



# Gasgrid Finland annual report 2020





# Contents

- 3 CEO's review
- 5 Achievements in 2020
- 6 **Strategy**
- 7 Vision, mission and values
- 8 Strategy and focus areas
- 10 Customers and services
- 12 Market development
- 13 Market opening
- 14 Key figures
- 15 **Sustainability**
- 16 Sustainability highlights
- 17 Everyday sustainability
- 20 Materiality and key sustainability themes
- 22 We create economic added value for our stakeholders
- 24 Carbon-neutral society
- 26 Safety and security of supply
- 28 Inclusive management and a good team spirit
- 32 Reporting principles
- 33 Results in figures
- 34 GRI content index
- 37 **Governance**
- 38 Corporate Governance Statement
- 42 Board of Directors
- 43 Management Team
- 44 Remuneration report
- 45 **Report by the Board of Directors**
- 50 **Financial statements**
- 51 Consolidated income statement
- 52 Consolidated balance sheet
- 53 Consolidated cash flow statement
- 54 Parent company's income statement
- 55 Parent company's balance sheet
- 56 Parent company's cash flow statement
- 57 Notes to the financial statements
- 66 Signatures to the financial statements
- 66 Auditor's statement

# Gasgrid Finland in brief

Finance	Net sales (MEUR) 126.8	Operating profit (MEUR) 67.9
Personnel and customers	42 employees in 3 locations	Customers 34
System	1,300 km of pipeline with 60 GWh gas storage in the pipeline	2 cross-border points and 6 biogas plants connected to the system

**Gasgrid Finland Oy is the Finnish gas transmission system operator with system responsibility. The company began operating when the Finnish gas market was opened to competition on 1 January 2020, and transmission network operations were unbundled from Gasum Ltd.**

This is Gasgrid Finland's first annual report, and it is intended to provide an integrated description of the most relevant areas of our business and sustainability. The report was prepared in compliance with, where applicable, the GRI Core reporting framework and the standards for the selected indicators.

Our headquarters are located in Espoo, and our other offices are located in Kouvola and Imatra. The high-pressure gas transmission network that we own and maintain is located in the southern Finland region. The transmission network has 9 compressor stations and more than 200 connection points.

We offer our customers safe, reliable and cost-efficient transmission of gases. We actively develop our transmission platform, services and the gas market in a customer-oriented manner to promote the carbon-neutral energy and raw material system of the future.

# CEO's review

Gasgrid Finland had a successful first operating year in 2020. The security of supply was 100 per cent, there were no accidents, and the open gas market got off to a good start. Our renewal strategy aims clean gases – spearheaded by the hydrogen economy – playing their part in enabling the carbon-neutral society of the future. This direction in the operating environment was strengthened despite the extraordinary uncertainty that prevailed around the world last year.

Gasgrid Finland began operating as an independent company on 1 January 2020. The start of the company's operations and the launch of the market were successful. This was enabled by our highly competent and committed personnel and partners. Our customers were involved from the outset: more than ten active gas importers operate in Finland, and customer activity increased throughout the year. From the start, Gasgrid Finland aims to listen to its customers and develop the market according to their needs.

Our customers transmitted a total of 25.3 TWh of gases on our market, which is 1.2% less than in 2019, mainly due to the weather being warmer than average at the start of the year. The COVID-19 pandemic did not significantly affect the demand for the transmission products. In the second half of the year, the strong competitiveness of gases was reflected in relatively higher demand than in the previous year. The year highlighted the strengths of gases, such as large-scale flexibility and the security of supply.

We invested in openness and transparency in our cooperation both in Finland and internationally. We created extensive networks throughout the industry and cooperated actively with key institutions in the field. The Finnish gas market is now connected to the markets in the Baltic states. Finland, Estonia and Latvia constitute a joint transmission tariff zone. We worked with the transmission operators in the area to publish a shared outlook on maintenance work that will affect transmission capacities over the next 18 months. The second significant outcome of this collaboration was a roadmap for the development of regional gas markets prepared with the support of energy ministries, supervisory authorities and distribution system operators in the area and the European Commission.

From the perspective of customers and markets, the most important infrastructure projects for the Baltic states are the urgent finalisation of compressor stations for the Estonian Balticconnector project, improvement measures for Latvia's transmission

capacity and the Inčukalns gas storage facility, and the GIPL pipeline between Lithuania and Poland.

## Transmission platform of the future

Gasgrid Finland's transmission infrastructure operates very reliably – our security of supply rate was 100%. Actions requiring planned outages proceeded excellently in good cooperation with customers. The availability rate of the newest part of the infrastructure – the Finnish section of the Balticconnector – was good.

With an eye to the future, the current network already offers many possibilities. The peak capacity of the gas system is more than 10 GW per hour, which is in scale about 2/3 of the peak consumption of the electricity system in recent years. Gasgrid Finland's network storage capacity is about 5% of Finland's average daily energy consumption. Flexibility and the capacity for storage are key factors in the energy market of the future. In addition, for example with the same capital tied to the network, it is possible to transmit



**“ We invested in openness and transparency in our cooperation both in Finland and internationally.”**

– Olli Sipilä, CEO

## CEO's review

as much as 15 times more energy with gases than with electricity.

Many new clean gas technologies, such as hydrogen, synthetic methane or capturing carbon dioxide, are in the early stages of development. Gasgrid Finland is interested in being involved in technological development in the industry while focusing on its role as the transmission company with system responsibility

In 2020, Gasgrid Finland implemented a wide-ranging strategy process using an open, scenario-based model involving stakeholders. While the resulting scenarios were evaluated, emerging components included growing investments in combating climate change, the significance of clean, weather-dependent electricity generation, the global export potential of technologies, and the systemic and fundamental changes facing energy and raw material systems. The potential for the development of a future transmission platform for transmitting hydrogen and other clean gases became a key element of the strategy. The outcome of the strategy work was the confirmation of Gasgrid Finland's new vision for the period until 2035: **Gases enable a carbon-neutral society – we provide a platform for it.**

### Responsible agent of change

The sustainability that is built into our business and management model is a key success factor now, and it will remain so in the future. Eighty-eight per cent of the respondents to

our stakeholder survey felt that Gasgrid Finland was a sustainable company. Safety is one of our top priorities, and we were highly successful in this regard: zero accidents is a great achievement in line with our targets. Our sustainability programme includes the journey towards carbon-neutrality. In this regard, we signed a commitment to further reduce and prevent methane emissions – our current level is already excellent by international standards.

### 2020: the year of the COVID-19

In February, the company began taking measures to elevate its preparedness in accordance with the pandemic plans. At the start of March, a wide-ranging COVID-19 contingency group began operating. As the year went on, we transitioned from emergency situation management to support for the occupational well-being of personnel as part of an extensive remote working model. As a critical organisation in terms of the security of supply, Gasgrid Finland ensured that it was able to perform its critical duties safely despite the pandemic.

### Forces of change

Gasgrid Finland's good first year was the outcome of the work and successes of the expert personnel throughout our organisation. A strong sense of responsibility, commitment, and collaboration with our stakeholders for the good of the company's future are emphasised in the values identified by our personnel for our new

company: **we work together, we build the future, we acknowledge our responsibility**

We consider our new strategy to offer highly interesting prospects for our people to develop and succeed in the future.

### Focal areas for 2021

Our new organisational structure corresponds to the company's strategy. We ensure the reliability of our transmission platform and the effective lifecycle management of our assets. We will continue to develop the gas market in the Finland-Baltic region. We will also continue to develop our strategic market analysis function and RDI. We are also taking the first steps towards the expertise related to the transmission platform of the future, taking into account the current network and potential new infrastructure requirements. We do all of this in a customer-oriented way while improving the competitiveness of gases and, thereby, our customers, and focusing on our role as the transmission system operator with system responsibility

We will continue to strengthen the company's internal operating and management system, further develop sustainability, safety management, and knowledge-based management, and develop the personnel on the basis of our strategy.

Several packages of EU legislation related to the company's operations and the future of gases are due for reform. In Finland, the update of the energy and climate strategy is

among the key projects for 2021. New legislation related to guarantee-of-origin certificates and the enforcement of such legislation is also scheduled for 2021. In Finland, we are also active in a cross-sectoral hydrogen cluster. In the next few years, Gasgrid Finland will work with its stakeholders to create an outlook for the opportunities presented by clean gases and derived products such as synthetic fuels in the coming decades. At the same time, we will seek to collaborate on the development of related regulations. When the world of the future needs infrastructure and gas markets, we want to be in the right place at the right time to address customer needs.

There was more change and uncertainty in the operating environment in 2020 than anyone could have predicted. However, Gasgrid Finland and the open gas market were successful in their first year of operation in this environment. I would like to thank the personnel, customers and all other stakeholders for actively collaborating to make this possible. You also encourage us to continue taking an open, customer-oriented approach on the journey towards the future of clean gases.

### Olli Sipilä

CEO  
Gasgrid Finland Oy

# Achievements in 2020

## Safety

In line with our sustainability programme, Gasgrid Finland is a safe place to work. A visible safety culture and the commitment of the personnel helped to achieve the target of zero accidents in the year.

## Security of supply

The security of the gas supply was 100% in 2020.

## Sustainability

88% of the respondents to our stakeholder survey consider Gasgrid Finland a sustainable company.

## Establishment of Gasgrid Finland

Expert personnel and partners ensured a successful start for the new company.

## Strategy process

The inclusive, open and networked strategy process succeeded despite the COVID-19 pandemic and set the course towards clean gases and carbon-neutrality.

## Opening the market up to competition

An open, customer-oriented gas market was opened up to competition in Finland.





# Strategy





# Vision, mission and values

## Vision 2035

Gases enable a carbon-neutral society – we provide a platform for it.

## Mission

We offer our customers safe, reliable and cost-efficient transmission of gases. We actively develop our transmission platform, services and the gas market in a customer-oriented manner to promote the carbon-neutral energy and raw material system of the future.

## Values

### We work together

As a team, we take care of each other and let everyone be themselves. We are open and fair, and we have a good spirit of cooperation. We are a reliable partner, and we are easy to approach.

### We build the future

We are courageous and eager to renew. We want to be a pioneer in change. We invest in development and give space to learning. We operate in a transparent way and treat everyone equally.

### We acknowledge our responsibility

We understand and know our operating field. We operate in a responsible way, take care of safety, we are efficient and agile. We are proud of our expertise and of our high-quality operations. We advance the benefit of the customer and the society.

# Strategy and focus areas

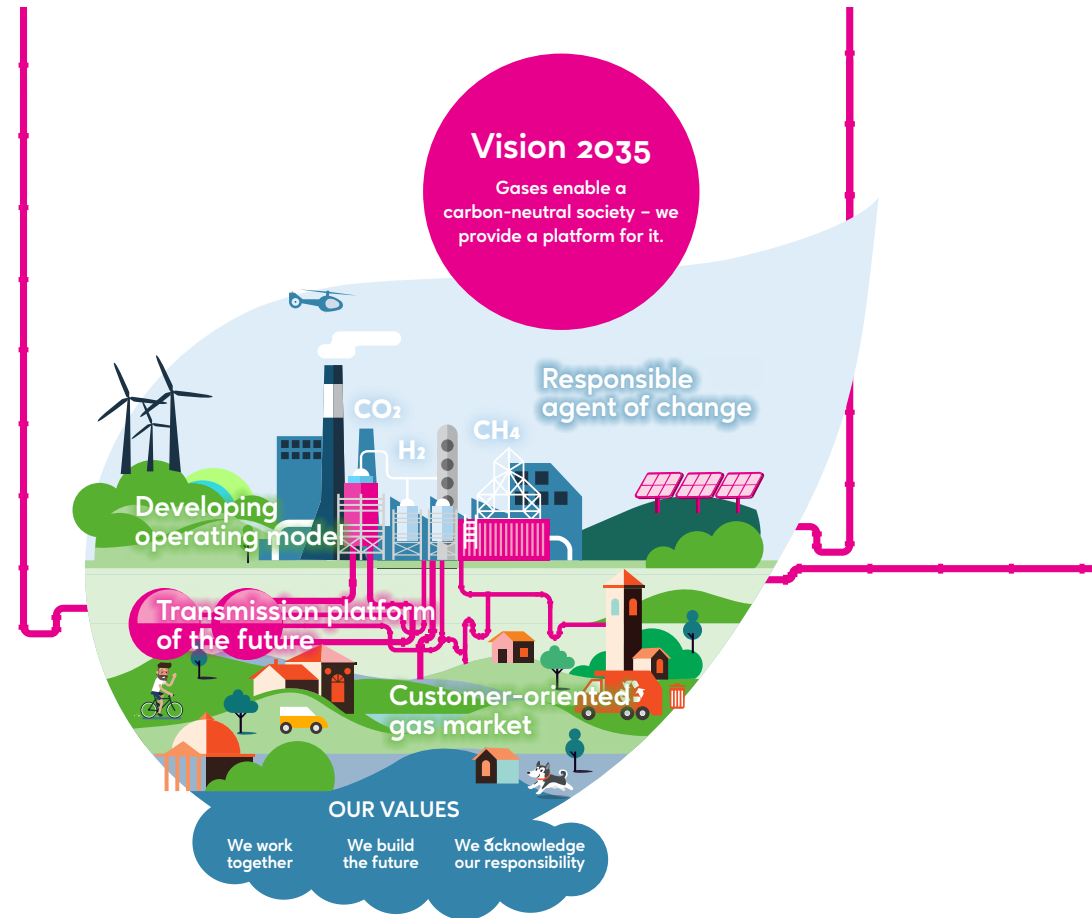
We renewed the company's vision, mission and strategy in 2020 through scenario and strategy work that extensively engaged the personnel and stakeholders. The new strategy enables Gasgrid Finland to take a strong grip on developing the Finnish gas sector and the energy and raw material system towards carbon-neutrality, in addition to the company's role as the transmission system operator.

In the future, the Nordic energy and raw material system is expected to rely increasingly on emission-free electricity. In Gasgrid Finland's vision, an active gas sector will be a key enabler of the development of the future energy and raw material system, and the effective integration of gas, heat and cooling systems will enable the flexibility and storage that industry and the electricity system will need. In addition, the gas system is able to provide large-scale solutions that improve the security of supply.

We are travelling towards our Vision 2035 and implementing our strategy for 2023 via four main themes:

**Transmission platform of the future:** We develop the company's success factors for the implementation of hydrogen and clean gas markets as well as sector integration. We systematically develop our business model, transmission platform, services and pioneering solutions to promote a society of diverse gases and carbon neutrality in collaboration with our customers and stakeholders. It is clear to our customers how we support their carbon-neutrality efforts.

**Customer-oriented gas market:** We are the leading company in the Baltic Sea region in promoting a competitive and customer-oriented gas market and ensuring reliable, safe and cost-efficient gas transmission. We actively develop the gas market with the aim of activity and improved competitiveness. Security of supply and the safety of our transmission system are ensured well into the future. We aim for close and effective collaboration in the Finnish and Baltic gas markets, where transmission systems are developed as a single entity, and operations and interactions with customers and stakeholders are transparent and predictable.



**Responsible agent of change:** We are building impact, awareness and partner networks and integrating sustainability into the daily life of our organisation to bring about extensive change. People trust us, we are valued, and we act as a development driver and unifying force of the Finnish gas industry. Our communication is bold and effective. Our sustainability programme and safety culture permeate the entire organisation and value chain in the form of concrete and ambitious targets and measures.

**Developing operating model:** We are building a strong foundation for a prosperous, adaptable and developing organisation and operating model to implement Vision 2035. Our operations are based on healthy and committed personnel who are inspired by their work. Leadership and personnel competences are developed systematically and with a long-term focus. We improve the fluidity and quality of our operations.



## Strategy and focus areas

As a fundamental part of our strategy work we built scenarios looking far into the future and used them to gain an understanding of the future operating environment and the development of the gas market, as well as the uncertainties associated with them.

The scenario work involved creating four outlines of the future for gas markets in Finland:

### Finland as a climate leader, the rise of hydrogen and electricity

The role of traditional gas decreases in Finland faster than in the EU, and the Finnish society electrifies rapidly. The traditional gas transmission infrastructure will be developed between hydrogen and the security of supply role. Hydrogen infrastructure begins to be built alongside the gas transmission infrastructure.

### Finland as an island – security of supply with gas

EU climate policy becomes stricter, the methane sector is passive, and the hydrogen economy develops considerably more slowly in Finland than elsewhere in the EU. New ways of leveraging the gas infrastructure are not utilised, and the role of the transmission pipeline shift its focus to storage to ensure the security of supply.

### Europe of conflicts – extension of traditional gas

The EU descends into internal conflict, the energy transformation fails, and an extended era of fossil fuels in Europe begins. Hydrogen becomes more common, but not on a large scale. In this scenario, the consumption of traditional gas remains higher than currently predicted.

### Towards carbon neutrality with determination – diverse gases

Politics aiming for carbon-neutrality enable the transformation of the gas sector, and highly diverse investments are made into the development of new gases. In this world, hydrogen is available in the transmission network and local networks, but development focuses on local clusters. The key difference from the “Finland as a climate leader” scenario is that the scenario foresees the construction of the national hydrogen infrastructure on a larger scale, but the volume of gas consumed is otherwise lower than under this “diverse gases” scenario.

The aim of the scenario work was not to predict the most probable future; instead, it



“The aim of the scenario work was to develop Gasgrid Finland’s strategic thinking, insight and interaction in the sector as a whole. We extensively engaged the personnel, customers and stakeholders in the process.”

– Anni Sarvaranta, Senior Vice President, Strategy and Market Development

sought to develop Gasgrid Finland’s strategic thinking, vision and interaction with the industry as a whole. We included personnel, customers and other stakeholders in the process of drafting the scenarios with the help of surveys, workshops and interviews.

# Customers and services

Gasgrid Finland provides its customers with safe, undisrupted, and sustainable gas transmission services. We aim to operate in a customer-oriented way to further develop the gas market in Finland and the region together with our customers and other stakeholders. Our customers are gas suppliers, who reserve transmission products to suit their needs. In the Finnish market, industrial and energy-production companies operate in this shipper role along with energy trading operators in Finland and the Baltic countries.

The Finnish gas market caught the interest of market operators as soon as it was opened. A large group of different gas industry operators from Finland and the Baltic countries registered for various market roles. As the year went by, we signed 133 framework agreements for different market roles.

During the year, we provided transmission services according to our targets, although the capacity of Balticconnector point was limited due to delays in Estonian infrastructure projects, which caused more extensive and longer-lasting challenges for market operators.

In late autumn, we established a development working group with the transmission system operators in Finland and the Baltic countries to enhance the efficiency of the regional gas system. The group aims to provide its customers with transparent and anticipatory information about the regional system's operating conditions, potential and limitations for the transmission services we

offer. Development work continues on the regional system; infrastructure projects are ongoing and planned.

We offer market parties capacity products of various durations and prices for the gas system's entry points and the exit zone, which include locations of direct end-use on the transmission network, as well as the supply of gas to distribution networks.

