# FINNPILOT



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Annual report

2022

#### **Annual report**

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# Finnpilot in brief

Pilotage ensures navigational safety and efficiency within Finland's rocky fairways. The added safety that pilotage provides within Finland's narrow archipelago fairways is pivotal in terms of preventing accidents. Pilotage is also a vital part of the chain of logistics required for Finland's international trade and security of supply. Many essential goods are transported by sea and the passage of cargo must be assured, also in possible times of serious disturbances.

In Finland, pilotage services are the responsibility of the state-owned special assignment company Finnpilot Pilotage Ltd. Finnpilot provides pilotage services in accordance with Finland's Pilotage Act and assumes responsibility, as prescribed by the Pilotage Act, for other tasks and obligations related to pilotage within the coastal waters and Saimaa region in Finland. The costs accrued by the organisation of pilotage activities and maintenance of the national service network are covered by charged pilotage fees. The provision of pilotage activities in the Saimaa region is governed by Finnpilot's obligation to provide financially unprofitable services.

Pilotage has a long history, but the core of the activities remains the same: the pilot is a vital local advisor to the shipmaster, providing navigational assistance to vessels along the fairways and increasingly ensuring the safe guidance of ships in to port. The actual pilotage process, however, is continuously changing and developing along with significant advances in safety, training, pilotage equipment and environmental issues. Successful steps forward have also been taken in terms of remote pilotage over the past few years.

This report describes our work, the essential events of 2022 and our CSR work from the perspectives of safety, the environment, our employees, our customers and the society.

Finnpilot's annual report for 2022 includes the annual review, a description of our corporate governance and the Corporate Responsibility Report. Additionally, we publish the financial statements and the annual review of the Board of Directors as separate PDF documents on our website.

During 2022, our pilots boarded ships a total of 20,315 times.





### From COVID-19 to Russia's war on Ukraine

The year 2022 will be remembered as the year Russia began its war of aggression against Ukraine. The impacts of the war have been the most severe in Ukraine, of course, and in light of the suffering of the Ukrainian people, our own difficulties must be put into perspective. Finnpilot did, however, have plenty to consider as energy prices rose, inflation increased and our neighbouring state to the east remained unpredictable.

The war initiated by Russia has had a marked impact on the logistics chain for Finland's foreign trade. The most critical effect was the full termination of traffic in the Saimaa region. A portion of the Saimaa traffic was redirected to coastal ports, and many types of cargo that were earlier imported from Russia were acquired from elsewhere as a result of sanctions.

The prospects for pilotage in the Saimaa region look grim for the foreseeable future and there is no realistic hope that the traffic might return to Saimaa in the coming years. As a result, we were forced to conduct two rounds of change negotiations in the Saimaa region, with unavoidable lay-offs and dismissals. Within the negotiations, we did, however, manage to work with employee representatives to find solutions that enabled us to offer work in other areas of the company to a considerable number of the Saimaa region employees. For this, I am naturally grateful. I want to thank all those who were involved in these changes for their strength and perseverance.

The Finnish State has given us the obligation to carry out the financially unprofitable task of pilotage in the Saimaa region. As there is no traffic currently in Saimaa, the subsidy for pilotage in the Saimaa region as stipulated in the current Pilotage Act could not be paid. This is a recognised weak point of the current Pilotage Act that was now realised. The cost of maintaining readiness in the Saimaa region in 2022 exceeded the possible subsidy payments.



For us, the most critical effect was the full termination of traffic in the Saimaa region.

In comparison to the previous two summers, which were impacted by COVID-19, the cruise ship traffic during the summer of 2022 was heavier. At the same time, Russia's war of aggression affected shipping routes for cruises in the Baltic Sea. Along with the traditional cruise traffic into Helsinki, ships also now made stops at the ports of Mariehamn, Turku and Kotka. The removal of St. Petersburg from cruise programmes also somewhat affected the number of cruise ships, with the result being fewer cruise ship visits than the level seen in the years prior to the COVID-19 pandemic. In addition to the situation in the Saimaa region and changes in cruise ship traffic, another significant change during 2022 was the rising price of energy. The more extreme price hikes than anticipated for electricity and fuel stretched us beyond our budget in these areas. Although cost savings were also generated, the result of the financial year of 2022 ended up being unprofitable.

