
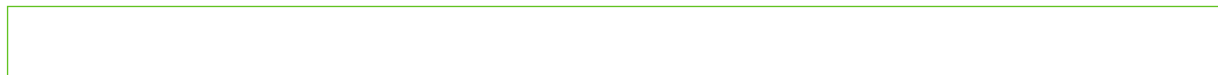
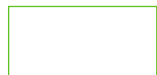
Fredrik Lundeberg



Laura Tarkka

DEPUTY BOARD MEMBERS

Tara Davies, Katarina Romberg and Charles Thomazi.



Management Team

The role of the CEO is stipulated in the Limited Liability Companies Act. The CEO chairs the Management Team. In accordance with the Limited Liability Companies Act and the instructions and orders given by the Board, the CEO is responsible for the Group's executive management. Under the Limited Liability Companies Act, the CEO is responsible for ensuring that the company's accounts are in compliance with the law and its financial affairs have been arranged in a reliable manner.

Tomi Yli-Kyyny has been the Group's CEO as of 1 May 2017.

The Management Team supports the CEO's work.

The Management Team assists the CEO in achieving strategic and sustainable business objectives in a manner decided by the Board, prepares the Group's business plans and decides on investments and business arrangements that fall within its remit.

Financial performance and the outcomes of the corporate responsibility programme are monitored by monthly reporting and reviewed monthly by the Management Team. Every quarter, the Management Team holds an extended quarterly meeting where the business units report on their activities. The quarterly meetings are attended by unit management teams and by representatives of salaried and senior salaried employees.

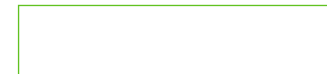
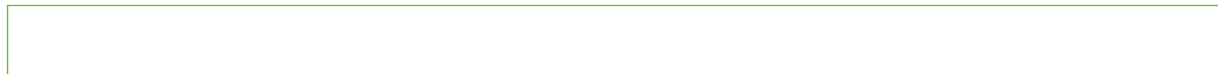
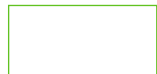
Each member of the Management Team is responsible for the operative implementation of the day-to-day business activities.

THE COMPOSITION OF THE MANAGEMENT TEAM CHANGED IN ORGANIZATIONAL CHANGE

In 2021, until the organisational change implemented on 1 October 2021, the Management Team consisted of CEO Tomi Yli-Kyyny, CFO and Deputy CEO Jyrki Tammivuori, Head of Electrical Network Kostu Rautiainen, Head of Regulation and Strategy Noora Neilimo-Kontio, Head of Customer Relations Katriina Kalavainen, Head of People and Culture Tommi Saikkonen, Head of Communications and Public Affairs Anne Pirilä, and Head of Development and Innovation Elina Lehtomäki.

Caruna's organisation and the composition of its Management Team were changed on 1 October 2021 to align with the company's updated strategy. After the change, the company's Management Team consists of CEO Tomi Yli-Kyyny, SVP, Network Management and Operations Elina Lehtomäki, SVP, Customer Value and New Ventures Relations Kostu Rautiainen, CFO and Deputy CEO Jyrki Tammivuori, and SVP, People, Public Affairs and Regulation Noora Neilimo-Kontio.

In November, CEO Tomi Yli-Kyyny announced his resignation from Caruna.



Management Team



TOMI YLI-KYINY

M. Sc. (Engineering), b. 1962
CEO

Background: Besides experience in the energy sector, Yli-Kyyny has 20 years of experience in the insurance and banking business.

Previous positions and other roles:

2011–2017 CEO, Vapo
2005–2010 CEO, Pohjola Insurance Ltd
2005–2006 Toimitusjohtaja, Pohjola Group Oyj
2020– Chair of the Board, SRV Group Plc
2019–2021 Member of the Board, Fennia Mutual Insurance Company
2015–2019 Member of the Board, Garantia Oy
2014–2019 Member of the Board, Barona Oy



JYRKI TAMMIVUORI

M. Sc. (Economics), b. 1971
CFO and Deputy CEO

Background: Over 20 years of experience in financial roles.

Previous positions:

2013–2014 acting CFO, Stora Enso Oyj
2008–2014 Group Treasurer, Stora Enso Oyj
1999–2008 Several posts at Stora Enso Oyj Brussels, London and Helsinki offices
2012–2015 Member of the Board, Tornator Oyj
2010–2012 Deputy member of the Board, Tornator Oyj
2009–2014 Member of the Board, Thiele Kaolin Company, GA USA



ELINA LEHTOMÄKI

M. Sc. (Electrical Engineering), b. 1974
SVP, Network Management and Operations
(Head of Development and Innovation until 30 September 2021)

Background: Almost 20 years of experience in managerial, development and advisory positions in the energy and electricity distribution business.