Long annual, quarterly and monthly products accounted for a larger share of the total orders of capacity products than anticipated, and the main reason for this was the exceptionally mild start to the year. The total consumption of capacity products at the exit zone was just over 27 TWh in 2020, and the actual consumption of gas was 25.3 TWh. As such, market parties ordered approximately 6.7% more capacity than they ultimately used. Due to the low levels of secondary trading in capacity, Gasgrid Finland worked with Get Baltic to develop a more customer-oriented secondary marketplace, which will provide

## Framework agreements made by Gasgrid Finland in 2020, broken down by market role

	Number
Shippers	34
Traders	16
Transmission network end-users	37
Distribution network operators	19
Retailers	25
Biogas injecting parties	2
Total	133

## Reservation distribution of capacity products in the Finnish exit zone in 2020

	TWh	%
Annual product	12.05	45
Quarterly product	7.46	28
Monthly product	3.52	13
Daily product	2.63	10
Within-day product	0.93	3
Capacity overrun	0.43	2



## Customers and services

market parties with a more efficient platform for offering up surplus capacity for sale.

Gasgrid Finland maintains a centralised information exchange platform for distribution networks in accordance with the Natural Gas Market Act, thereby offering a cost-efficient solution for registering accounting points for the retail market and as an imbalance settlement system.

We aim to promote the availability of various gases in the Finnish market. We maintain a biogas certification system, which enables the green properties of biogas to be utilised on a large scale in the Finnish gas system, irrespective of the physical gas flows.

In 2020, we launched a wholesale and retail development group to gather the views of market parties on the functioning of the market and to discuss ways to develop our operations in a customer-oriented manner.

### A reliable transmission platform

Finland's gas transmission platform includes two cross-border points: the cross-border point in Imatra and the Balticconnector connection point. In addition, biogas is fed into the system from six biogas plants. The maximum feed-in power of the Finnish system is approximately 300 GWh/h, of which approximately 250 GWh was available in 2020 due to the restrictions applying to the Balticconnector connection point.

The Finnish gas system's exit zone consists of more than 200 exit points where gas is supplied for consumption or distribution. In



“The Finnish gas market caught the interest of market operators as soon as it was opened. A large group of different gas industry operators from Finland and the Baltic countries registered for various market roles.”

– Janne Grönlund, Senior Vice President, Transmission Platform and Customers

2020, the largest volume of gas consumed in a 24-hour period was 115 GWh, which occurred on 10 December 2020.

Throughout the year, the transmission platform operated in line with the targets, and it was not necessary for us to restrict capacity due to faults in the Finnish system. The availability rate of the compressor that was commissioned in Inkoo was more than 99%, which enabled all fixed supply to take place in Balticconnector. The availability of the Imatra cross-border point was 100% in 2020. Our security of supply rate was excellent, and there were no unplanned supply outages.

Seven planned outages took place in 2020 to ensure the safe and uninterrupted use of gas in the future. The process of agreeing on planned outages with customers went well. During the planned outages, 0.17 GWh of energy was not supplied, corresponding to 0.0007% of all the gas supplied.

Connecting Balticconnector to the Finnish gas system dramatically changed the feed-in capacity and dynamics of our transmission network. We continue to develop our transmission platform while taking a broad assessment of the market's needs. We ensure that our customers have access to a safe, cost-efficient, high-quality transmission service now and in the future.

The Energy Authority confirmed the new terms and conditions of connection for Gasgrid Finland in summer 2020. We also prepared principles for applying the transmission system

operator's duty of development in accordance with the Natural Gas Market Act. The application principles help us to determine the additional benefit that each individual project can bring to the market, providing a basis for assessing whether the transmission system operator should invest in the project.

### What is system responsibility

The Energy Authority has appointed Gasgrid Finland as the gas transmission system operator with system responsibility in Finland. Gasgrid Finland operates as the balancing coordinator of the system as a whole, with the obligation to rectify commercial imbalances between market parties by buying and selling imbalance gas at the end of each gas day. In addition, Gasgrid Finland conducts a national imbalance settlement, specifying the system entries and exits of each party for each balance period. System responsibility obligates Gasgrid Finland to take care of the technical functionality of the gas system together with other market operators so as to ensure the technical compatibility of the gas system as a whole.

In 2020, Gasgrid Finland completed its system responsibility duties as planned. Gasgrid Finland altered the balance management terms and conditions with the Energy Authority's confirmation in September. The aim of the alteration was to achieve more efficient commercial self-direction in the market.

# Market development

The Finnish gas market was successfully opened up to competition at the start of 2020 when the Balticconnector pipeline under the Gulf of Finland connected Finnish and Estonian gas markets. One-third of the pipeline gas consumed in Finland in 2020 was transmitted through the new pipeline. The rest was imported from Russia via the gas entry point station in Imatra.

Finland's gas market was successfully opened up to competition but remains highly centralised. The market is expected to continue opening up in 2021.

Only about 40% of the technical capacity of the Balticconnector gas pipeline was in use in 2020, which contributed to a slower opening of the market and a smaller increase in competition. The capacity restrictions are due to the delay of construction projects for the compressor stations required in Estonia to increase the gas transmission pressure, as well as bottlenecks between the Estonian and Latvia transmission networks.

## The market model functioned as expected, and regional collaboration has progressed

When the gas market was opened up, Finland began to apply EU gas legislation in full, leading to the adoption of a new market model, including pricing, terms, conditions and rules. Mostly the new market model has worked well, and development will continue in 2021.

The rules and market model will be updated as appropriate with the aim of promoting the overall functionality of the market in an equal and non-discriminatory way. Open dialogue is maintained with market operators in market development forums, webinars and bilateral discussions.

The pricing of transmission services was completely overhauled due to new products and pricing principles, and Gasgrid Finland conducted a consultation on its tariff methodology as required every four years under EU legislation. The average transmission price decreased by 18% in comparison with 2019.

A single pricing zone covering the Finnish, Estonian and Latvian entry points was introduced at the start of the year. The tariff zone will enable gas to be brought from the entry point where it is cheapest. In addition, the transmission price was eliminated at the national borders, facilitating cross-border trading between the Finland and Estonia-Latvia market areas. Negotiations are ongoing with the Lithuanian transmission system operator concerning the expansion of the tariff zone to cover the four countries.

Regional collaboration between the transmission system operators in Finland and the Baltic countries was advanced in several ways, such as creating a common operating model for the publication of maintenance plans for the Finland-Estonia-Latvia region and developing operator collaboration with the aim of making the market as efficient as possible.

## The differences in gas prices between Finland and the Baltic countries have levelled out

In 2020, the price of natural gas was low around the world. The factors contributing to low prices in Europe were the exceptionally mild winter and the impact of the COVID-19 pandemic on industry in the spring. In Asia, the demand for liquefied natural gas (LNG) was lower than expected, so the supply was redirected to Europe.

Since the Finnish market was opened, gas tied to European gas price indices has come on sale in Finland in addition to gas tied to the global market prices of oil (Brent) and coal (API2) and price indices on domestic markets.

The opening of the gas market at the start of 2020 is estimated to have improved the competitiveness of gas in Finland thanks to the commissioning of the Balticconnector and the consequent availability of new procurement sources. The price differences between Finland and Baltic countries have also levelled out thanks to this. The congestion of the Balticconnector and the uncertainty surrounding the completion of compressors is estimated to have delayed the narrowing of price differentials, resulting in higher gas prices and weaker competitiveness of gas in Finland.



# Market opening

The committed work done by dozens of people in previous years laid a successful foundation for the opening of the gas market and the commencement of Gasgrid Finland's operations as an independent company.

Gasgrid Finland successfully began operating as a fully independent company at midnight on 1 January 2020 as the result of a partial demerger. The gas market was opened up at 7:00 am on the same day in line with the European gas day.

Since 2016, the Ministry of Economic Affairs and Employment, the Energy Authority and companies in the gas industry, along with their IT suppliers and other partners, have laid the foundations for the market and the company's operations. Our customers were also well prepared to operate in the open market.

The gas market combines the physical and commercial worlds. These are guided by environmental conditions and technology, and they are heavily influenced by factors such as EU legislation. Before the market was opened up, the Finnish legislation enabling it needed to be successfully enacted. This was finalised in summer 2019. All of this was included in the market terms, contracts between various operators, and, in particular, the IT systems that enable trading.



Due to EU legislation, the transmission system operator with system responsibility must also be entirely independent of the companies that produce or sell gases and electricity. This rule led to Gasgrid Finland becoming entirely administratively, organisationally and functionally unbundled from Gasum Oy.

The preparations started to become tangible in the afternoon of new year's eve in 2019 when market parties began using the market portal to make their first capacity bookings for 2020 in the form of annual, quarterly, monthly and daily products. In the team room at Gasgrid Finland's central control, this moment was the culmination of the long preceding journey described above.



The next moment of excitement and success occurred as the new year's fireworks went off at midnight. Gasgrid Finland had begun operating as an independent company. The unbundling of IT systems had been successful, and Gasgrid Finland's critical system entities were available immediately.

However, the decisive factor for the energy market is the physical world: gas needs to be transmitted.

The third success occurred at 7:00 in the morning of new year's day when the Inkoo compressor station was started up. The station enabled gas to flow from Estonia to

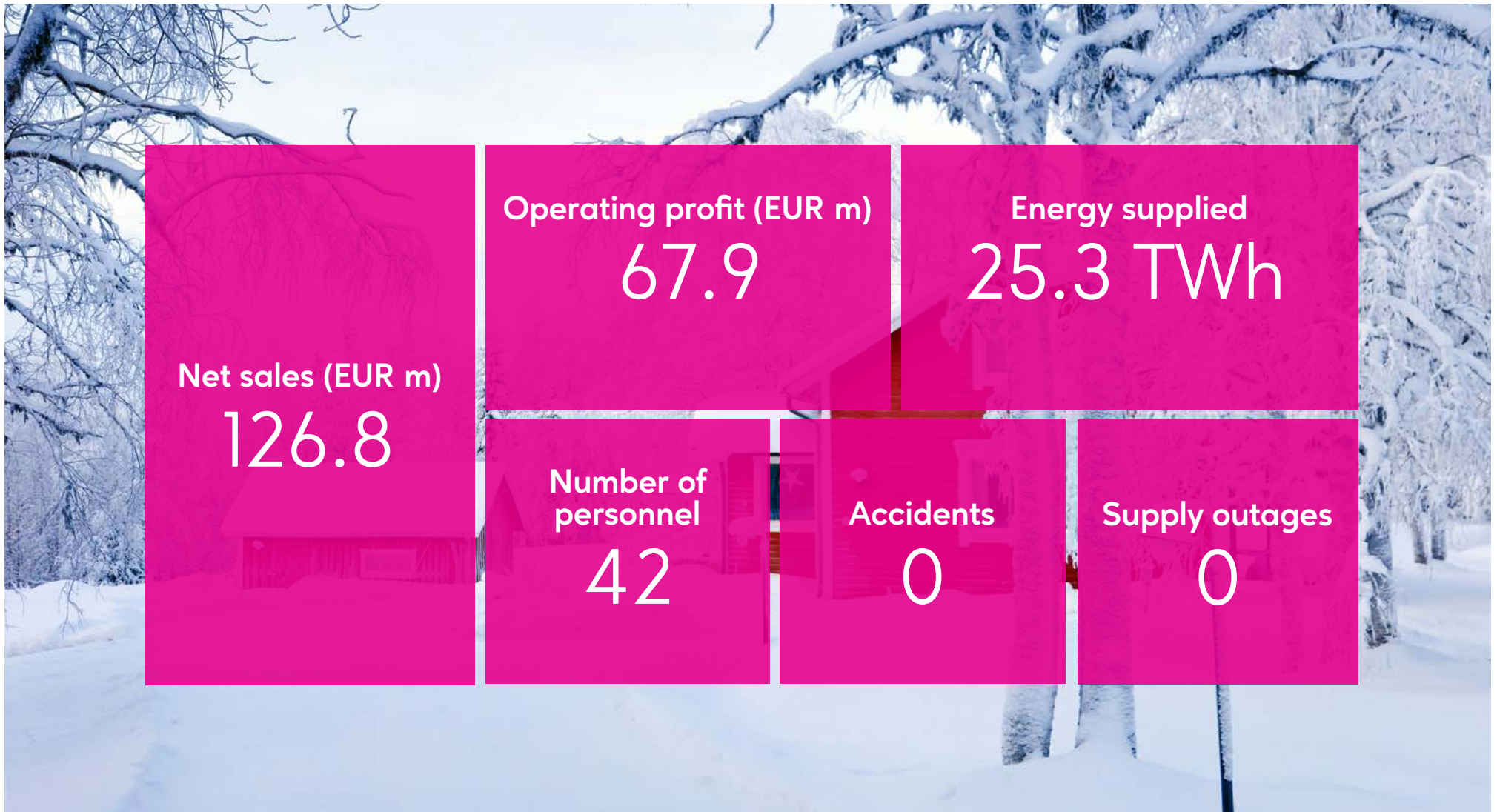


Finland for the first time. Gasgrid Finland's experienced professionals got the company's first electrically-operated compressor station to work reliably – and stable operation continued throughout the year.

The successes described above are based on the commitment of a wide-ranging group of experts to a common effort, and Gasgrid Finland remains thankful to them for everything.

[Read more about the history of the open gas market.](#)

# Key figures





An aerial photograph of a serene lake scene. In the center, a wooden dock extends into the water, with two kayakers in yellow kayaks nearby. A small wooden cabin is situated on the grassy shore in the upper part of the frame. The water is dark blue with some lily pads, and the surrounding forest is lush green. The word "Sustainability" is overlaid in white text across the middle of the image.

# Sustainability



# Sustainability highlights

## Safety campaign

During our safety campaign, we sent instructions to 4,000 landowners on how to stay safe in the impact area of the gas pipeline.

## Sustainability programme

The four themes of our sustainability programme are sustainable corporate citizenship, people, safety and security of supply, and towards carbon neutrality.

## Society's commitment

Gasgrid Finland aims to prevent 20 tonnes of methane emissions annually by the end of 2025.

## Materiality assessment

In the materiality assessment, the stakeholders identified the reliability of the gas supply, preparedness for emergencies, professional competences and safety throughout the supply chain as the most important factors.

## Personnel satisfaction

We conducted two surveys to gauge the quality of our work atmosphere and leadership, and the averages were 4.12 and 4.19 (on a scale from 1 to 5). Based on the results, we took numerous measures to further improve on the already good status in our organisation.

## Climate Leadership Coalition

Gasgrid Finland became a member of the Climate Leadership Coalition (CLC), a network of climate actors.



# Everyday sustainability

Sustainability is integrated into Gasgrid Finland's strategy and day-to-day management. Concrete examples of sustainability work include the immediate introduction of a sustainability programme at the start of 2020 – our first year in operation – and our Society's Commitment publication.

The company's management and every employee's activities are guided by the **Code of Conduct, Corporate Governance** principles and risk management policy approved by Gasgrid Finland's Board of Directors. The company's operations comply with the requirements of the decision-in-principle on the government's ownership policy. The company's Board of Directors is responsible for sustainability, and it reports on the matter at the Annual General Meeting. The CEO and the Management Team are responsible for managing operational sustainability activities. The company's sustainability manager advances and develops concrete activities in accordance with the sustainability programme. The management of material aspects of sustainability has been integrated into the company's management system and strategic plans. Sustainability is managed in the Sustainability Forum and individual measures in all leadership forums. The company's management model has been updated in the beginning of 2021. In the light of the results, we consider the management of essential sustainability

themes to be working and effective. Sustainability management and everyday actions comply with the principle of prudence, which is manifested in forms such as operating in accordance with environmental permits. Gasgrid Finland runs online training courses to ensure that everyone follows the Code of Conduct, and all employees complete these courses annually.

## Sustainability is a part of the strategy

One of the four identified scenarios in the company's strategy was to lead decisively towards carbon-neutrality via a diverse selection of gases. The "responsible agent of change" theme in the strategy involves integrating sustainability into daily life to bring about extensive change. In practice, this means updating the sustainability programme in 2021 and linking the sustainability programme more closely to day-to-day decision-making, annual planning and the implementation of development projects. The "transmission platform of the future" theme in the strategy involves promoting

a carbon-neutral society and creating a roadmap for a carbon-neutral future with the help of various gases.

## Management system

A project to get the company's management system certified began in autumn 2020. Everything the company does is guided by its customers and the services they require. The main process map and the processes related to operations were first defined for the company. The management system will

undergo an internal audit in March and an external audit in April 2021. Gasgrid Finland aims to have a certified management system by the end of June.



The focus points of Gasgrid Finland's sustainability work are five of the UN's Sustainable Development Goals.

[Read more about the UN Sustainable Development Goals](#)

## Everyday sustainability

### Objectives, indicators and measures of our sustainability programme

Theme	Target	Indicator and measurement frequency	Actual value
<b>Responsible corporate citizenship</b>	<ul style="list-style-type: none"> <li>• Transparent and ethical business</li> <li>• Reliable and open partner</li> <li>• Sustainability in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Preparing the tax footprint</li> <li>• Measuring customer satisfaction</li> <li>• Supplier selection and management</li> </ul>	<ul style="list-style-type: none"> <li>• Gasgrid Finland's tax footprint for society in 2020 was EUR 100.7 million.</li> <li>• Customer satisfaction measured at the start of 2020. The customer satisfaction survey was conducted after the first year of operation and the net promoter score (NPS) was 17.</li> <li>• Suppliers vetted to fulfil the contractor's obligations. Work ongoing in 2021</li> </ul>
<b>People</b>	<ul style="list-style-type: none"> <li>• Inclusive management</li> <li>• Sense of community</li> <li>• Healthy and competent personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Measuring job satisfaction</li> <li>• Actual outcome of target-based management</li> <li>• Early intervention model and thresholds</li> <li>• Turnover (departures/total number of employees)</li> </ul>	<ul style="list-style-type: none"> <li>• 2 measurements conducted, results 4.12 and 4.19. Corrective measures specified and being implemented</li> <li>• Achievement of targets and rewards specified</li> <li>• Early intervention model introduced</li> <li>• Turnover 2.4%. 1 person retired healthy.</li> </ul>
<b>Security of supply and safety</b>	<ul style="list-style-type: none"> <li>• High security of supply rate</li> <li>• Safe transmission of gas</li> <li>• A safe place to work</li> </ul>	<ul style="list-style-type: none"> <li>• 0 supply outages</li> <li>• 0 accidents</li> <li>• 0 occupational accidents</li> </ul>	<ul style="list-style-type: none"> <li>• 0 supply outages</li> <li>• 0 accidents</li> <li>• 0 occupational accidents suffered by Gasgrid Finland personnel and 2 suffered by suppliers. A supplier had one traffic accident on the way to work site.</li> </ul>
<b>Towards carbon-neutrality</b>	<ul style="list-style-type: none"> <li>• Operating without environmental incidents</li> <li>• Reducing emissions and environmental impacts</li> <li>• Energy-efficient transmission</li> </ul>	<ul style="list-style-type: none"> <li>• 0 environmental incidents</li> <li>• Methane emissions reduced –20 tonne/year</li> <li>• Preparing an energy balance</li> </ul>	<ul style="list-style-type: none"> <li>• One incident involving the handling of chemicals</li> <li>• 83 tonne of methane emissions prevented, repairs correspond to 14 tonne per year</li> <li>• Energy balance prepared and assessed with 2020 figures</li> </ul>

The sustainability themes and targets will remain the same in 2021. The sustainability programme will be updated in 2021, and the latest targets will be published on our [website](#).