As a counterbalance to the financially weak year, we took notable strides forward in terms of reforming our activities. The first of a series of fast pilot boats equipped to travel in light ice conditions was completed during the year. This boat type is able to withstand ice up to approximately a five-centimetre thickness and can travel in open waters at a speed of 24 knots. Compared to heavier cutter models, this new boat type enables fast and more environmentally friendly transportation, in the best case scenario, throughout the entire year in the ice conditions of southern Finland.

Another important milestone in development was achieved in the field of remote pilotage, when we, as a part of the Sea for Value Fairway project, successfully tested data transfer for remote pilotage along the Kokkola fairway in spring 2022. The test also sparked international interest and, during the year, an international co-operative network focusing on remote pilotage



# We can proudly say that Finland and Finnpilot are at the international forefront of the development of remote pilotage.

was established. In terms of remote pilotage, the year culminated in December when navigational, pilotage and technological experts from 11 countries gathered in Turku for the remote pilotage seminar organised by Finnpilot. We can proudly say that Finland and Finnpilot are definitely at the international forefront of the development of remote pilotage.

During the year, we also took major steps in developing aspects of responsibility and sustainability. In spring 2022, in accordance with the targets of the State as owner, we calculated our total emissions for the first time and prepared an emission reduction programme with concrete measures that will enable us to achieve our emission reduction target by 2030. The emission reduction target is part of our responsibility programme, within which we strive to continuously improve our operations within the programme's themes — employees, environment, customers and society.

In November 2022, the Government submitted a proposal for the reform of the Pilotage Act to the Parliament. The aim of the proposal is to ensure navigational safety in Finnish waterways. A wide range of Finnish maritime operators were heard in the process of preparing the proposal. A great deal of preparatory work was carried out during the year at Finnpilot to advance the proposal, so the progress of this reform is especially great news for us. As of February 2023 the proposal has been approved by the

Finnish Parliament. It is our opinion that the new Pilotage Act would provide excellent support for the development and assessment of pilotage competence. We are well prepared to undertake the tasks assigned to us in the new Pilotage Act.

During autumn 2022, we conducted the Reputation&Trust survey among our stakeholders. We received a record number of responses and the results were also at a record high level. According to the survey results, our stakeholders view us as an extremely trustworthy operator by all indicators. The results particularly emphasised safety and the professional competence of our employees. The results of the survey encourage us to further intensify active communications with stakeholders. Our shared situational picture provides us with the best capabilities to address the inevitable anomalies within the changing marine environment.

After a year full of changes, I would like to take this opportunity to thank our employees and stakeholders for this year, which will remain memorable for both good and bad reasons. We all hope for a swift end to the war in Ukraine and, in all respects, for more stable times on the horizon.

#### **KARI KOSONEN**

CEO



# Notable events of the year

#### RUSSIA'S ATTACK ENDED TRAFFIC IN THE SAIMAA CANAL

Russia's war in Ukraine altered Finland's logistics chains, which forced us to undergo two rounds of change negotiations during the year. Dismissals and lay-offs were unavoidable, but we were able to offer a considerable number of Saimaa employees work elsewhere in the company.

### WE CALCULATED OUR TOTAL EMISSIONS FOR THE FIRST TIME (FROM 2021 AND 2022)

We clarified the total emissions of our activities for the first time by calculating our Scope 1 emissions as well as our Scope 2 and Scope 3 emissions. On the basis of the calculation, we established a plan for Finnpilot to achieve a 50% reduction in emissions by 2030.

### FINLAND AND FINNPILOT AT THE FOREFRONT OF INTERNATIONAL DEVELOPMENT IN REMOTE PILOTAGE

The first ship equipped with the technology of future fairway services was directed from the Port of Kokkola to the fairway in May. At the same time, the suitability of the technical arrangements for remote piloting was tested. The systems were used in parallel with normal pilotage. In December, we held a remote pilotage seminar in Turku for a widespread group of international experts.