Previous positions and other roles:

2020- Member of the Board, Adato Energia Oy
2016–2018 Business Development Manager, Caruna Oy
2013–2015 Head of Growth Investments and Maintenance, Caruna Oy
2010–2013 Head of Network Services, Fortum Distribution
1999–2010 Advisor, Electrical Network, Finnish Energy



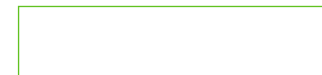
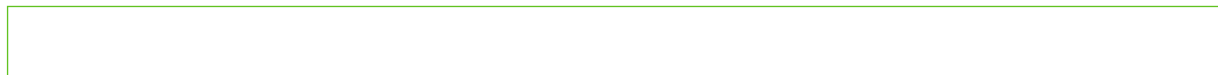
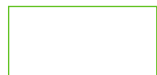
NOORA NEILIMO-KONTIO

M. Sc. (Economics), b. 1975
SVP, People, Public Affairs and Regulation
(Head of Regulation and Strategy until 30 September 2021)

Background: 20 years of experience in business and strategy development tasks both as a management consultant and in companies.

Previous positions:

2017–2020 Head of Strategy and Business Performance Management, Caruna Group
2014–2017 Head of Business Control and Business Performance Management, Caruna Group
2007–2014 Head of Strategy and Performance Management, Accenture
2003–2007 Senior Consultant, Management Advisory and Outsourcing Services, Ernst & Young



Management Team



KOSTI RAUTIAINEN

M. Sc. (Technology), b. 1977

SVP, Customer Value and New Ventures (Head of Electrical Network until 30 September 2021)

Background: Over 15 years of international experience in managerial and executive positions in the energy sector.

Previous positions:

2017–2018 Executive Vice President, Maintpartner Group

2015–2017 Senior Vice President, Ekokem

2012–2015 Vice President Technology, Fortum India

2008–2012 Production Director, Fortum Heat

2003–2008 Multiple positions e.g. in Vattenfall and Wärtsilä



SEIJA VIRKAJÄRVI

LL.M., b. 1962

General Counsel, Secretary of the Management Team

Background: Almost 30 years of experience in legal positions in the energy, telecoms and banking sectors.

Previous positions:

2007–2014 Legal Counsel, Fortum Group

2001–2006 Legal Counsel, Secretary of the Board of Directors, E.ON Finland Oy

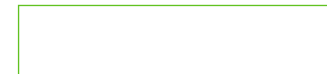
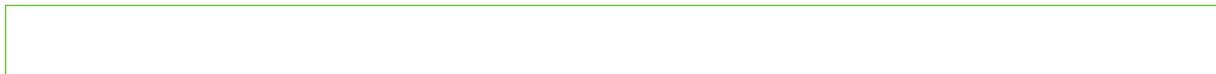
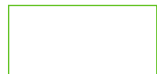
1997–2001 Legal Counsel, Elisa Communications Oy

2011 Member of the Board, Fortum Energiaratkaisut Oy

2007–2009 Member of the Board, Ojamon Lämpö Oy

2005–2006 Member of the Board, Kainuun Energia Oy

2000–2001 Member of the Supervisory Board, Comptel Corporation



Management at Caruna

CARUNA IS MANAGED BASED ON ITS STRATEGY AND VALUES

We have defined Caruna's strategy and business goals on a Group-wide basis and shared them with the entire organisation.

Our operations are led by the CEO and Management Team, who are in charge of the execution of our long-term strategy. The Management Team sets goals for the business planning period and defines the focal areas for each year. Our business units – Customer Relations and New Businesses, Electricity Network Management and Operation, Public Affairs and Regulation, and Corporate Services – prepare their annual business plans on this basis. The results are monitored in view of the plans and goals on a monthly basis.

Finance, legal affairs, procurement, ICT and architecture and agile development have been merged under the Corporate Services unit. Strategy and innovation, public affairs, People & Culture, and communications and marketing are the responsibility of the Public Affairs and Regulation unit under the leadership of the Head

of Strategy and Regulation. Corporate responsibility is included in the area of responsibility of the Public Affairs and Regulation unit.

All unit heads are members of the Caruna Management Team and report directly to the CEO. The Management Team convenes twice a month.