## Everyday sustainability

### Society's Commitment

We prepared a Society's Commitment in autumn 2020 concerning concrete actions to prevent and reduce methane emissions. We are continuously improving the efficiency of the Finnish gas transmission system, ensuring that its carbon emissions are minimised. The aim of the commitment is to prevent 20 tonne of annual methane emissions by the end of 2025 by taking active operational measures. Methane is a greenhouse gas with a warming potential of 28 times higher than carbon dioxide, so it is very important to prevent and reduce methane emissions. Gasgrid Finland achieved the goals set out in its Society's Commitment in its first year of operation. The total amount of prevented methane emissions in 2020 was 83 tonne, and corrective measures taken in response to diffuse emissions led to an annual reduction of 14 tonne of methane emissions.

### UN Agenda for Sustainable Development

The UN's 2030 Agenda for Sustainable Development was integrated into Gasgrid Finland sustainability themes as a part of the sustainability materiality assessment. Gasgrid Finland chose the following sections of the Agenda for Sustainable Development as its focal areas: 7 Affordable and Clean Energy, 8 Decent Work and Economic Growth,

9 Industry, Innovation and Infrastructure, 12 Responsible Consumption and Production, and 13 Climate Action.

### Stakeholder identification and collaboration

We identified our stakeholders as part of our strategy and sustainability development work. When we conducted our sustainability materiality assessment, we identified the key stakeholders in terms of our operations: customers, owners, employees, associations, landowners, the media, service providers and suppliers, political influencers, authorities, and representatives of projects in the area of impact of Gasgrid Finland's gas pipeline. The company assesses its customer satisfaction annually, and an employee survey is conducted twice a year. Regular meetings and events are held for stakeholders in various areas.

### Memberships

Gasgrid Finland is a member of the following associations: Finnish Energy, ENTSOG, Finnish Packaging Recycling RINKI Ltd, the Gas Association, Marcogaz, the natural gas section of the Finnish National Emergency Supply Agency's oil pool, the Climate Leadership Council, Enerkem and the European Hydrogen Backbone. This information is publicly available on the company's website, including reasoning.

### Complaint mechanisms

The company uses a security system in which employees, partners and visitors can enter observations and report deviations. All incidents are processed, categorised and forwarded to the person in charge of the relevant area to evaluate and specify the corrective measures. Irregularities can be reported anonymously via company's website, and reports are forwarded to the appropriate party in charge of investigation. The company's reporting channel will undergo further development in 2021.



” Sustainable and ethical activities and full compliance with corporate principles and legislation form the foundation for our management.

– Olli Sipilä, CEO

# Materiality and key sustainability themes

We conducted a sustainability materiality assessment with our stakeholders in October 2020. We sent a stakeholder survey to people we had worked with in 2020. The stakeholders identified the reliability of the gas supply, preparedness for emergencies, the personnel's professional skill and safety throughout the supply chain as the most important factors.

We aim to include the viewpoints of our stakeholders in our operations, sustainability work and development. The aim of the materiality assessment was to gather insights from our stakeholders in relation to Gasgrid Finland's key sustainability themes in order to develop the business, sustainability work, sustainability communications and reporting. We conducted a sustainability materiality assessment with our stakeholders in October 2020 together with Kreab Oy, our communications partner, and Iloom Oy, an culture analytics company. The analysis was also based on information obtained from media monitoring, as well as the materials used for strategy surveys and employee surveys, which were analysed using a modelling tool. The results of the materiality assessment

will be updated in three years time or if any significant changes occur before then.

## Stakeholder identification

We identified the key stakeholders in terms of our operations: customers, owners, employees, associations, landowners, the media, service providers and suppliers, political influencers, authorities, and representatives of projects in the area of impact of Gasgrid Finland's gas pipeline. We sent the survey to about 500 people we had worked with in 2020. The responses were anonymous – respondents were only asked to select their stakeholder category. The survey was conducted in Finnish and English. We received a total of 128 responses. Fifty-seven respondents completed the survey in full. The largest groups of respondents were customers, employees, service providers, suppliers, and authorities. Responses were received from all groups, and the data was supplemented with phone interviews.

## Survey data

The survey included questions about the focal areas of the industry and Gasgrid Finland's sustainability work, which Gasgrid Finland had preliminarily identified as important from the perspective of its operations and the industry. We purposefully left the definition of our industry open to begin with so that it did not limit the thoughts of respondents. The next phase involved delving more deeply into viewpoints concerning Gasgrid Finland's operations. The survey specified the themes related to sustainability in terms of gases

“The sustainability materiality assessment revealed what is relevant to stakeholders. Now we are able to target our activities and communications to the areas our stakeholders find important. – Minna Tolonen, Sustainability Manager

and technology, financial, social and environmental sustainability. Respondents selected a grade to indicate whether each theme was very important, somewhat important or not important at all. Each phase also included open-ended questions on why these themes were considered relevant and which were least relevant. At the end of the survey, there was also a field for providing general feedback. All of the results were analysed to create a summary, and the results were discussed at a management workshop.

## Core themes

The most common themes in the open-ended answers covered operational safety, the security of supply, and combatting climate change. Operational safety concerned the safe transmission of gas in order to minimise emissions and thus prevent harm to people and the environment. Important aspects of this topic also included the importance of safety in terms of technological development and new gas products. Safety is also closely related to professional competence and good working conditions. Our standard of reliability was judged to be good, but the topic was considered a core aspect in terms

of whether the use of gases will remain acceptable in the future. The third significant topic was the role of gases in curbing climate change. Respondents emphasised the importance of active work to support the transition to carbon-neutral energy generation, and all entities operating in the industry consider this an essential theme.

## Key themes for stakeholders

Among the stakeholders, customers emphasized safety, reliability, climate action, market functioning and fairness. Personnel saw infrastructure security and timeliness, environmental responsibility and continuity planning as the most important. The authorities, for their part, hoped that Gasgrid Finland would spread an active safety and sustainability culture and take care of the aging infrastructure. From the owner's point of view, it is important to enable energy transition, combat climate change, and to act in an open and inclusive manner.

## Creating a materiality matrix

Based on the survey, our stakeholders identified the security of the gas supply, preparedness for emergencies, the personnel's



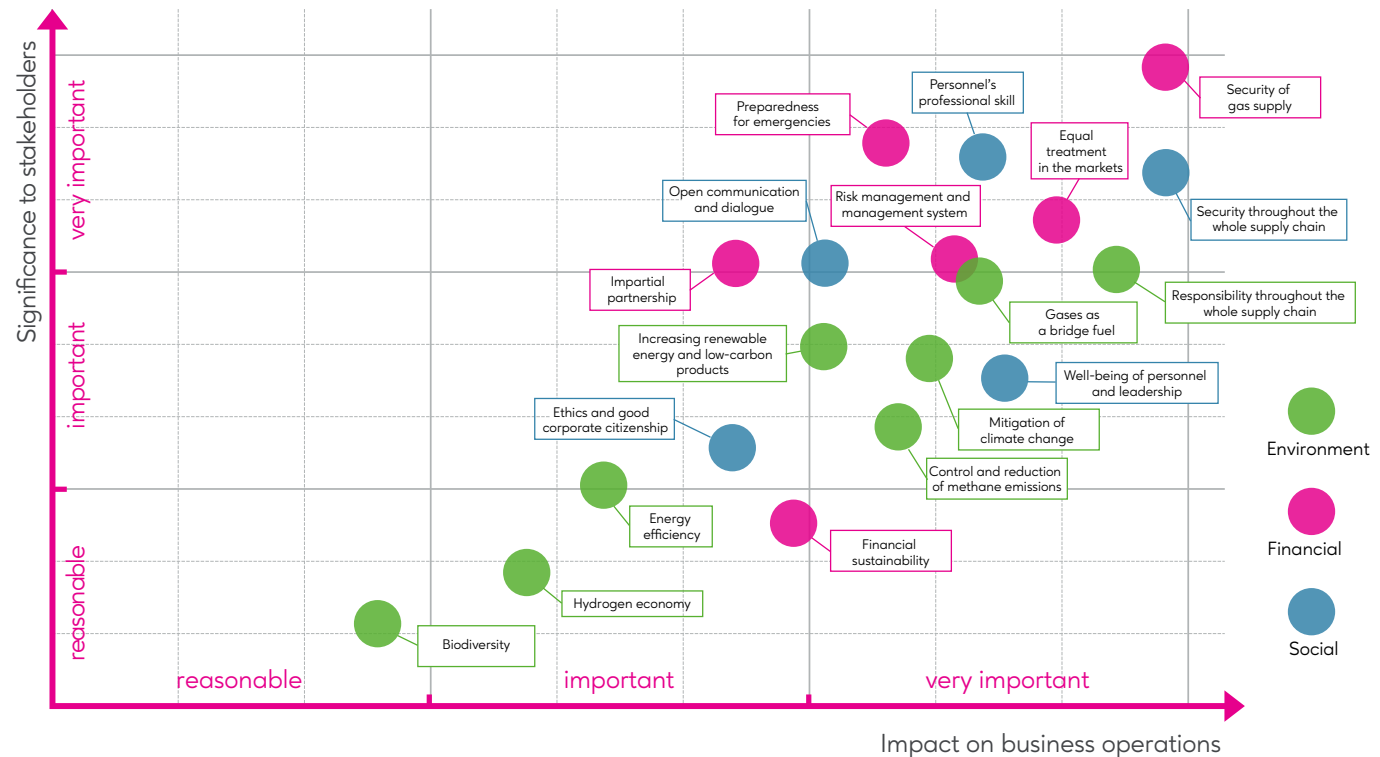
## Materiality and key sustainability themes

professional skill, and safety throughout the supply chain as the most important numerical factors. The stakeholders' results were reviewed at a Management Team workshop, and the management assessed how significant the factors were for the company. Based on the responses, the Management Team added the theme "equal treatment" as one of the important perspectives. The results were compiled into a matrix where the axes were importance as specified by stakeholders and the company's estimate of the impact on its business.

### Making use of the results

We published the results of the materiality assessment on our website. The data was used to develop the content of the 2020 sustainability report and to plan and target communications. The data will also be used to update the sustainability programme in 2021. We utilised the results to plan the content of this report and, among other things, to select the indicators to report to ensure that they correspond to stakeholder expectations as much as possible. The sustainability materiality assessment provided us with valuable information on the factors that are important to stakeholders, enabling the development and reporting of sustainability to focus on relevant matters.

### The materiality of Gasgrid Finland's sustainability themes



# We create economic added value for our stakeholders

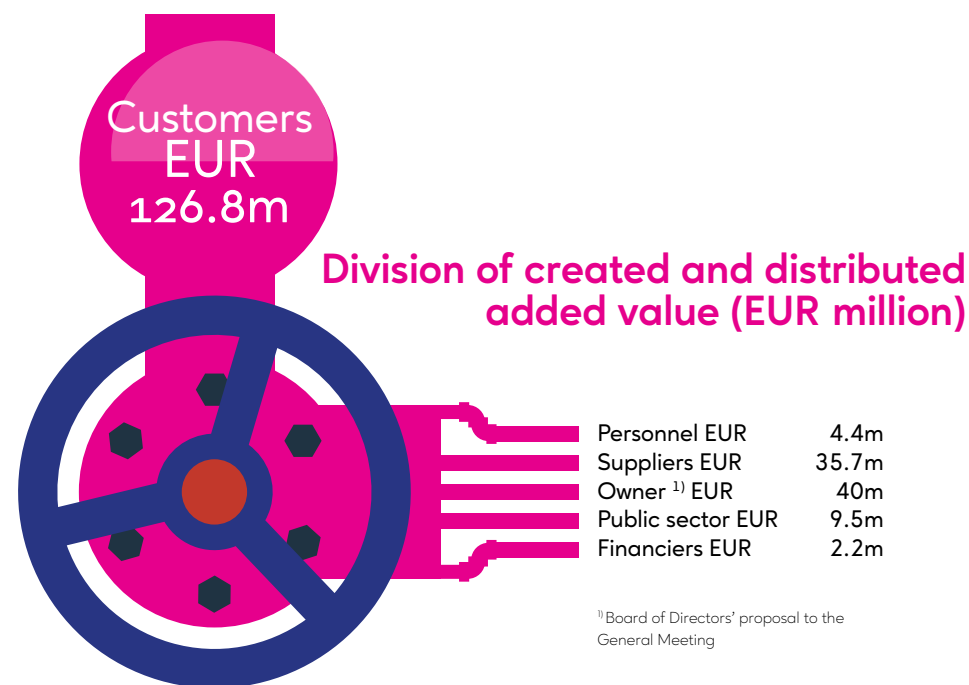
Gasgrid Finland's operations create significant economic added value for various stakeholders, including employees, customers, suppliers of goods and service providers, shareholders and society as a whole.

Created added value consists mainly of customers' capacity reservations in the transmission network. Distributed added value consists of the salaries paid to employees, purchases from suppliers of goods and service providers, dividends for shareholders, interest payments to financiers, and taxes paid to the public sector.

Gasgrid Finland's employees are covered by the Finnish defined-benefit employee pension scheme. We do not use any supplementary pensions deviating from this scheme as part of our remuneration packages for key personnel, so the CEO and the Management Team have the same pension benefits as

other personnel groups. Gasgrid Finland did not receive any financial aid from the public sector in 2020. Baltic Connector Oy, a subsidiary of the Group, is entitled to a substantial sum in investment grants from the Innovation and Networks Executive Agency (INEA), a body of the European Commission. The grants received have been used to enable the construction of a gas transmission network between Finland and Estonia. The sum received in grants in 2020 amounted to EUR 17.9 million.

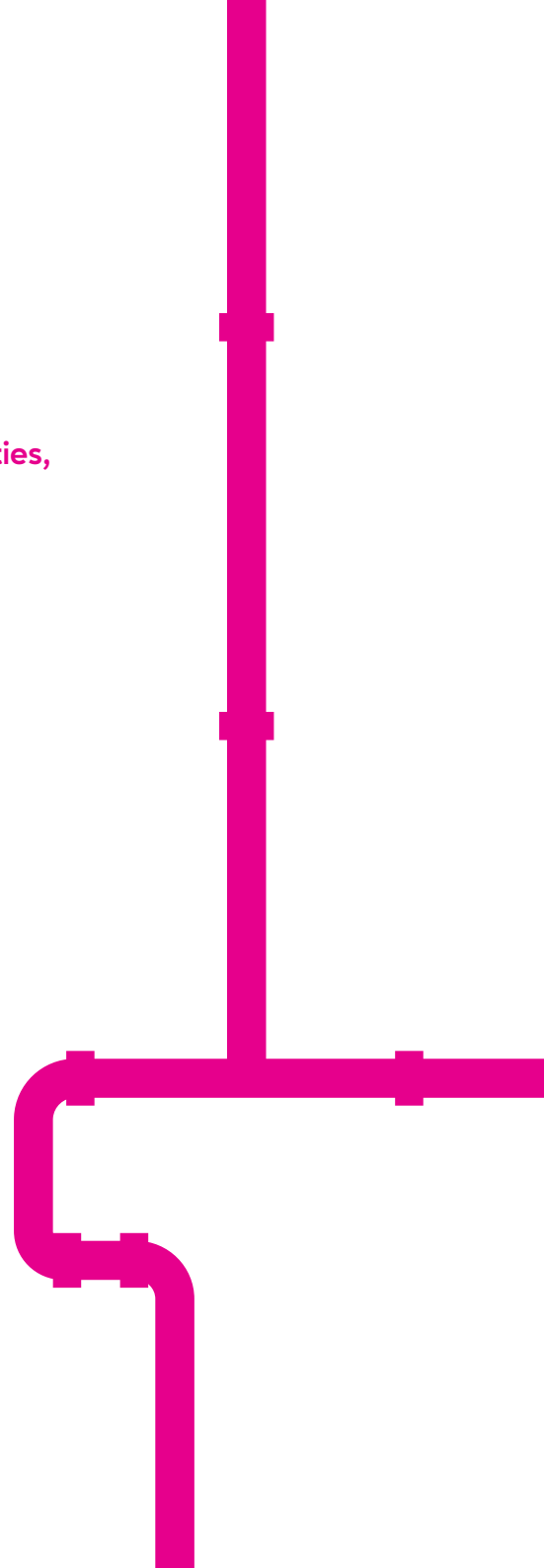
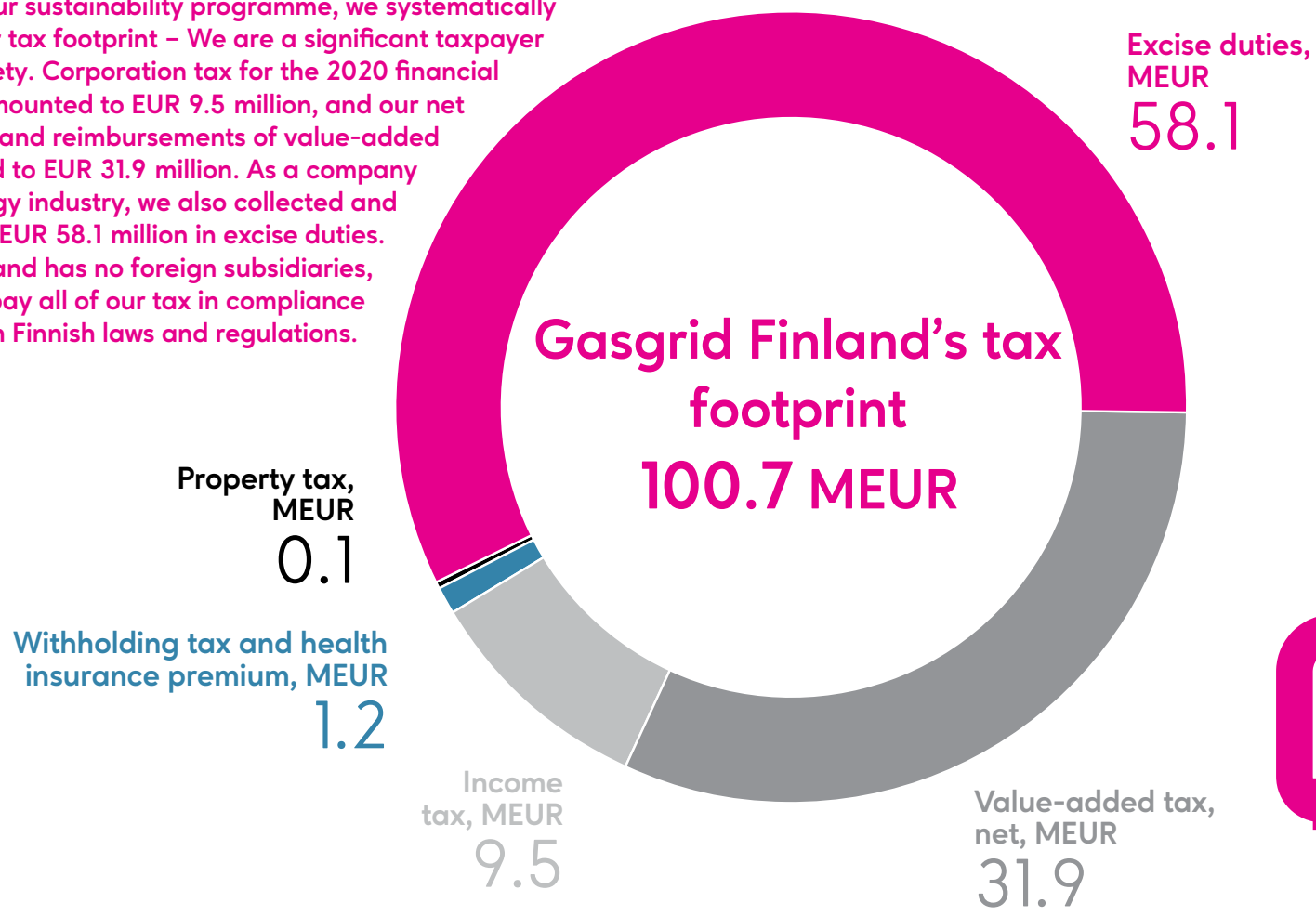
Gasgrid Finland's Board of Directors has proposed to the Annual General Meeting that a dividend of EUR 40 million be paid. If the General Meeting approves the proposal, the dividends will be paid to the Finnish state and Suomen Kaasuverkko Oy, which is wholly owned by the Finnish state, so the dividend payment will benefit society as a whole.

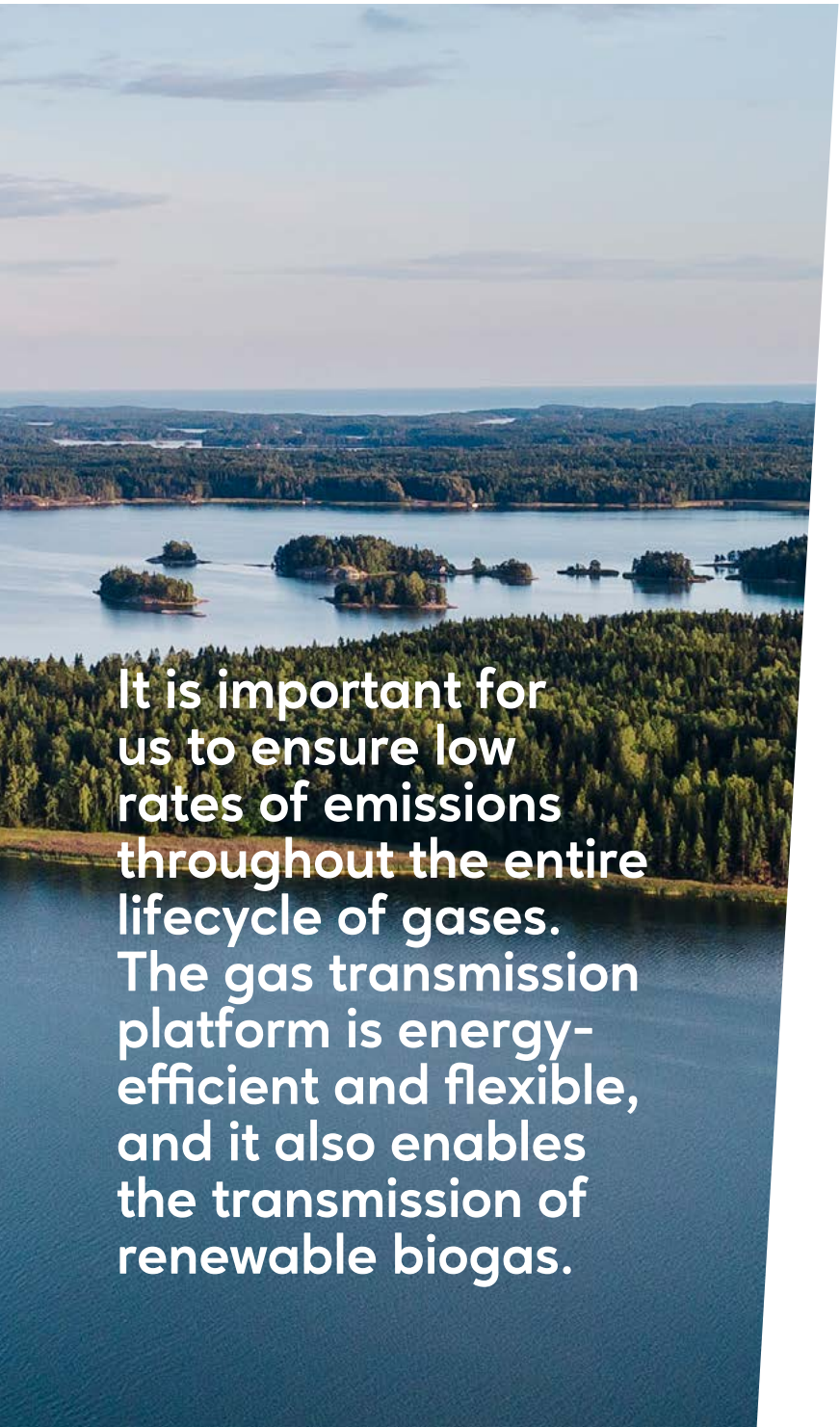






In line with our sustainability programme, we systematically monitor our tax footprint – We are a significant taxpayer in society. Corporation tax for the 2020 financial period amounted to EUR 9.5 million, and our net remittances and reimbursements of value-added tax amounted to EUR 31.9 million. As a company in the energy industry, we also collected and remitted EUR 58.1 million in excise duties. Gasgrid Finland has no foreign subsidiaries, and we pay all of our tax in compliance with Finnish laws and regulations.





It is important for us to ensure low rates of emissions throughout the entire lifecycle of gases. The gas transmission platform is energy-efficient and flexible, and it also enables the transmission of renewable biogas.

# Carbon-neutral society

Our vision for 2035 is that gases will enable a carbon-neutral society, and Gasgrid Finland will provide a platform for it. This is the starting point for how we plan our operations.

## Roadmap to carbon-neutrality

In 2021, we begin preparing a tangible roadmap towards a carbon-neutral future with the help of a diverse range of gases. We will improve Gasgrid Finland's own operations by reducing the carbon emissions involved in gas transmission. The sustainability materiality assessment also highlighted the need to take the impacts of the supply chain into consideration. The carbon footprint of the natural gas supply chain from source to consumption has been investigated several times over the years.

## Environmental indicators

Our greenhouse gas emissions in 2020 amounted to 7,729 tonne. The emissions consist of carbon dioxide and methane emissions,

approximately half-and-half. Our total energy consumption in 2020 was 65.8 GWh, and our energy intensity was 2.6 GWh per TWh of gas transmitted. The figures are presented in full in the section entitled "Results in figures".

## Most significant climate perspectives

The positive climate perspectives of our operations are the energy-efficient, low-emission transmission of gas, using the existing infrastructure as a platform for transmitting renewable biogas, the low air emissions when gas is consumed, and the small amount of land required by the gas pipeline. The most significant environmental aspects of our operations are the air emissions arising in our activities, energy consumption, and impacts during construction.

## Purchasing electricity from renewable sources

The renewable electricity that Gasgrid Finland purchases is assured through guarantees of origin, and the certification procedure is based on an EU directive. Guarantees of origin confirm that the electricity is generated from renewable energy sources or with efficient combined generation. Electricity with a guarantee of origin certificate is generated by wind, solar or hydroelectric power plants or from biogas.

## Carbon-neutral society



**“I am proud of the fact that we published our sustainability programme right at the start of 2020, where we pursue the transition towards carbon-neutral society and that clean gases also rose to an important role in our strategy work as well.”**

– Minna Tolonen,  
Sustainability Manager

### Energy efficiency measures

Last year, we made several energy efficiency investments. We also upgraded seven heating systems at pressure reduction stations along the gas pipeline in 2020. In order to reduce our electricity consumption, we added motion detectors to the lights on some of the sites, and we switched to LED lighting. We analysed the fugitive methane emissions from the gas pipeline and implemented a multi-year investment programme to fix them. Three fugitive emission sites were repaired in 2020, resulting in an annual reduction of 14 tonne of methane emissions.

### Operating without environmental incidents

We monitor environmental incidents and observations in our safety system, where every employee, partner or visitor can enter their observations. In 2020, one incident and 22 environmental observations were recorded on the system relating to factors such as tidiness at the stations, waste, emissions and energy efficiency.

One environmental incident occurred at Gasgrid Finland's pressure reduction station

when a supplier was handling chemicals. No harmful chemicals were found in the soil samples. The incident was investigated, and corrective measures were specified for future projects.

### Environmental matters in projects

We also take environmental matters into consideration in our projects. On the largest projects, such as the construction of the Inkoo compressor station and offshore pipeline, we prepare a comprehensive environmental impact analysis in line with the corresponding law. For the smallest projects, we prepare an environmental assessment, which analyses the project's impact on the environment and nature. A concrete example of how we take natural values into consideration is the change made to the gas pipeline in Helsinki metropolitan area, where the alignment was changed to avoid a flying squirrel habitat. We also consider noise reduction in our projects. In 2020, we measured the noise caused by the alteration work on the gas pipeline, and we created a noise model in order to improve noise reduction on future projects. Environmental aspects are comprehensively considered throughout the lifecycle of the gas infrastructure, from planning and operation to disposal.

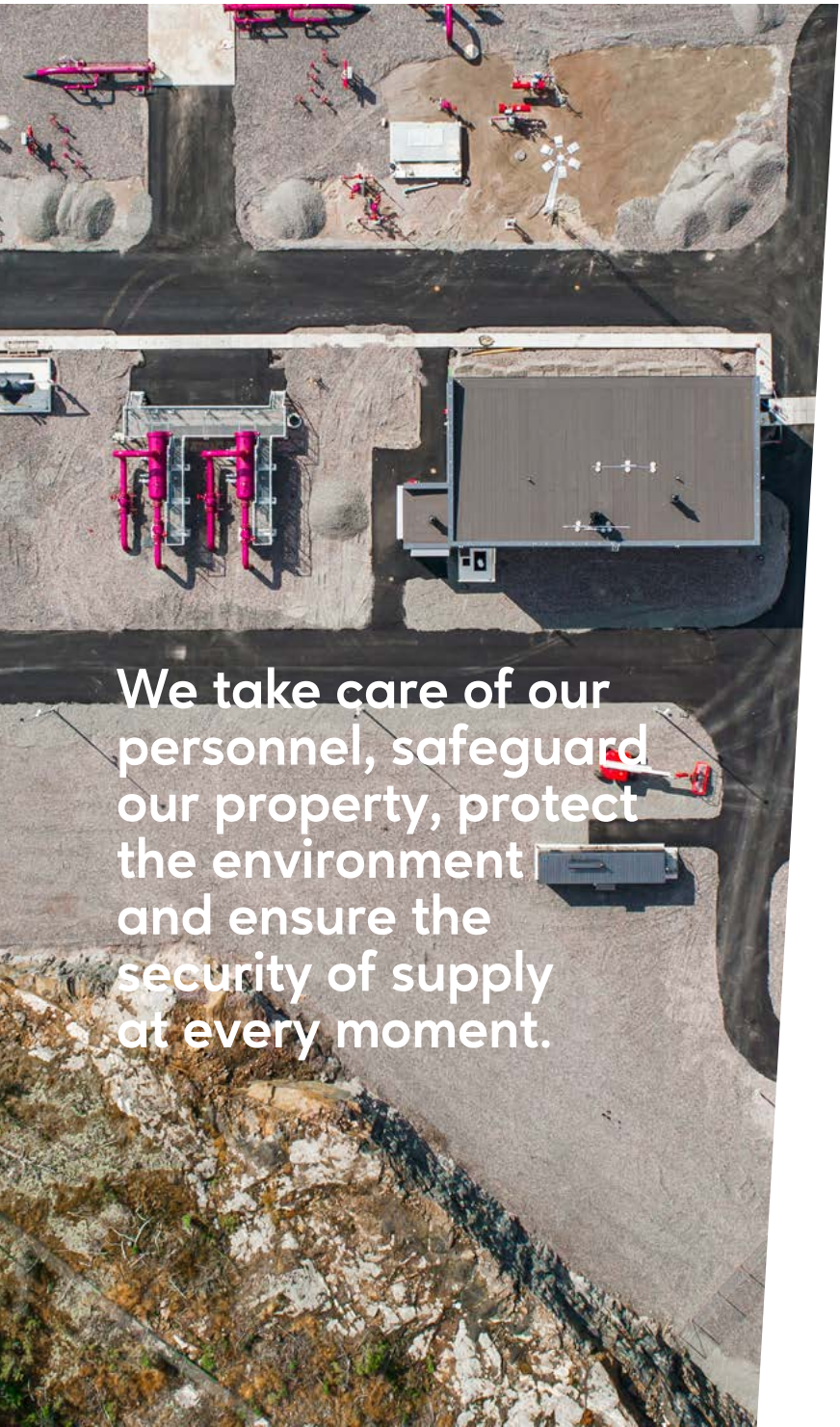
## Case



### Effective operational measures prevent methane emissions

During projects and planned maintenance work, the voiding of the gas pipeline is forecast with care. When connection or alteration work is conducted on the gas pipeline, the section of the gas pipeline must be emptied of hydrocarbons to ensure that it is safe to work with the pipeline. It is better for the environment if the voiding can take place at low pressure and the gas in the pipeline is used in collaboration with the customer for the customer's process. By taking operative measures such as this, we were able to prevent 83 tonne of methane emissions in 2020, which is equivalent to 2,300 tonne of carbon dioxide emissions.





# Safety and security of supply

Every day, we work tirelessly to ensure that no one is injured when working on the transmission of gases. The starting point for our operations is gas transmission safety and accident-free operation in our own work as well as in the work of our contractors. By taking this approach, we are laying the foundations for uninterrupted gas transmission.

We take care of our personnel, safeguard our property, protect the environment and ensure the security of supply at every moment.

We have systems in place to take care of the safety of our customers, employees and other stakeholders. By taking care of corporate security, we are protecting the company's personnel, reputation, assets, and the environment. We are implementing a continuous improvement operating model. Our main occupational safety target is zero accidents.

### Safety 2020

In Gasgrid Finland's first year in operation, no accidents occurred in its own operations. We made a substantial number of safety observations and safety inspections, even though almost the entire year was highly abnormal due to the COVID-19 pandemic.

Two hazardous incidents arose in Gasgrid Finland's own operations. A flange seal broke at the Inkoo compressor station, and at a power plant in Kotka, a car slipped of its

own accord towards the collision protection on a valve. Neither incident caused substantial damage.

We work closely with our suppliers to ensure safety. Our suppliers are active in submitting safety observations, conducting safety inspections and taking corrective measures.

Two minor accidents occurred to contractors: one traffic accident and one near-miss.

Our operations are based on identifying hazards and assessing risks. Workplace surveys were conducted at the company's locations in Espoo, Kouvola and Imatra in 2020. The workplace survey resulted in a list of measures to promote occupational safety for the employees.

We carried out 1,410 risk assessments before undertaking significant work and 25 assessments before starting construction projects. We carried out 18

investigations according to the defined process to study incidents that occurred in our own operations and those of our suppliers. The most typical incident was unauthorised action or excavation on the pipeline route. We use the 5 whys method for investigations.

The occupational health and safety committee consists of the health and safety delegate, HR manager and health and safety manager. The health and safety committee convened regularly and discussed a wide range of matters related to the occupational safety of personnel. Occupational health and safety matters are communicated at monthly personnel information events and, if necessary, by email. Supervisors also communicate safety matters within their teams.

All of the company's personnel are covered by occupational safety and occupational health care.

## Safety and security of supply



**“To us, the security of supply is a matter of pride. Our most important objective in this regard is zero unplanned outages.**

– Janne Grönlund,  
Senior Vice President,  
Transmission Platform  
and Customers

Occupational safety monitoring also covers suppliers. We use a safety system for managing occupational safety, and every member of the company's personnel and its suppliers use the system. A total of 300 safety observations, 142 safety inspections, and 1,410 quick risk assessments were entered into the safety system. In autumn, we began building an ISO 45001 occupational health and safety system, and the certification process will take place in spring 2021.

The company achieved its aim of zero accidents among its own personnel. In addition, there were no diagnosed occupational diseases due to work in the company. Among suppliers, there was one minor accident and one significant accident, which led to a total of 10 days of absence. The accident frequency in relation to the estimated number of working hours done by suppliers was 13.3 accidents per million working hours. The accident frequency among the company and suppliers was 9.1 accidents per million working hours based on calculations and the estimated number of working hours.

### We take care of the security of supply

We maintain the security of gas transmission by monitoring and operating the system continuously and by conducting planned maintenance works with due care and professional competence. The security of supply is a matter of pride to us, and we seek to safeguard it at all times.

Continuous development work will improve our ability to provide uninterrupted gas transmission services in the future. Our most important security of supply target is zero unplanned outages.

### Security of supply 2020

One of the largest changes in the Finnish transmission system was the introduction of the Balticconnector connection point, which added an extra international supply point in addition to the Imatra entry point. The technical functionality of both cross-border points was excellent in 2020, and none of the technical outages that occurred during the year affected the commercial market or the capacity offering. There were no unplanned supply outages to customers in 2020.

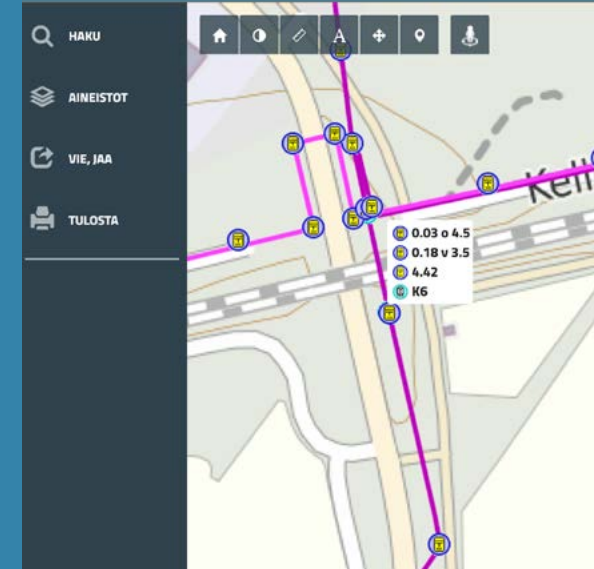
During the year, we implemented seven planned supply outages, which took place at times agreed upon with the customer. During the outages, 0.17 GWh of gas was not supplied. The aim of the planned outages was to improve the security and reliability of gas transmission by eliminating the detected risk factors.

During the year, we investigated nine minor disruptions in the transmission network which could have affected gas supplies if the problems had got worse. The aim of the investigation work was to seek out the root causes of the incidents and assess how to avoid similar incidents in the future.

## Case

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### Safety campaign

In winter 2020, we launched a safety campaign aiming to reduce the amount of unauthorised activity in the area of impact of the gas pipeline. It is prohibited to work within 5 metres of the gas pipeline without the pipeline owner's permission. We released online courses to guide people on safe working practices, as well as the kartta.Gasgrid Finland.fi map service, which shows the location of the gas pipeline and the related safety areas. In addition, we sent letters and updated guidelines to 4,000 landowners on how to stay safe near the gas pipeline. We also prepared a list of safety aspects related to the gas pipeline for consideration in external projects.