GUIDELINES, POLICIES AND STANDARDS SUPPORT THE MANAGEMENT

In addition to laws and regulations, management is guided by our corporate values, policies (such as HR, risk management, asset management, finance, communications, compliance, and health, safety and environmental policy) and more specific guidelines.

Caruna's Code of Conduct lays the foundation for our way of work. It defines how we work together and treat each other, how we engage in the business of electricity distribution, and how we take care of Caruna's assets. Our responsibility principles are described in our health, safety and environmental policy.

The Code of Conduct and policies apply to all Caruna employees, managers and Board members. We also require that our supply chain complies with the Supplier Code of Conduct. The basic premise is that everyone working for Caruna or for our partners observes a consistent code of conduct.

WE HAVE THE FOLLOWING CERTIFIED SYSTEMS IN PLACE:

- ISO 55001:2014 Asset Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- ISO 14001:2015 Environmental Management System

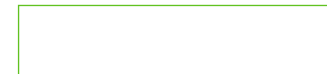
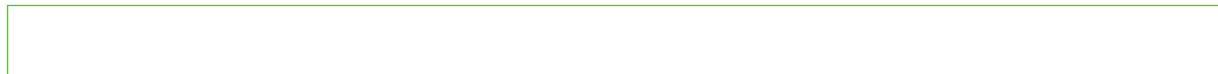
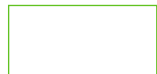
WE REGULARLY ASSESS OUR OPERATIONS

Our Management Team and units regularly monitor our business and attainment of goals and report on them regularly also to the Board of Directors.

A set of company- and unit-specific performance indicators have been created for monitoring Caruna's operations, including a range of targets down to the level of each individual. The set of indicators includes both financial and non-financial, responsibility indicators. The operations are examined as a whole, and the indicators have been designed to exclude the possibility of partial optimisation. Each employee's performance is compared against the company's strategic business goals. The set of indicators also functions as a basis for our incentive system, which applies to the entire personnel.

We evaluate the quality of management through yearly personnel surveys. We promote self-management and encourage employees to actively participate in improving the working environment.

We are continuously improving our management system. Caruna is a Great Place to Work certified workplace.



Risk management

We ensure the continuity of our operations by actively identifying and managing risks.

Risk management is part of Caruna's internal control system. We regularly assess the strategic and operative risks facing the Group. Our risks are divided into the following subcategories: financial risks, regulatory and compliance risks, customer and market risks, people risks, environmental risks, technology and physical assets risks, and data and cyber security risks. Risk management strives to ensure that any risks affecting the Group's business operations are identified, managed, and monitored. The Group has taken out appropriate insurance policies that provide comprehensive cover for its operations.

STRATEGIC RISKS

Strategic risks include regulatory risk, that is, harmful and negative impacts on the regulatory environment or the low predictability of changes in the regulatory environment. The changing operating environment, availability of financing,

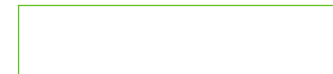
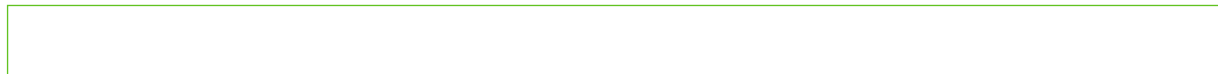
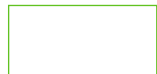
and the availability of competent personnel are also essential risks at the strategic level. Reputation risk has also been identified. Its realisation will slow down the implementation of our strategy and could be a trigger for other strategic risks.

Challenges in the operating environment

The strategy is reviewed annually and changes are made as necessary. Climate change is one of the key long-term megatrends emerging from our operating environment. We evaluate the risks and opportunities of climate change in accordance with the TCFD (Task-force on Climate-related Financial Disclosures) framework. In 2021, we set our mission as helping our customers and the society in the energy transition.

OPERATIONAL RISKS

The most significant risks to operations are related to cyber security, exceptional weather conditions, supplier risk and safety. For example, exceptional weather conditions may affect the reliability of the distribution network. The key means of preventing interruptions are to replace overhead lines with underground cables, manage forests near overhead lines, and develop remote network control. Caruna has identified risks related to cybersecurity and has developed its operations to mitigate these risks.



caruna | Positive energy.

Caruna	Postal address	Visiting address
caruna.fi	Caruna, P.O. BOX 1, FI-00068 Caruna	Upseerinkatu 2, 02600 Espoo