# Inclusive management and a good team spirit

Gasgrid Finland's operations are based on openness, fairness and good team spirit both inside the company and in extensive cooperation with our stakeholders. Our personnel consists of top experts who are strongly committed to their work and the company's targets. We worked with our employees and stakeholders to prepare a new strategy for Gasgrid Finland in 2020.

Safety, the security of supply and cost-efficiency are our most important operating principles, and they shine through in everything we do and in our day-to-day management.

We aim to be a frontrunner in the fields of good management, personnel development and well-being. The aim of managerial and supervisory work is to manage employees fairly and purposefully in accordance with good management principles. We communicate the company's affairs openly and transparently. Every individual can make their thoughts and opinions heard, and others seek to question them in a good way. Our company is small in terms of the number of employees, so everyone has the chance and responsibility to engage in company and personal development by working in challenging roles.

In 2020, we worked with our personnel to define the values of our operations by inviting volunteers from each unit to participate in the process. Since then, we have integrated our values into the company's management system, and the realisation of the values is monitored in teams and on a personal level. The values are also covered as a part of the orientation for new employees. The employees' commitment to the values is demonstrated by their day-to-day actions, and the company's Management Team is ultimately responsible for implementing and cascading the values and culture.

Our values are on our website in Finnish and in English.

## We actively support competence development

We seek to provide effective means for our personnel to succeed in their work. Among other things, this means fair and equal treatment, good working conditions and support for continuous learning.

The development of our employees' professional skills and competences is systematic. We invest in supervisory work, and we provide our personnel with opportunities to develop, expand their competences and receive training. Continuous improvement is defined as one of our operating processes.

Good supervisory work ensures that every Gasgrid Finland employee can develop their professional competences in challenging, responsible positions. Job rotation

The work at Gasgrid Finland is enjoyable and societally meaningful – our company is driven by a strong sense of responsibility toward our customers, stakeholders and society.



## Inclusive management and a good team spirit

arrangements provide additional opportunities for learning.

In our first year of operation, we arranged personnel training on safety and code of conduct, the operating system and the information systems used by the company. We took the impact of the global pandemic into consideration by arranging for a psychologist to give a lecture on resilience and recovery in times of change, a lecture by a physiotherapist on ergonomics in remote work, and training for supervisors on the ways to manage remote work. In addition, we arranged two joint employee development days – one in spring and one in autumn – covering topics such as the strategy and values.

In 2020, Gasgrid Finland gained five new employees. The energy transition will require the company to seek new expertise in the coming years. In line with the strategy, the changes will emphasise the company's growing role as a part of the carbon-neutral energy system. The average personnel turnover in the company's first year in operation was 2.4 per cent. At the end of the year, Gasgrid Finland had 42 employees.

### Personnel well-being

Our employees have access to a diverse range of occupational health and well-being services, which emphasise the importance of preventive occupational health care. The company, the occupational health care provider and the employees jointly promote

health and safety at work and in the working environment, good health and working capacity throughout the various phases of each employee's career, and the functionality of work communities, particularly in times of change. In 2020, the occupational health care service conducted a workplace survey to examine the working conditions at each of the company's offices. The health and safety committee also convened actively to discuss common matters in the workplace.

As an employee benefit, we offer the option of joining a sickness insurance fund, which grants benefits and supplementary benefits in accordance with the Health Insurance Act, thereby promoting and supporting the health and working capacity of its members. When the COVID-19 pandemic forced the company to switch to remote working on a large scale, we updated the insurance for our employees so that it covers a wide range of hazards posed by remote working, in addition to the statutory liabilities.

At Gasgrid Finland, we work in accordance with an early intervention model. This means that we strive to detect any matters of concern affecting employees' working capacity at the earliest possible stage. In addition, our substance abuse programme sets out the ground rules for how we prevent substance abuse problems and intervene rapidly and decisively if they arise.

We develop a good work atmosphere as an aspect of our activities to improve the work community, and we ensure that nobody is

subjected to harassment. If ever the employer is made aware of an incident of harassment, it is always taken seriously, and the company takes the requisite measures to stop and prevent harassment.

We support our employees in their free time with sporting and cultural activities by providing a recreational benefit that seeks to improve the well-being and working capacity of the personnel by encouraging them to take care of their physical and mental well-being. Events and various working capacity campaigns for the entire work community play an important part in fostering and maintaining a sense of community and occupational well-being. In autumn 2020, the company arranged an everyday exercise challenge to support the alertness and coping mechanisms of the personnel throughout the dark autumn months. Employees participated in the challenge in large numbers throughout the organisation.

Gasgrid Finland offers its employees competitive salaries and benefits, and it enables flexible working, which contributes to a good balance between work and free time.

### Diversity and equality in the work community

The company's Management Team consists of one woman and three men. They are all between the ages of 30 and 50. On the Board of Directors, 60% of the members are women, and 40% are men. Four of them are in the

## Case



### Regular employee surveys

We aim to offer employees comprehensively healthy and safe work, environment and atmosphere. Every six months, we conduct a personnel survey that measures the company's direction and objectives, as well as the clarity of each person's duties and targets, management, supervisory work and occupational well-being. The most recent average, on a scale from 1 to 5, was 4.2, up slightly from the average in the first survey (4.1). Approximately 83 per cent of employees responded to the survey.

## Inclusive management and a good team spirit

over-50s age category, and one is in the 30–50-year-old age category.

In 2020, 29% of the personnel were women, and 71% were men. There were 11 people in supervisory roles, of whom 18% were women, and 82% were men. The most relevant fields of education for the company's operations are male-dominated, and this explains the gender distribution among the company's personnel.

Gasgrid Finland's age distribution is fairly even. The average age of employees was approximately 45, and the age distribution is from 28 to 60. The majority of the employees are aged between 30 and 50 (62%). Most of our personnel hold a university degree, but the degree titles vary from college-level to doctorate degrees.

Forty-one employees had permanent employment relationships with the company. One person had a fixed-term employment relationship. The company only issues fixed-term employment contracts for purposes such as summer jobs, deputisation periods, or other temporary, project-like needs.

All of our personnel worked in full-time employment in 2020, and there were no part-time employees. The shift technicians at the natural gas control room worked in uninterrupted 12-hour shifts in accordance with a local agreement (6/42 people, 14%).

We have outsourced some of our functions to service providers. These include maintenance, IT services, payroll and communications.

### Personnel distribution

31 December 2020	Women		Men		Total
	Office workers	Senior office workers and management	Office workers	Senior office workers and management	
Personnel	2	10	6	24	42
Under 30 years old	0	1	0	1	2
30–50 years old	0	7	3	18	28
Over 50 years old	2	2	3	5	12
Fixed-term employment	1	0	0	0	1
Permanent employment	1	10	6	24	41
Alternation leave used	0	0	0	0	0
Parental leave used	0	0	1	2	3

### Type of employment relationships

31 December 2020	Permanent employment	Fixed-term employment	Total
<b>Women</b>			
Kymenlaakso	4	1	5
Uusimaa	6	0	6
South Karelia	1	0	1
<b>Total</b>	<b>11</b>	<b>1</b>	<b>12</b>
<b>Men</b>			
Kymenlaakso	23	0	23
South Karelia	1	0	1
Uusimaa	6	0	6
<b>Total</b>	<b>30</b>	<b>0</b>	<b>30</b>

## Inclusive management and a good team spirit



Gasgrid Finland's first year of operation has been unique in many ways. One of the variables has been the COVID-19 situation, which has made it impossible to even take a joint group personnel photo. In a Teams personnel meeting we arranged a spontaneous photo shoot to make up for this deficiency. Let's hope we can get back together soon!

Gasgrid Finland's personnel policy, internal and external operating methods, and management and operating models are based on non-discrimination and equality between the genders. Every Gasgrid Finland employee plays a part in promoting equality and fairness in everyday work. The starting point and objective for equality and non-discrimination work is to identify and prevent and structures, expressions and functions that increase or maintain inequality and to promote equality and non-discrimination in all of the company's activities. Equality is a

fundamental right, and Gasgrid Finland does not accept discrimination on any grounds.

Gasgrid Finland's equality work is supported by the transparency, openness and inclusivity of decision-making and the preparatory stages preceding it. Our personnel all have equal opportunities to influence the decision-making concerning their work. Common guidelines promote equality and fairness between units.



**“ Everyone in Gasgrid Finland gets to develop their professional skills in challenging and responsible tasks.**

– Juuli Nyholm, HR Manager



# Reporting principles

Gasgrid Finland Oy's annual report includes the sustainability report and financial statements in a single, integrated report.

Gasgrid Finland's annual report covers the details for the entire Gasgrid Finland Group. The report also takes into account the requirements in the decision-in-principle on state ownership steering concerning sustainability reporting. The financial statements were prepared in accordance with the Finnish Accounting Act and in compliance with the general guidelines by the Finnish Accounting Standards Board on the preparation of annual reports.

The environmental information covers all of Gasgrid Finland's activities, products and services, as well as the emissions in accordance with the company's operating activities and consumption data. Greenhouse gas emissions include both methane and carbon dioxide emissions. A figure of 28 has been used for the global warming potential (GWP) of methane, corresponding to the information published by Statistics Finland and the IPCC's fifth assessment report. The environmental information is the same information that was submitted to the supervisory authorities for the sites that require environmental permits. The carbon dioxide emissions from emissions permit sites were verified in January 2021.

The social indicators include Gasgrid Finland's personnel information, which is managed in the HR system. The information from the personnel surveys in spring and autumn was collected via the Lyyti survey system, and the results were saved in the document management system, where the employees can access them. Safety permits include the numbers of accidents among the company's personnel and suppliers. Information on accidents, observations and quick risk assessments is collected in the safety information system, and the risk assessments for projects are in the document management system. The figures on accident frequencies include the actual number of working hours of Gasgrid Finland's own personnel, but the numbers of working hours for suppliers are estimates.

The reporting entity and selected indicators were specified on the basis of a sustainability materiality assessment that Gasgrid Finland conducted in autumn 2020. Every theme in Gasgrid Finland's sustainability programme has key indicators determined on the basis of the materiality assessment. The selected standards are listed in the GRI content table.

The report was prepared in compliance with the applicable parts of the GRI Core reporting framework and the standards for the selected indicators. The aspect boundary of the figures is the operations of the Gasgrid Finland Group, unless otherwise stated. Any reporting deviations from GRI standards are listed in the GRI content table. The report is Gasgrid Finland's first annual report, as the company began operating on 1 January 2020. The reporting period is 1 January 2020 to 31 December 2020. The annual report is published annually. The figures do not have three years of historical data. Instead, the information includes figures for only one year, which was the company's first year in operation. The annual report was published in electronic form on the company's website on 31 March 2021 in Finnish and English. The GRI content list is described in a separate GRI content index. The report has not undergone any third-party verification. The parties producing the data for each area have taken the GRI content requirements into consideration.

## Report contact information:

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minna.tolonen@gasgrid.fi

# Results in figures

## GRI 102-8

Type of employment relationships 31 December 2020	Permanent employment	Fixed-term employment	Total
Women Kymenlaakso	4	1	5
Women Uusimaa	6	0	6
Women South Karelia	1	0	1
<b>Total women</b>	<b>11</b>	<b>1</b>	<b>12</b>
Men Kymenlaakso	23	0	23
Men South Karelia	1	0	1
Men Uusimaa	6	0	6
<b>Total men</b>	<b>30</b>	<b>0</b>	<b>30</b>

Personnel distribution 31 December 2020	Women		Men		Total
	Office	Senior office workers and workers management	Office	Senior office workers and workers management	
Personnel	2	10	6	24	42
Under 30 years old	0	1	0	1	2
30–50 years old	0	7	3	18	28
Over 50 years old	2	2	3	5	12
Fixed-term employment	1	0	0	0	1
Permanent employment	1	10	6	24	41
Alternation leave used	0	0	0	0	0
Parental leave used	0	0	1	2	3

## GRI 302-1

Energy consumption, GWh	2020
Fossil fuels	19.1
Renewable fuels	0
Heat purchased	23
Electricity purchased	23.7
Energy sold	0
<b>Total energy consumption</b>	<b>65.8</b>

## GRI 305-1

Direct greenhouse gas emissions, t CO <sub>2</sub> e	2020
Direct greenhouse gas emissions	7,729*
Biogenic emissions	0

\* Greenhouse gases include methane and carbon dioxide emissions. The global warming potential (GWP) of methane is 28.

## GRI 302-2

Energy intensity, GWh per TWh of transmitted gas	2020
	2.6*

\* Includes all of Gasgrid Finland's energy consumption, fuels, heat and electricity

## GRI 403-9

Work-related injuries 2020	Gasgrid Finland	Contractors
Accidents leading to absences	0	2
Fatalities	0	0
Accident frequency per million working hours	0	13.3*

\* Contractors' hours are estimates



# GRI content index

GRI content comparison		Location	Additional information
<b>GRI 102: General disclosures</b>			
Organizational profile			
102-1	Name of the organization		Gasgrid Finland Oy
102-2	Activities, brands, products, and services	Customers and services, p. 10–11	
102-3	Location of headquarters	Gasgrid Finland in brief, p. 2	
102-4	Location of operations	Gasgrid Finland in brief, p. 2	
102-5	Ownership and legal form	Corporate governance statement, pp. 38–41	
102-6	Markets served	Customers and services, pp. 10–11, Market development, pp. 12–13	
102-7	Scale of the organisation	Customers and services, p. 10–11, Market development, p. 12–13	
102-8	Number of employees categorised by employment relationship and employment contract, regionally and according to gender	Results in figures, p. 33	
102-9	Supply chain	Customers and services, p. 10–11	
102-10	Significant changes to the organisation and its supply chain	Customers and services, p. 10–11, Market development, p. 12–13	
102-11	Precautionary Principle or approach	Everyday sustainability, p. 17–19	
102-12	Principles or initiatives related to external entities approved or represented by the organisation	Everyday sustainability, p. 17–19	
102-13	Membership of associations	Everyday sustainability, p. 17–19	
Strategy			
102-14	CEO's review	CEO's review, p. 3–4	
Ethics			
102-16	Values and business principles	Vision, mission and values, p. 7	
Administration			
102-18	Governance structure	Corporate governance statement, p. 38–41	
Stakeholder interaction			
102-40	List of stakeholder groups	Customers and services, p. 10–11, Everyday sustainability, p. 17–19	
102-41	Personnel covered by collective bargaining agreements	Inclusive management and a good team spirit, p. 28–31	
102-42	Identifying and selecting stakeholders	Everyday sustainability, p. 17–19	
102-43	Approach to stakeholder engagement	Materiality and key sustainability themes, p. 20–21 Code of conduct on our <a href="#">website</a>	
102-44	Approach to stakeholder engagement Key topics and concerns raised	Materiality and key sustainability themes, p. 20–21	

# GRI content index

GRI content comparison		Location	Additional information
102-45	Entities included in the consolidated financial statements	Financial statements, p p. 50–66	
102-46	Defining report content	Reporting principles, s. 32	
102-47	List of material topics	Materiality and key sustainability themes, p. 20–21	
102-48	Restatements of information		This report is the company's first.
102-49	Changes in the scope or calculation limits of the report		This report is the company's first.
102-50	Reporting period	Reporting principles, p. 32	
102-51	Date of most recent report		This report is the company's first.
102-52	Reporting cycle	Reporting principles, p. 32	
102-53	Contact point for questions regarding the report	Reporting principles, p. 32	
102-54	Coverage of reporting in accordance with the GRI Standards		The report has been prepared in line with the Core scope of the GRI standards as applicable.
102-55	GRI content comparison	GRI content comparison, p. 34–36	
102-56	Verification of reporting		The sustainability report has not undergone a third-party verification
<b>GRI 103: Description of the management approach</b>			
103-1	Explanation of the material topic and its boundary	Reporting principles, p. 32	
103-2	Boundaries applying to material aspects of the management model	Components of Inclusive management and a good team spirit, p. 28–31 Reporting principles, p. 32	
103-3	Evaluation of the management approach	Everyday sustainability, p. 17–19	
<b>GRI 200: Economic standards</b>			
201-1	Direct economic value generated and distributed	We create economic added value for our stakeholders, p. 22	
201-4	Direct economic value generated and distributed Financial assistance received from government	We create economic added value for our stakeholders, p. 22	
205-3	Confirmed incidents of corruption and actions taken		No incidents of corruption during the reporting period.

# GRI content index

GRI content comparison		Location	Additional information
<b>GRI 300: Environmental impact</b>			
Energy			
302-1	Energy consumption within the organisation	Carbon-neutral society, p. 24–25, Results in figures, p. 33	
302-3	Energy consumption within the organisation Energy intensity	Carbon-neutral society, p. 24–25, Results in figures, p. 33	
Emissions			
305-1	Direct (Scope 1) GHG emissions	Carbon-neutral society, p. 24–25, Results in figures, p. 33	
<b>GRI 400: Social impact</b>			
Employment			
401-1	New employee hires	Inclusive management and a good team spirit, p. 28–31, Results in figures, p. 33	
Occupational health and safety			
403-2	Hazard identification, risk assessment, and incident investigation	Safety and security of supply, p. 26–27	
403-4	Worker participation, consultation, and communication on occupational health and safety	Inclusive management and a good team spirit, p. 28–31	
403-8	Workers covered by an occupational health and safety management system	Inclusive management and a good team spirit, p. 28–31	
403-9	Occupational accidents	Safety and security of supply, p. 26–27	Suppliers are included in the aspect boundary.
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	Inclusive management and a good team spirit, p. 28–31	
Protection of customers' privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No incidents in the reporting period.
<b>Gasgrid Finland's own indicators</b>			
Own indicator	Equal treatment in the market	Market development, p. 12–13	
Own indicator	Security of supply	Safety and security of supply, p. 26–27	
Own indicator	Preparedness for emergencies	Safety and security of supply, p. 26–27	





Governance

# Corporate Governance Statement

## Introduction

Gasgrid Finland Oy is a wholly state-owned gas transmission system operator with system responsibility in Finland. Gasgrid Finland provides its customers with safe, reliable and cost-efficient gas transmission services and actively promotes the development of gas markets. The company aims to be a transparent and reliable company that operates sustainably, supporting society's transition towards carbon-neutrality with the help of gaseous fuels.

Gasgrid Finland's decision-making and governance always comply with the applicable revision of the Limited Liability Companies Act, the Natural Gas Markets Act, the Act on the Separation of the Natural Gas Transmission Network Operator, and the Special Act on Procurements and Access Rights Contracts for Units in the Energy Supply Sector.

Gasgrid Finland complies with the applicable sections of the Corporate Governance Code for listed companies prepared by the Securities Market Association. The Code is available at [www.cgfinland.fi](http://www.cgfinland.fi). The most significant deviations from the Corporate Governance Code are due to the fact that Gasgrid Finland has only one owner: the state of Finland. In addition, the state has specified some of the matters included in the recommendations in a government decision-in-principle concerning the state ownership policy, so it is neither appropriate nor possible to comply with every part of the Corporate Governance Code.

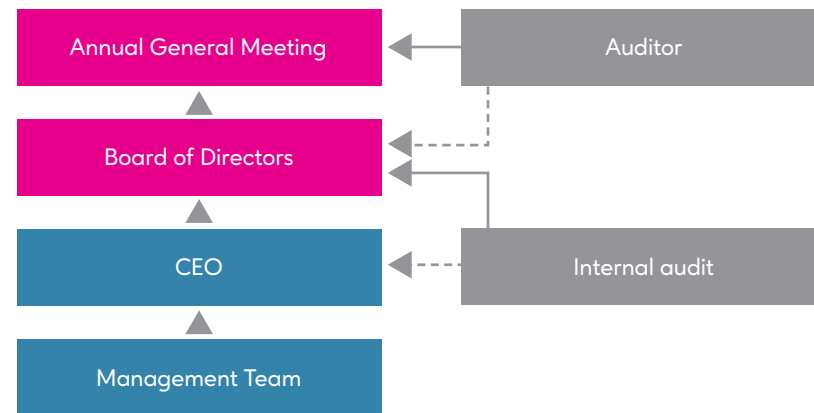
## Corporate governance

The company's governance is guided by its Articles of Association and the operating principles, instructions and procedures confirmed by Gasgrid Finland's Board of Directors and Management Team.

## Annual General Meeting

The Annual General Meeting is Gasgrid Finland's highest decision-making body. The Annual General Meeting approves the financial statements, decides on the distribution of profits and elects the auditor and the Board of Directors, elects the Chairman of the Board, decides on the remuneration of the Board, and discharges the members of the Board and the President and CEO from liability. In addition, the Annual General Meeting discusses the company's remuneration policy and sustainability programme

## Organisational structure



## Corporate Governance Statement

Gasgrid Finland's shares are divided into two classes: A shares and K shares. A Series A share carries one vote when voting at the Annual General Meeting and a Series K share carries ten votes. The shareholders have not appointed a nomination committee.

The company's operations began on 1 January 2020, which is why the Annual General Meeting was not held in the first year of operation. Kai-Petteri Purhonen (Chairman of the Board), Päivi Nerg and Asta Sihvonen-Punkka have been elected to the Board of Directors of Gasgrid Finland as of 1 January 2020 by a unanimous decision of the shareholders in accordance with the Companies Act. In addition, the Board of Directors was supplemented by a resolution of the shareholders on September 18, 2020. At this point, Jero Ahola and Saija Kivinen were elected as new members of the Board.

### Members of the Board of Directors

The shareholders elect the members of the Board of Directors at the General Meeting. The aim is to ensure the diversity of the Board of Directors so that both sexes are represented. The diversity of the Board of Directors supports the achievement of the company's business targets. The members of the Board of Directors must have sufficient and complementary experience and expertise in the various areas of the company's business and societal role. In addition, the equality targets set in the state ownership steering policy are taken into consideration when evaluating the diversity of the Board

of Directors. In 2020, 60% of the members of Gasgrid Finland's Board of Directors were women, and 40% were men.

Based on the Board of Directors' overall assessment, all members of the Board are independent of Gasgrid Finland. Otherwise, the independence of members of the Board of Directors is assessed with particular reference to the independence criteria laid down in the Act on the Separation of the Natural Gas Transmission Network Operator. Therefore, members of the Board of Directors must not have any direct or indirect control or considerable controlling influence in companies engaged in the production or supply of natural gas or electricity. The members of the Board of Directors must provide the Board of Directors with sufficient information to enable the Board of Directors to assess their independence, and they must notify the Board of Directors of any changes in such information.

Due to the scale of its business, Gasgrid Finland has not established any Board committees such as the Audit, Remuneration, or Nomination Committee. Gasgrid Finland integrates the duties of these committees into the Board of Directors' annual management process in order to enable the duties assigned to these committees under the Limited Liability Companies Act and the Corporate Governance Code to be discharged appropriately.

### Rules of procedure of the Board of Directors

Gasgrid Finland's Board of Directors is responsible for ensuring compliance with the ownership steering guidelines and corporate governance principles, as well as for implementing the decisions made at the General Meeting. The aim of the Board of Directors is to improve the company's strategic capabilities by sparring, sharing information and utilising the competence backgrounds of its members. The Board's approach also includes evaluating and developing its own work annually.

In line with the rules of procedure, the key duties of the Board of Directors are:

- Deciding on Gasgrid Finland's strategy
- Approving the annual budget and operating plan prepared on the basis of the strategy
- Monitoring the realisation of the budget and operating plan
- Monitoring the company's financial position and related forecasts
- Monitoring the company's business development and management
- Sparring and overseeing the development and management of the company's business
- Appointing and dismissing the company's CEO
- Approving the company's organisation and the composition of the Management Team
- Approving Gasgrid Finland's key guidelines: the corporate governance principles, code of conduct and risk management policy
- Deciding upon the remuneration policy, as well as the remuneration for the CEO and members of the Management Team
- Reviewing the company's risks and measures taken to manage risks twice a year
- Deciding upon an annual plan for internal audit and processing internal audit reports
- Approving the financial audit plan, financial statements and annual report
- Preparing proposals for decisions to be made by the General Meeting in line with the Limited Liability Companies Act
- Approving the corporate governance statement and the remuneration report of the bodies
- Holding part of a meeting without the executive management at least once a year
- Evaluating its activities and working methods, as well as the effectiveness of its activities, once a year
- Discussing other matters that the chair or members of the Board of Directors or the CEO have proposed for inclusion on the agenda.



# Corporate Governance Statement

## The Board of Directors convened 10 times in 2020.

Attendance of members of the Board of Directors	Number of meetings
Kai-Petteri Purhonen, chair of the Board of Directors since 1 January 2020	10
Päivi Nerg, member of the Board of Directors since 1 January 2020	10
Asta Sihvonen-Punkka, member of the Board of Directors since 1 January 2020	10
Jero Ahola, member of the Board of Directors since 18 September 2020	2
Saija Kivinen, member of the Board of Directors since 18 September 2020	2

In addition to the members of the Board of Directors, the CEO, CFO and secretary of the Board of Directors regularly attended the meetings.

### CEO

The CEO manages Gasgrid Finland's operations in accordance with the Limited Liability Companies Act. The CEO oversees the Company's day-to-day management in accordance with the instructions and regulations issued by the Board of Directors. The CEO prepares the information necessary for the Board of Directors to discharge its duties. The CEO must also ensure that the Company's financial statements comply with the legal requirements and that the Company's financial affairs have been arranged diligently. The CEO is not a member of the company's Board of Directors.

The company's CEO is Olli Sipilä. No deputy CEO has been appointed.

### Management Team

The chair of the Management Team is the CEO. The CEO appoints the members of the Management Team with the Board of Directors' approval. The Management Team assists the CEO in managing the Company's operations, implementing its strategy and coordinating its business guidelines. The Management Team's obligations include ensuring that the Company is managed efficiently and operates according to its purpose.

### Internal control and risk management

Gasgrid Finland's corporate culture and corporate governance lay the foundation for internal control and risk management. Gasgrid Finland's Management Team is responsible for arranging the company's internal control, risk management and reporting.

### Internal audit

Internal audit is conducted throughout the organisation, and it covers financial reporting and other monitoring: Internal audit refers to governance activities that seek to ensure the following:

- The achievement of the targets set for Gasgrid Finland
- The appropriate, efficient and economical use of resources
- Operational risk management
- Reliable and correct financial and other information
- Compliance with external regulations and internal policies
- Compliance with appropriate procedures related to customer relationships
- The adequate security of operations, data and assets
- Appropriate information management systems to support operations.

The company's financial reporting is based on Finnish practices for financial statements and the Energy Authority's regulations on the unbundling of accounts for different businesses. The finance unit is responsible for implementing the financial reporting process and performance measurement, as well as for regulatory compliance. The CFO reports the financial results of the company's activities and the business forecasts to the Board of Directors regularly.

The approval authorisations applying to expenses, significant agreements and investments are specified for various organisational levels. Decisions concerning gas market activities must be made with expert personnel in accordance with the applicable laws, regulations and rules. The Management Team is responsible for approving and monitoring investments in accordance with the budget approved by the Board of Directors and within the limits of its authorisation. The largest investments are submitted to the Board of Directors for separate approval.

### Risk management

Risk management is an integral part of Gasgrid Finland's business management and planning. Risk management is a part of everyday decision-making, operational monitoring and internal control, and it promotes the Company's progress towards its objectives and ensures they are achieved.

The effective combination of business management and risk management is based on the risk management policy approved by Gasgrid Finland's Board of Directors. The risk management policy aims to ensure that the risk management process remains well defined, easy to understand and sufficiently practical. The risks and trends in risks are reported to the Board of Directors regularly. The CFO is responsible for ensuring that Gasgrid Finland has adequate insurance cover for its risk status.

## Corporate Governance Statement

The main goal of risk management is to identify, assess and monitor the risks, threats and opportunities that could affect the realisation of the strategy and the achievement of short- and long-term targets. Large investment projects also include a separate analysis of the risks.

The Company is responsible for gas transmission on behalf of Finnish society. For that reason, the operating environment and any associated changes are monitored in regular risk assessments in accordance with the risk management policy. The risk environment and related changes are assessed and monitored regularly as a part of annual and strategic planning. The identified risks and the means of managing the risks are reported to the Company's management and Board of Directors at least twice per year.

### Other reporting information

#### Internal audit

The Company's internal audit is an independent, impartial verification function tasked with audited and assessing the appropriateness and effectiveness of the Company's management and governance processes, internal control organisation, risk management, and management and governance processes.

Gasgrid Finland has outsourced its internal audit functions to Deloitte. Internal audit conducts regular audits of the company's various functions in line with the plan approved by the Board of Directors. Internal audit also assesses the sufficiency of risk management and supervision. In 2020, audits were conducted on the company's cyber security, risk management and corporate governance principles. Internal audit reports its findings to the Board of Directors and the CEO and, as an independent function, it is not involved in the company's operational development projects.

Internal audit is authorised to conduct audits and access all information relevant to the audit.

#### Related-party transactions

Gasgrid Finland's related parties consist of the Group's wholly-owned subsidiaries, Baltic Connector Oy, Gasgrid Finland Services Oy and Suomen Kaasunsiirtopalvelut Oy, as well as the Finnish state, Suomen Kaasuverkko Oy and the company's management team and their related parties. When decisions are made concerning related-party transactions, Gasgrid Finland ensures that it takes any conflicts of interest into consideration and

prevents related parties from deciding on the related-party transaction.

The related-party transactions in 2020 were intra-Group transactions, which were executed on ordinary commercial terms. There were no transactions with related parties outside the Group.

#### Audit

The General Meeting elects Gasgrid Finland's auditor. In 2020, the company's auditor was the audit firm Oy Tuokko Ltd, and the auditor in charge was Timo Tuokko, Authorised Public Accountant. The auditor's fees for 2020 were EUR 42,000, which consisted entirely of fees for auditing services.

## Board of Directors



### Kai-Petteri Purhonen

Board Professional  
Chair of the Board  
MSc (Economics), born 1965  
Member of the Board since 2020  
Independent of the company  
Independent of significant shareholders



### Päivi Nerg

The Permanent Under-Secretary for Governance Policy, Ministry of Finance  
Member of the Board of Directors  
MSc (Agriculture and Forestry), born 1958  
Member of the Board since 2020  
Independent of the company  
Non-independent of significant shareholders



### Asta Sihvonen-Punkka

Executive Vice President, Fingrid Plc  
Member of the Board of Directors  
LicSc (Economics), MSc (Forestry), born 1962  
Member of the Board since 2020  
Independent of the company  
Independent of significant shareholders



### Jero Ahola

Professor, LUT University  
Member of the Board of Directors  
DSc (Electrical Engineering), born 1974  
Member of the Board since 2020  
Independent of the company  
Independent of significant shareholders



### Saija Kivinen

General Counsel, Telia Finland  
Member of the Board of Directors  
LLM, born 1967  
Member of the Board since 2020  
Independent of the company  
Independent of significant shareholders



## Management Team



**Olli Sipilä**

CEO

MSc (Economics), born 1978



**Janne Grönlund**

Senior Vice President, Transmission Platform and Customers

MSc (Technology), born 1986

Customers, Services, Investments, Operation



**Anni Sarvaranta**

Senior Vice President, Strategy and Market Development

MSc (Technology), born 1985

Gas market development, Transmission pricing, Strategy, Communications



**Petri Dahlström**

Chief Financial Officer

MSc (Economics), born 1970

Finance, Administration, HSEQ, IT

# Remuneration report

## Introduction

Gasgrid Finland Oy's remuneration policy seeks to promote the company's business strategy, long-term financial success and value generation for the state as owner and society at large. Gasgrid Finland's remuneration policy is based on the decisions-in-principle taken by the Council of State concerning Finland's current state ownership policy. In addition, Gasgrid Finland complies with the remuneration recommendations in the latest revision of the Corporate Governance Code published by the Securities Market Association, and Gasgrid Finland prepares an annual remuneration report in line with the recommendations. The principles of reasonableness and fairness govern the entire remuneration policy.

Gasgrid Finland's Annual General Meeting decides on the remuneration and other financial benefits paid to the members of the Board of Directors every year. Gasgrid Finland's Board of Directors decides on the remuneration and other financial benefits paid to the company's CEO and Management Team, as well as the foundations of the performance-related incentive scheme. Decisions are taken within the framework of the remuneration policy presented at the Annual General Meeting.

The remuneration scheme for Gasgrid Finland Oy's management team consists of a fixed monthly salary, fringe benefits, and a short-term bonus determined on the basis of the impact of the employee's work on the company's earnings. Gasgrid Finland Oy's short-term variable bonus scheme covers every member of personnel, the Management Team and the CEO. The members of the Management Team are not covered by the long-term performance-related incentive scheme, and they are not entitled to supplementary pension benefits. The company does not have any share-based incentive schemes; bonuses are paid in cash.

2020 was the company's first year of operation, so it is not possible to present comparable data on remuneration trends as required by the Securities Market Association's recommendations.

## Remuneration of the Board of Directors

Remuneration of the Board of Directors in 2020	EUR
Chairman of the Board	2,000 per month 600 per meeting
Members of the Board of Directors	1,000 per month 600 per meeting

In 2020, the Board of Directors consisted of the chair and four members who were paid emoluments as follows.

Remuneration paid to members of the Board of Directors in 2020	EUR
Kai-Petteri Purhonen, chair of the Board of Directors since 1 January 2020	30,000
Päivi Nerg, member of the Board of Directors since 1 January 2020	18,000
Asta Sihvonen-Punkka, member of the Board of Directors since 1 January 2020	18,000
Jero Ahola, member of the Board of Directors since 18 September 2020	4,200
Saija Kivinen, member of the Board of Directors since 18 September 2020	4,200
Total	74,400

## Remuneration for the CEO

The following table shows the elements of the CEO's remuneration, as well as the salaries, bonuses and other financial benefits paid in 2020.

Remuneration element 2020	Description	EUR
Fixed	Fixed annual salary, including fringe benefits	239,540
Variable target-related bonus	Short-term incentive scheme, paid	-
Total remuneration		239,540

The total remuneration paid to the CEO in 2020 consisted of the fixed annual salary. In addition, the CEO earned a target-related bonus worth EUR 50,231 for achieving business targets in 2020. The bonus will be paid in 2021.

The CEO's employment relationship can be terminated with two months' notice. If the company terminates the employment relationship, the CEO will receive severance pay worth four months' salary in addition to the salary earned during the notice period. The CEO's retirement age is the statutory age for receiving an old-age pension.



# Report by the Board of Directors





# Report by the Board of Directors

The Group's parent company, Gasgrid Finland Oy, is the Finnish gas transmission system operator with system responsibility Gasgrid Finland Oy was established on 1 January 2020. The company began operating when Finland's gas market was deregulated, and the transmission network activities were split from Gasum Oy. Gasgrid Finland offers its customers safe, reliable and cost-efficient transmission of gases. The company actively develops its transmission platform, services and the gas market in a customer-oriented manner to promote the carbon-neutral energy and raw material system of the future.

## Strategy and values

Gasgrid Finland defined its strategy and values in 2020 through a process involving extensive engagement with the personnel and stakeholders. In line with our new vision, by 2035, gases will enable a carbon-neutral society, and Gasgrid Finland will provide the platform for it.

The strategy is grouped around four themes.

- **Transmission platform of the future:** We develop the company's success factors for the implementation of hydrogen as well as a clean-gas market and sectoral integration.
- **Customer-oriented gas market:** We aspire to be the leading company in the Baltic Sea region in promoting a competitive and customer-oriented gas market and ensuring reliable, safe and cost-efficient gas transmission.
- **Responsible agent of change:** We build impact, awareness and partner networks and integrate responsibility into the daily life of our organisation to bring about extensive change.
- **Developing operating model:** We build a strong foundation for a prosperous, adaptable and developing organisation and operating model to implement the Vision 2035.

Gasgrid Finland's values are:

- **We work together:** As a team, we take care of each other and let everyone be themselves. We are open and fair, and we have a good spirit of cooperation. We are a reliable partner, and we are easy to approach.
- **We build the future:** We are courageous and eager to renew. We want to be a pioneer in change. We invest in development and give space to learning. We operate in a transparent way and treat everyone equally.

- **We acknowledge our responsibility** We understand and know our operating field. We operate in a responsible way, take care of safety, we are efficient and agile. We are proud of our expertise and of our high-quality operations. We advance the benefit of the customer and the society.

## Markets and customers

The supply of gas to Finland's gas users opened up to competition on 1 January 2020, and lots of new entities entered the market in the financial period. Gasgrid Finland supports this development by means such as engaging in active market dialogue and organising customer market development groups for the wholesale and retail markets with a focus on identifying customer needs. The company also reformed the gas transmission pricing model under the new model, the price that customers pay depends on the volume of energy transferred as well as the sizes of capacity reservations, which can be purchased in different durations. The pricing model took effect at the beginning of the financial period and resulted in a substantial decrease in the average transmission prices charged to customers.

A total of 25.3 TWh of gas was transmitted in Gasgrid Finland's network in the financial period. The unusually warm weather conditions in the first quarter of the year led to a drop in demand for the company's transmission products. However, the decrease in the global market prices of energy in the second half of the year boosted the competitiveness of gas in comparison with alternative energy sources, and this manifested itself in the form of unexpectedly high demand. The COVID-19 pandemic did not have a significantly negative impact on the company's net sales during the financial period.

The COVID-19 is expected to remain a source of uncertainty with regard to developments in the operating environment, especially the general state of the economy, in 2021.

## Transmission platform

Gasgrid Finland's transmission infrastructure operates reliably – in the financial period, our security of supply rate was 100%. The commissioning of the Balticconnector project and the connection to Finland's transmission infrastructure were completed as planned.

## Report by the Board of Directors

Following the onset of the COVID-19 pandemic, the company operated according to its contingency plans, taking the necessary protective measures to ensure the reliability of its transmission platform and the safety of its personnel, and it set up a contingency operation group to coordinate practical actions.

### Earnings and financial position

The Group's net sales were EUR 126.8 million, and its operating profit was EUR 67.9 million. Net profit amounted to EUR 53.4 million.

The Group's operating cash flow was EUR 113.9 million. The company's solvency remained excellent throughout the year. On 31 December 2020, the Group's cash reserves amounted to EUR 74.7 million.

	Gasgrid Finland Group	Gasgrid Finland Oy
Net sales (EUR million)	126.8	126.9
Operating profit (EUR million)	67.9	67.2
Operating profit (%)	53.6%	52.9%
Return on equity (%)	26.1%	27.3%
Equity ratio (%) 31 December 2020	51.1%	51.4%
Equity ratio (%) reference value 1 January 2020	34.1%	46.5%

### Financing

Gasgrid Finland has a syndicated financial package from three banks, from which it has drawn a variable-rate loan in the amount of EUR 160 million. In addition, the company has the option of drawing an additional EUR 25 million loan, which it has not yet used, as well as an overdraft facility worth EUR 25 million. During the financial period, the company decided to make use of the optional year provided by the arrangement, thereby extending the validity of the package until July 2022.

During the financial period, the Group centralised its financing in the parent company and used cash flow financing to repay a EUR 40 million bank loan related to the Balticconnector project, as well as EUR 1.3 million in interim financing for Suomen Kaasunsiirtopalvelut Oy.

On 31 December 2020, the Group had valid interest rate swaps corresponding to EUR 158 million of debt capital. The contracts are classified as non-hedging instruments in the accounts, and they are measured at market value on the balance sheet date. A negative revaluation reversal of EUR 0.9 million on derivative contracts was recognised in financial income in the financial statements.

### Investments

In 2020, investments amounted to EUR 10.6 million. The most significant investments were the conclusion of the Balticconnector project, the purchase of pipeline gas for the transmission network, and the replacement of certain automation devices and information systems. In addition to its own investments, Gasgrid Finland undertook work on behalf of its customers to move gas pipelines to new locations. One example of this is the work done to move the gas pipeline out of the way of the Jokeri Light Rail Line, which is under construction in Helsinki metropolitan area. The cost of these investments was passed on to customers, who were charged a total of EUR 7.5 million.

### Personnel

In 2020, the Group employed an average of 42 personnel. The number of employees of the parent company increased during the financial period due to recruitment related to the split of the transmission network operations and the need to meet competence requirements under the new strategy. However, the conclusion of the Balticconnector project resulted in the end of some working duties related to the project company in accordance with the advance plans. The average employee turnover rate, excluding the effect of the conclusion of the Balticconnector project, was 2.4 per cent.

As an employer, Gasgrid Finland provides effective means for the personnel to succeed in their work. This encompasses high-quality supervisory work, fair and equal treatment, good working conditions and continuous support. In order to measure the achievement of these objectives, the company conducted two comparable employee surveys during the financial period. The average of all of the responses to the second survey was 4.2 on a scale from 1 to 5, which is an excellent result. The response rate was 83% of all employees. The results of the surveys have been reviewed with the personnel, and tangible development measures have been agreed upon.

Gasgrid Finland is a safe place to work, and it makes major investments in creating a preventive safety culture. In the 2020 financial period, the company achieved its objective of zero accidents among its own personnel. During the year, subcontractors suffered two accidents

## Report by the Board of Directors

resulting in absences in maintenance and project work and one traffic accident on a journey to a worksite.

### Shares and shareholders

The parent company's shares are divided into two classes.

	Number of shares
Class A shares	50,200,000
Class K shares	2,800,001
Total	53,000,001

Class A shares carry one vote at a general meeting, and class K shares carry ten votes.

The Finnish state owns 100% of the company's share capital, either directly or indirectly through Suomen Kaasuverkko Oy. The Finnish state exercises control over the company by virtue of owning class K shares, which confer a larger number of votes than class A shares.

### Corporate governance

Kai-Petteri Purhonen, Päivi Nerg and Asta Sihvonen-Punkka were elected to the Board of Directors by the unanimous decision of the shareholders in accordance with the Limited Liability Companies Act. The Board is chaired by Kai-Petteri Purhonen, and its term of office began on 1 January 2020. The shareholders decided to add new members to the Board of Directors on 18 September 2020. The new members are Jero Ahola and Saija Kivinen. Oy Tuokko Ltd was elected as the company's auditor, and the auditor in charge is Timo Tuokko, Authorised Public Accountant.

The Board of Directors held a meeting on 1 January 2020, when it appointed Olli Sipilä as Gasgrid Finland's CEO. In addition, the Group Management Team included CFO Petri Dahlström (finance, performance management and support), SVP Janne Grönlund (customers, platform and transmission) and SVP Anni Sarvaranta (strategy and market development) in 2020.

### Risk management and internal audit

Gasgrid Finland's Board of Directors approves the risk management policy and monitors the adequacy and functionality of risk management measures. The CEO, with the support of the Management Team, is responsible for ensuring that the company's day-to-day decision-making complies with the risk management policy. The Management Team regularly

assesses the risk levels in accordance with the annual schedule for risk management. In addition, the risk analysis process involves assigning responsibility for risks to designated personnel who specify the requisite preventive measures and assume responsibility for taking the measures.

Gasgrid Finland's risks are divided into four categories: strategic, operational, financial and accident risks. The risk analysis identified the most critical subareas as follows:

- The key customers account for a substantial proportion of the company's net sales. If the key customers transferred to competing energy sources, it could significantly affect Gasgrid Finland's earnings
- A physical fault in the transmission network could cause a transmission outage affecting customers
- Changes in excise duties may favour substitutes to gaseous energy sources
- Data communication or information system downtime could jeopardise the functionality of the gas transmission network or disrupt the operations of open markets
- The collateral pledged in accordance with the terms and conditions of imbalance management is not sufficient to cover an individual operator's total liabilities, meaning that the market as a whole would need to cover the shortfall.
- The regulation model may be changed in a way that jeopardises Gasgrid Finland's financial position

Gasgrid Finland outsourced its internal audit functions to a partner during the financial period. Internal audit conducts regular audits of the company's various functions in line with the plan approved by the Board of Directors. Internal audit also assesses the sufficiency of risk management and supervision. Internal audit reports to the Board of Directors and the CEO and, as an independent function, it is not involved in the company's operational development projects.

The Group has no ongoing legal action or procedures with the authorities.

### Sustainability

Sustainability is an integral part of everything that Gasgrid Finland does. The Group is a good corporate citizen, and its business activities always take account of the overall long-term interests of society.

In 2020, the Group introduced and published a sustainability programme with four focal areas: sustainable corporate citizenship, people, security and safety of supply, and the shift towards



## Report by the Board of Directors

carbon neutrality In addition, Gasgrid Finland conducted a sustainability materiality analysis with its stakeholders. The following were assessed by our stakeholders to be the most important sustainability themes: reliability of the gas supply, preparedness for emergencies, the personnel's professional skill, as well as safety throughout the supply chain.

During the financial year, Gasgrid Finland has linked the UN Agenda 2020 Sustainable Development Goal Program to its activities. The company has also drawn up a Society's Commitment to reduce and prevent methane emissions.

During the financial period, Gasgrid Finland also linked a sustainable development target programme in accordance with the UN's Agenda 2030 to its operations. The company has also prepared its Society's Commitment. As a concrete action under the commitment, the methane emissions are reduced and prevented. In its gas transmission activities, the Group prevents environmental contamination and complies with its obligations in full. The Group also requires other parties in the supply chain to commit to the same principles. The most significant environmental and energy aspects of the company's operations are energy consumption, methane and carbon dioxide emissions, and impacts during the construction of the infrastructure. Our goals are minimising emissions in our own operations during the construction, operation, maintenance and end-of-life-cycle phases, as well as high energy efficiency and trouble-free operation. Gasgrid Finland prevented methane emissions by operating efficiently and took systematic action to address diffuse methane emissions, as well as making preparations for the further improvement of methane emission reporting.

### Research, development and innovation

The Group set up a research, development and innovation function in the second half of the year. Initially, the work has focused on organising the function, identifying areas for development, and analysing networks for collaborating with operators in the sector. As the function is only just starting up, RDI expenditure was low in the first year.

### Events after the financial period

Since the end of the financial period, there have been no major events that could be considered out of the ordinary for the business.

### Outlook for 2021

The Group's operating profit is expected to amount to EUR 56–62 million in 2021 (EUR 67.9 million in 2020).

Gas consumption in 2021 is expected to remain steady. In addition, Gasgrid Finland has announced its intention to keep its transmission prices at the 2020 level. In the 2021 financial period, Gasgrid Finland will continue taking measures to implement the development programmes stated in its strategy, and this is expected to increase the Group's expenditure in comparison with the 2020 financial period.

### Board of Directors' proposal for the use of profit

On 31 December 2020, the parent company's distributable equity amounted to EUR 98,978,547.67, including the profit for the financial period of EUR 38,689,760.27.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 40 million be distributed and the remaining EUR 58,321,959.07 be left in shareholders' equity. The company's liquidity is good, and in the Board of Directors' view, the proposed dividend will not jeopardise the company's solvency. No material changes have occurred in the company's financial position since the end of the financial period.

An aerial photograph of a winter landscape. A road or path runs vertically through the center, flanked by snow-covered fields and scattered trees. The scene is captured from a high angle, showing the texture of the snow and the layout of the land.

# Financial statements

# Consolidated income statement

Gasgrid Finland Group, EUR 1,000

1 January–31 December 2020

<b>NET SALES</b>	126,832
Other operating income	379
Materials and services	
Materials, supplies and goods	
Purchases during the financial period	-19,191
Increase (-)/decrease (+) in inventories	-17
External services	-554
	-19,763
Personnel expenses	
Salaries and bonuses	-3,534
Personnel add-on expenses	
Pension expenses	-653
Other personnel expenses	-251
	-4,439
Depreciation and impairment	
Planned depreciation	-18,544
Depreciation of consolidated goodwill	-552
	-19,096
Other operating expenses	-15,968
<b>OPERATING PROFIT</b>	67,946
Financial income and expenses	
Other interest and financial income	891
Interest expenses and other financial expenses	-2,183
	-1,292
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>	66,654
Income taxes	-9,450
Change in deferred tax liabilities	-3,589
<b>PROFIT/LOSS FOR THE FINANCIAL PERIOD</b>	53,615

The Group arose through the demerger of its parent company on 1 January 2020, so no comparable figures can be provided for 2019.



# Consolidated balance sheet

Gasgrid Finland Group, EUR 1,000	31 December 2020	1 January 2020
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets		
Consolidated goodwill	0	552
Intangible rights	2,945	2,971
Other intangible assets	2,984	3,652
	5,930	7,175
Tangible assets		
Land and water areas	2,524	3,345
Buildings and structures	276,108	285,454
Machinery and equipment	47,482	18,270
Other tangible assets	4,592	4,679
Prepayments and acquisitions in progress	7,258	120,005
	337,964	431,752
<b>Total fixed assets</b>	<b>343,894</b>	<b>438,927</b>
<b>Current assets</b>		
Inventories		
Materials and supplies	3,231	3,266
Work in progress	326	0
Other inventories	264	0
	3,821	3,266
Receivables		
Non-current		
Other receivables	63	63
Current		
Trade receivables	17,414	36,198
Other receivables	135	14
Accrued income	14,461	33,225
	32,074	69,499
Cash at bank and in hand	74,708	12,686
<b>Total current assets</b>	<b>110,602</b>	<b>85,452</b>
<b>Assets</b>	<b>454,496</b>	<b>524,379</b>

Gasgrid Finland Group, EUR 1,000	31 December 2020	1 January 2020
<b>Liabilities and shareholders' equity</b>		
Shareholders' equity		
Share capital	10,000	10,000
Other funds		
Invested unrestricted equity fund	26,313	26,313
Retained earnings	142,536	144,415
Profit for the period	53,615	-1,879
<b>Total shareholders' equity</b>	<b>232,464</b>	<b>178,849</b>
Liabilities		
Non-current		
Loans from financial institutions	160,000	161,315
Other liabilities	0	87,739
<b>Total non-current</b>	<b>160,000</b>	<b>249,054</b>
Current		
Loans from financial institutions		40,000
Trade payables	5,116	17,191
Other liabilities	8,884	10,119
Accruals and deferred income	16,860	1,582
Deferred tax liability	31,172	27,583
<b>Total current</b>	<b>62,032</b>	<b>96,475</b>
<b>Total liabilities</b>	<b>222,032</b>	<b>345,529</b>
<b>Liabilities and shareholders' equity</b>	<b>454,496</b>	<b>524,379</b>

# Consolidated cash flow statement

Gasgrid Finland Group, EUR 1,000

1 January–31 December 2020

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit/loss for the financial period	53,615
Adjustments	
Planned depreciation	18,544
Depreciation of consolidated goodwill	552
Financial income and expenses	1,292
Change in deferred tax liabilities	3,589
Income taxes	9,450
Cash flow before change in working capital	87,042
Change in working capital	
Increase (-)/decrease (+) in inventories	-555
Increase (-)/decrease (+) in interest-free receivables	37,426
Increase (+)/decrease (-) in interest-free liabilities	-7,970
Operating cash flow before financial items and taxes	115,943
Interest paid on operating activities	-2,068
Interest received from operating activities	16
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>113,891</b>
Cash flow from investments	
Investments in tangible and intangible assets	-10,555
<b>CASH FLOW FROM INVESTMENTS</b>	<b>-10,555</b>
Cash flow from financing activities	-41,315
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-41,315</b>
<b>CHANGE IN FINANCIAL ASSETS</b>	<b>62,021</b>
	0
Cash and cash equivalents at the beginning of the period	12,686
Cash and cash equivalents at the end of the period	74,708

The Group arose through the demerger of its parent company on 1 January 2020, so no comparable figures can be provided for 2019.

## Parent company's income statement

Gasgrid Finland Oy, EUR 1,000	1 January–31 December 2020
<b>NET SALES</b>	<b>126,944</b>
Other operating income	333
Materials and services	
Materials, supplies and goods	
Purchases during the financial period	-19,172
Increase (-)/decrease (+) in inventories	-17
External services	-763
	<b>-19,952</b>
Personnel expenses	
Salaries and bonuses	-3,203
Personnel add-on expenses	
Pension expenses	-617
Other personnel expenses	-269
	<b>-4,089</b>
Depreciation and impairment	
Planned depreciation	-17,745
	<b>-17,745</b>
Other operating expenses	<b>-18,341</b>

Gasgrid Finland Oy, EUR 1,000	1 January–31 December 2020
<b>OPERATING PROFIT</b>	<b>67,150</b>
Financial income and expenses	
Income from Group companies	96
Other interest and financial income	891
Interest expenses and other financial expenses	-2,053
	<b>-1,066</b>
<b>PROFIT BEFORE APPROPRIATIONS AND TAXES</b>	<b>66,084</b>
Appropriations	
Increase (-)/decrease (+) in depreciation difference	-17,944
Income taxes	-9,450
<b>PROFIT/LOSS FOR THE FINANCIAL PERIOD</b>	<b>38,690</b>

The company arose through a demerger on 1 January 2020, so no comparable figures can be provided for 2019.



# Parent company's balance sheet

Gasgrid Finland Oy, EUR 1,000	31 December 2020	1 January 2020
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets		
Intangible rights	2,945	2,918
Other intangible assets	2,979	3,652
	5,925	6,570
Tangible assets		
Land and water areas	2,232	2,232
Buildings and structures	271,965	285,454
Machinery and equipment	17,752	18,260
Other tangible assets	4,450	4,679
Prepayments and acquisitions in progress	7,166	1,442
	303,564	312,067
Investments		
Shares in Group companies	26,793	26,793
	26,793	26,793
<b>Total fixed assets</b>	<b>336,282</b>	<b>345,430</b>
<b>Current assets</b>		
Inventories		
Materials and supplies	3,231	3,133
Work in progress	326	133
Other inventories	264	0
	3,821	3,266
Receivables		
Current		
Trade receivables	17,028	34,905
Loan receivables	24,827	0
Other receivables	135	0
Accrued income	15	54
	42,006	34,959
Cash at bank and in hand	72,555	5,104
<b>Total current assets</b>	<b>118,381</b>	<b>43,329</b>
<b>Assets</b>	<b>454,663</b>	<b>388,759</b>

Gasgrid Finland Oy, EUR 1,000	31 December 2020	1 January 2020
<b>Liabilities and shareholders' equity</b>		
<b>Shareholders' equity</b>		
Share capital	10,000	10,000
Other funds		
Invested unrestricted equity fund	26,313	26,313
Retained earnings	33,976	33,976
Profit for the period	38,690	0
<b>Total shareholders' equity</b>	<b>108,979</b>	<b>70,289</b>
<b>Accumulated appropriations</b>		
Depreciation difference	155,858	137,914
<b>Liabilities</b>		
Non-current		
Loans from financial institutions	160,000	160,000
Other liabilities	0	1,247
<b>Total non-current</b>	<b>160,000</b>	<b>161,247</b>
Current		
Accounts payable to Group companies	279	0
Trade payables	3,550	8,316
Other liabilities	9,150	10,065
Accruals and deferred income	16,847	929
<b>Total current</b>	<b>29,827</b>	<b>19,309</b>
<b>Total liabilities</b>	<b>189,827</b>	<b>180,557</b>
<b>Liabilities and shareholders' equity</b>	<b>454,663</b>	<b>388,759</b>

# Parent company's cash flow statement

Gasgrid Finland Oy, EUR 1,000

1 January–31 December 2020

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit/loss for the financial period	38,690
Adjustments	
Planned depreciation	17,745
Financial income and expenses	1,066
Appropriations	17,944
Income taxes	9,450
Cash flow before change in working capital	84,895
Change in working capital	
Increase (-)/decrease (+) in inventories	-555
Increase (-)/decrease (+) in interest-free receivables	17,780
Increase (+)/decrease (-) in interest-free liabilities	543
Operating cash flow before financial items and taxes	102,663
Interest paid on operating activities	-1,901
Interest received from operating activities	16
Increase (-)/decrease (+) in loan receivables	-24,731
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>76,047</b>
Cash flow from investments	
Investments in tangible and intangible assets	-8,597
<b>CASH FLOW FROM INVESTMENTS</b>	<b>-8,597</b>
Cash flow from financing activities	0
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>0</b>
<b>CHANGE IN FINANCIAL ASSETS</b>	<b>67,450</b>
Cash and cash equivalents at the beginning of the period	5,104
Cash and cash equivalents at the end of the period	72,555

The company arose through a demerger on 1 January 2020, so no comparable figures can be provided for 2019.

# Notes to the financial statements

## 1. Accounting policies used for the consolidated financial statements

Gasgrid Finland Group consists of the parent company, Gasgrid Finland Oy, and its wholly-owned subsidiaries, Baltic Connector Oy, Gasgrid Finland Services Oy and Suomen Kaasunsiirtopalvelut Oy.

Comparability:

The 2020 financial period was the Group's first financial period. Gasgrid Finland Oy unbundled from Gasum Oy on 1 January 2020. For this reason, no comparison figures can be presented for the income statement, cash flow statement, or notes to the financial statements as part of the consolidated financial statements. The unbundled balance sheet dated 1 January 2020 is used as the comparison data for the balance sheet, and the comparison data for the consolidated balance sheet is the unbundled balance sheet dated 1 January 2020 and the consolidated balance sheet prepared on the basis of the subsidiaries' financial statements dated 31 December 2019.

Valuation and deferral principles:

The personnel's mandatory employment-related pensions have been assigned to an employment-related pension company to handle, and there are no new supplementary pension arrangements. A few Gasgrid Finland employees have exceptional pension benefits carried over from their previous employers, and the obligations of these benefits were transferred to Gasgrid Finland along with the personnel concerned when the corporate arrangement was executed.

The Group's interest-rate swaps are classified as non-hedging instruments and recognised in the financial statements at fair value. The change in fair value is recognised in the income statement under financial income and expenses.

The Group does not have any significant transactions denominated in foreign currencies.

The other key valuation and deferral principles are presented in the notes for the individual items concerned.

Consolidation:

The consolidated financial statements have been prepared using the acquisition-cost method. The consolidated goodwill arising from internal shareholdings was amortised in the form of an immediate write-off. Intra-Group transactions and mutual receivables and liabilities are eliminated in the consolidated financial statements. The depreciation difference included in the separate financial statements is divided between shareholders' equity and deferred tax liabilities.

## 2. Notes to the income statement

### 2.1. Net sales

Net sales consist mainly of gas transfer prices, imbalance settlement fees, settlements of feed-in charges with other transmission network operators, and onward charges for network transmission work. Gasgrid Finland operates as a payer and remitter of natural gas excise duties, and, for this reason, excise duties are not included in the company's net sales.

EUR 1,000	Gasgrid Finland Group	Gasgrid Finland Oy
Tariff products	100,320	100,320
Balancing services	12,197	12,197
Onward charges for moving pipelines	7,525	7,525
Entry fee balancing	6,790	6,790
Sales to Group companies	0	113
Other charges	0	0
<b>Total</b>	<b>126,832</b>	<b>126,944</b>

### 2.2. Other operating income

EUR 1,000	Gasgrid Finland Group	Gasgrid Finland Oy
Rental income	322	32
Other income	57	11
<b>Total</b>	<b>379</b>	<b>333</b>



## 2.3. Planned depreciation

Fixed assets are recognised on the balance sheet at acquisition cost, less planned depreciation. Planned depreciation is calculated using the straight-line method based on the useful life of the asset. Depreciation is calculated from the month of first use.

	Years
Computer software	4–5
Other long-term expenditure	10–40
Office buildings	19–40
Production buildings	19–52
Other structures	10–40
Steel pipeline	25–65
Plastic pipeline	40
Machinery and equipment	4–15
Other tangible assets	10–40

The consolidated goodwill, amounting to EUR 551,987.54, arose from Gasum's internal ownership restructuring. Gasum did not depreciate the consolidated goodwill because Gasum prepared its consolidated financial statements in accordance with IFRS norms. The consolidated goodwill is not genuine consolidated goodwill resulting from the acquisition of subsidiaries; it is merely a consequence of internal ownership restructuring. For this reason, the consolidated goodwill was amortised in the form of an expense.

## 2.4. Auditors' fees

EUR 1,000	Gasgrid Finland Group	Gasgrid Finland Oy
Auditing services	42	25
<b>Total</b>	<b>42</b>	<b>25</b>

## 2.5. Financial income and expenses

Other interest and financial income, EUR 1,000	Gasgrid Finland Group	Gasgrid Finland Oy
Interest income from Group companies	0	96
Interest income from others	16	16
Other financial income from others	874	874
<b>Total</b>	<b>891</b>	<b>987</b>

Interest expenses and other financial expenses, EUR 1,000	Gasgrid Finland Group	Gasgrid Finland Oy
Interest expenses to others	1,794	1,787
Other financial expenses to others	389	266
<b>Total</b>	<b>2,183</b>	<b>2,053</b>

## 2.6. Related-party transactions

The related-party transactions were intra-Group transactions, which were executed on ordinary commercial terms. There were no transactions with related parties outside the Group.

## 2.7. Personnel and bodies

The Group had an average of 42 employees in the financial period.

Salaries and bonuses for Gasgrid Finland's bodies in the 2020 financial period:

EUR 1,000	
Board of Directors	74
CEO	240
<b>Total</b>	<b>314</b>

The salaries and bonuses are stated in the table on the cash principle. The Group's remuneration policy does not include supplementary pension or share-based incentive schemes.

### 3. Notes to the balance sheet

#### 3.1. Receivables

The prepayments and accrued income recognised on the consolidated balance sheet in the amount of EUR 14,461,210.21 consist almost entirely of grant funding paid for INEA's Baltic Connector project and forthcoming payments following the submission of the final report on the project.

The parent company's other receivables in the amount of EUR 135,115.00 consist of prepayment-type items related to the business operations.

#### Intra-Group receivables:

EUR 1,000	31 December 2020	1 January 2020
Loan receivables	24,827	0
	24,827	0

#### 3.2. Non-current assets

Non-current assets are recognised on the balance sheet at acquisition cost, less planned depreciation.

Non-current assets also include the absolute minimum volume of gas that the network needs to maintain its technical functionality. The share of pipeline gas defined in this way is valued at historical acquisition cost in the financial statements. Conversely, the volume of gas that varies in the transmission network for technical and commercial reasons is recognised in the balance sheet under current assets.

On the date of the spin-off, the costs accrued by the Balticconnector project up to 1 January 2020 were recognised as acquisitions in progress, and a proportion of the INEA grant corresponding to the capitalised expenditure was recognised under non-current prepayments and accrued income. These entries were unwound in conjunction with the commissioning of the project, and only the proportion of the project expenditure paid by the Group was capitalised under fixed assets.

EUR 1,000	Group	Parent
<b>INTANGIBLE RIGHTS</b>		
Acquisition cost 1 January 2020	5,118	5,118
Increases in the period	821	821
Decreases in the period	0	0
Transfers between items	0	0
Acquisition cost 31 December 2020	5,939	5,939
Accumulated depreciation and impairment 1 January 2020	-2,200	-2,200
Depreciation 1 January-31 December 2020	-793	-793
Accumulated depreciation of decreases	0	0
Accumulated depreciation and impairment 31 December 2020	-2,994	-2,994
<b>Balance sheet value 31 December 2020</b>	<b>2,945</b>	<b>2,945</b>
<b>OTHER INTANGIBLE RIGHTS</b>		
Acquisition cost 1 January 2020	13,499	13,446
Increases in the period	1	0
Decreases in the period	-13	0
Transfers between items	-36	0
Acquisition cost 31 December 2020	13,451	13,446
Accumulated depreciation and impairment 1 January 2020	-9,794	-9,794
Depreciation 1 January-31 December 2020	-686	-673
Accumulated depreciation of decreases	13	0
Accumulated depreciation and impairment 31 December 2020	-10,467	-10,466
<b>Balance sheet value 31 December 2020</b>	<b>2,984</b>	<b>2,979</b>
<b>LAND AND WATER AREAS</b>		
Acquisition cost 1 January 2020	3,345	2,232
Increases in the period	0	0
Decreases in the period	0	0
Transfers between items	-820	0
Acquisition cost 31 December 2020	2,524	2,232
Depreciation 1 January-31 December 2020	0	0
<b>Balance sheet value 31 December 2020</b>	<b>2,524</b>	<b>2,232</b>

EUR 1,000	Group	Parent
<b>BUILDINGS AND STRUCTURES</b>		
Acquisition cost 1 January 2020	594,494	594,494
Increases in the period	1,400	107
Decreases in the period	0	0
Transfers between items	2,966	0
Acquisition cost 31 December 2020	598,860	594,601
Accumulated depreciation and impairment 1 January 2020	-309,040	-309,040
Depreciation 1 January–31 December 2020	-13,712	-13,597
Accumulated depreciation of decreases	0	0
Accumulated depreciation and impairment 31 December 2020	-322,752	-322,637
<b>Balance sheet value 31 December 2020</b>	<b>276,108</b>	<b>271,965</b>
<b>MACHINERY AND EQUIPMENT</b>		
Acquisition cost 1 January 2020	107,414	107,394
Increases in the period	3,037	1,945
Decreases in the period	-20	0
Transfers between items	29,284	0
Acquisition cost 31 December 2020	139,715	109,339
Accumulated depreciation and impairment 1 January 2020	-89,144	-89,134
Depreciation 1 January–31 December 2020	-3,109	-2,453
Accumulated depreciation of decreases	20	0
Accumulated depreciation and impairment 31 December 2020	-92,233	-91,587
<b>Balance sheet value 31 December 2020</b>	<b>47,482</b>	<b>17,752</b>

EUR 1,000	Group	Parent
<b>OTHER TANGIBLE ASSETS</b>		
Acquisition cost 1 January 2020	8,841	8,841
Increases in the period	0	0
Decreases in the period	-6	0
Transfers between items	163	0
Acquisition cost 31 December 2020	8,999	8,841
Accumulated depreciation and impairment 1 January 2020	-4,162	-4,162
Depreciation 1 January–31 December 2020	-244	-229
Accumulated depreciation of decreases	0	0
Accumulated depreciation and impairment 31 December 2020	-4,406	-4,392
<b>Balance sheet value 31 December 2020</b>	<b>4,592</b>	<b>4,450</b>
<b>Prepayments and acquisitions in progress</b>		
Acquisition cost 1 January 2020	1,534	1,442
Increases in the period	8,626	8,626
Decreases in the period	-851	-851
Transfers between items	-2,052	-2,052
Acquisition cost 31 December 2020	7,258	7,166
Depreciation 1 January–31 December 2020	0	0
<b>Balance sheet value 31 December 2020</b>	<b>7,258</b>	<b>7,166</b>



### 3.3. Statement of changes in shareholders' equity

<b>Gasgrid Finland Group, EUR 1,000</b>	<b>Share capital</b>	<b>Invested unre- stricted equity fund</b>	<b>Retained earnings</b>	<b>Total</b>
Balance sheet value 1 January 2020	10,000	26,313	142,536	178,849
Distribution of profit	0	0	0	0
Profit for the period	0	0	53,615	53,615
Balance sheet value 31 December 2020	10,000	26,313	196,151	232,464

<b>Gasgrid Finland Oy, EUR 1,000</b>	<b>Share capital</b>	<b>Invested unrestricted equity fund</b>	<b>Retained earnings</b>	<b>Total</b>
Balance sheet value 1 January 2020	10,000	26,313	33,976	70,289
Distribution of profit	0	0	0	0
Profit for the period	0	0	38,690	38,690
Balance sheet value 31 December 2020	10,000	26,313	72,665	108,979

#### The parent company's shares are divided into two classes.

Number of shares	
Class A shares	50,200,000
Class K shares	2,800,001
<b>Total</b>	<b>53,000,001</b>

Class A shares carry one vote at a general meeting, and class K shares carry ten votes.

### 3.4. Distributable equity

<b>Gasgrid Finland Oy, EUR 1,000</b>	<b>31 December 2020</b>	<b>1 January 2020</b>
Invested unrestricted equity fund	26,313	26,313
Retained earnings	33,976	33,976
Profit/loss for the financial period	38,690	0
<b>Total distributable equity</b>	<b>98,979</b>	<b>60,289</b>

### 3.5. Non-current liabilities

A long-term loan from financial institutions in the amount of EUR 160 million matures in July 2022. The loan is unsecured.

### 3.6. Current liabilities

<b>Gasgrid Finland Group, EUR 1,000</b>	<b>31 December 2020</b>	<b>1 January 2020</b>
Interest expenses	0	363
Personnel expenses	980	952
Direct taxes	9,450	0
Excise duties	6,430	0
Other accrued expenses and deferred income	0	267
	<b>16,860</b>	<b>1,582</b>

<b>Gasgrid Finland Oy, EUR 1,000</b>	<b>31 December 2020</b>	<b>1 January 2020</b>
Interest expenses	0	327
Personnel expenses	967	602
Direct taxes	9,450	0
Excise duties	6,430	0
	<b>16,847</b>	<b>929</b>

Liabilities of EUR 478,348.90 related to the 31 December 2020 interest expenses were recognised under accounts payable.

Other liabilities:

The balance sheet item "other liabilities" in the amount of EUR 8,884,081.23 consists primarily of VAT liabilities. The negative market value of interest rate swaps was EUR 373,028.71 on 31 December 2020.

Liabilities from Group companies:

<b>Gasgrid Finland Oy, EUR 1,000</b>	<b>31 December 2020</b>	<b>1 January 2020</b>
Trade payables	279	0
Other liabilities	372	0
	<b>651</b>	<b>0</b>

Deferred tax liability:

<b>Gasgrid Finland Group, EUR 1,000</b>	<b>31 December 2020</b>	<b>1 January 2020</b>
Deferred tax liability	31,172	27,583
Change in deferred tax liabilities	<b>3,589</b>	

The amounts of and changes in deferred tax liabilities recognised in the consolidated balance sheet and income statement consist of the deferred tax liabilities due to appropriations.

### 4. Other notes

#### 4.1. Collateral, contingent liabilities and off-balance-sheet arrangements

With regard to Baltic Connector Oy's offshore pipeline, crossing agreements have been made with other cable and gas pipeline operators. The agreements carry a liability for damages in the amount of EUR 258.3 million and a EUR 100 million liability for environmental damage. These liabilities are covered by insurance.

The parent company has not pledged any collateral on behalf of the Group companies.

Nominal values of forthcoming lease payments under existing leases

<b>EUR 1,000</b>	<b>Gasgrid Finland Group</b>	<b>Gasgrid Finland Oy</b>
Payable in the year after the financial period	156	156
Payable later	450	450
<b>Total</b>	<b>607</b>	<b>607</b>

The impact of indefinite leases is estimated according to the most likely duration for each asset class.

#### 4.2. Derivative contracts

The company has non-hedging interest rate swap contracts with a nominal value of EUR 158 million. The negative market value of the derivative contracts was EUR 373,028.71 on 31 December 2020, and this sum is included under other liabilities in the balance sheet. EUR 874,441.27 of negative market value was reversed in the balance sheet and recognised under financial income. The interest expenses on derivative contracts are recognised under interest expenses in the income statement.

### 4.3. Holdings in other companies

Subsidiary, EUR 1,000	Business	Domicile	Group ownership	Shareholders' equity	Profit/loss for the financial period
Gasgrid Finland Services Oy	1656464-4	Espoo	100%	201	-4
Suomen Kaasunsiirtopalvelut Oy	2940470-3	Espoo	100%	26,156	-42
Baltic Connector Oy	2716791-9	Helsinki	100%	26,363	1,168

### 4.4. Unbundling of the accounts of the businesses

The parent company's business is unbundled into three parts for the purposes of accounting: the transmission network, balance management, and centralised data exchange units. Transactions are recorded for the different businesses according to the matching principle. In addition, the invested unrestricted equity fund is divided between the three businesses in proportion to their balance sheet items.

Gasgrid Finland Oy, EUR 1,000	Transmission network	Balance management	Centralised information exchange	Gasgrid Finland Oy
Net sales	113,630	13,210	104	126,944
Other income	333	0	0	333
Materials and services	-7,344	-12,608	0	-19,952
Personnel expenses	-3,889	-200	0	-4,089
Depreciation	-17,394	-70	-281	-17,745
Other operating expenses	-17,934	-332	-75	-18,341
Operating profit	67,402	0	-252	67,150
Income from Group companies	96	0	0	96
Other interest and financial income	891	0	0	891
Interest expenses and other financial expenses	-2,053	0	0	-2,053
PROFIT BEFORE APPROPRIATIONS AND TAXES	66,336	0	-252	66,084
Appropriations				
Increase (-)/decrease (+) in depreciation difference	-17,944	0	0	-17,944
Income taxes	-9,450	0	0	-9,450
PROFIT/LOSS FOR THE FINANCIAL PERIOD	38,942	0	-252	38,690

Gasgrid Finland Oy, EUR 1,000

	Transmission network	Balance management	Centralised information exchange	Gasgrid Finland Oy
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets				
Intangible rights	1,084	716	1,146	2,945
Other intangible assets	2,979	0	0	2,979
	4,063	716	1,146	5,925
Tangible assets				
Land and water areas	2,232	0	0	2,232
Buildings and structures	271,965	0	0	271,965
Machinery and equipment	17,752	0	0	17,752
Other tangible assets	4,450	0	0	4,450
Prepayments and acquisitions in progress	7,166	0	0	7,166
	303,564	0	0	303,564
Investments				
Shares in Group companies	26,793	0	0	26,793
	26,793	0	0	26,793
<b>Total fixed assets</b>	<b>334,420</b>	<b>716</b>	<b>1,146</b>	<b>336,282</b>
<b>Current assets</b>				
Inventories				
Materials and supplies	3,231	0	0	3,231
Work in progress	326	0	0	326
Other inventories	264	0	0	264
	3,821	0	0	3,821
Receivables				
Current				
Trade receivables	16,377	586	65	17,028
Loan receivables	24,827	0	0	24,827
Other receivables	135	0	0	135
Accrued income	15	0	0	15
	41,355	586	65	42,006
Cash at bank and in hand	72,555	0	0	72,555
<b>Total current assets</b>	<b>117,730</b>	<b>586</b>	<b>65</b>	<b>118,381</b>
<b>Assets</b>	<b>452,150</b>	<b>1,302</b>	<b>1,211</b>	<b>454,663</b>



Gasgrid Finland Oy, EUR 1,000

	Transmission network	Balance management	Centralised information exchange	Gasgrid Finland Finland Oy
<b>Liabilities and shareholders' equity</b>				
<b>Shareholders' equity</b>				
Share capital	10,000	0	0	10,000
Other funds				
Invested unrestricted equity fund	23,549	1,302	1,462	26,313
Retained earnings	33,976	0	0	33,976
Profit for the period	38,942	0	-252	38,690
<b>Total shareholders' equity</b>	<b>106,466</b>	<b>1,302</b>	<b>1,211</b>	<b>108,979</b>
<b>Accumulated appropriations</b>				
Depreciation difference	155,858	0	0	155,858
<b>Liabilities</b>				
<b>Non-current</b>				
Loans from financial institutions	160,000	0	0	160,000
Other liabilities	0	0	0	0
<b>Total non-current</b>	<b>160,000</b>	<b>0</b>	<b>0</b>	<b>160,000</b>
<b>Current</b>				
Accounts payable to Group companies	279	0	0	279
Trade payables	3,550	0	0	3,550
Other liabilities	9,150	0	0	9,150
Accruals and deferred income	16,847	0	0	16,847
<b>Total current</b>	<b>29,827</b>	<b>0</b>	<b>0</b>	<b>29,827</b>
<b>Total liabilities</b>	<b>189,827</b>	<b>0</b>	<b>0</b>	<b>189,827</b>
<b>Liabilities and shareholders' equity</b>	<b>452,150</b>	<b>1,302</b>	<b>1,211</b>	<b>454,663</b>

## Signatures to the financial statements

Espoo, Finland, 26 March 2021

**Kai-Petteri Purhonen**  
Chair of the Board of Directors

**Päivi Nerg**  
Member of the Board of Directors

**Asta Sihvonen-Punkka**  
Member of the Board of Directors

**Jero Ahola**  
Member of the Board of Directors

**Saija Kivinen**  
Member of the Board of Directors

**Olli Sipilä**  
CEO

## Auditor's statement

A statement has been issued today on the completed audit.

Helsinki, Finland, 26 March 2021

**Oy Tuokko Ltd**  
An Audit Firm

Timo Tuokko  
Authorised Public Accountant



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