#### THE NEW FACILITIES OF THE HEADQUARTERS SERVE OUR NEW WORKING MODEL IN A COST-EFFICIENT MANNER

Finnpilot's headquarters was moved in May to new facilities in the Ruoholahti area of Helsinki. The new hybrid model of working provided a more flexible way for our VDU employees to coordinate their work with their daily lives. The cost savings of running a headquarters that is nearly half the size of the previous premises are significant.

#### A YEAR OF FOUIPMENT DEVELOPMENT AND MAINTENANCE

The first lifecycle extension of an ice-strengthened pilot cutter was completed. The project included the addition of a new type of rescue basket to the cutter. Additionally, we docked more than one third of our ice-strengthened pilot cutters for maintenance purposes during the year. We took into use a new pilot boat with a fast hull design that withstands light ice conditions. The boat was designed through close co-operation with its end users.

#### PILOTING EXCEPTIONAL GUESTS INTO FINLAND'S PORTS

Russia's attack on Ukraine brought rare visitors to Finland's ports. We provided pilotage services for NATO vessels and LNG tankers to ensure their safe passage into our coastal ports.

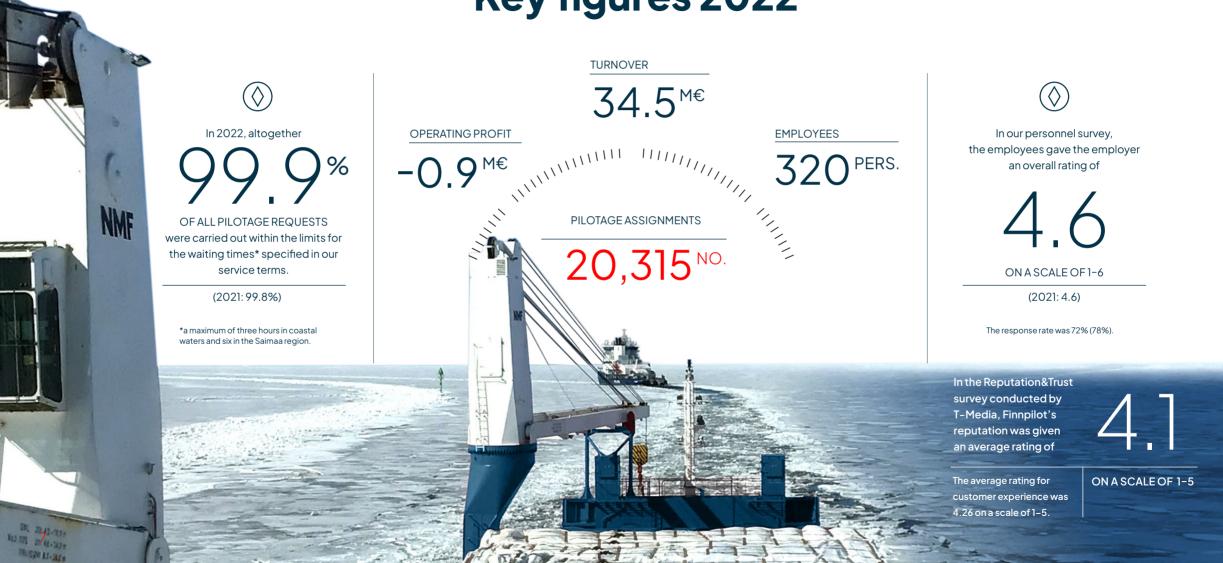
# THE GOVERNMENT PROPOSAL FOR AN OVERALL REFORM OF THE PILOTAGE ACT WAS FORWARDED TO THE PARLIAMENT

Together with our employees we contributed to the preparation of a new legislative reform that aims to ensure navigational safety within Finnish waterways. In November, the proposed legislative reform progressed to the Parliament.

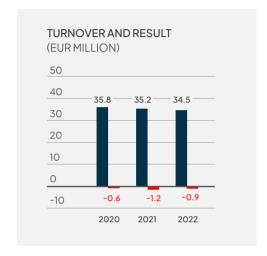
#### EXCELLENT RESULTS FROM THE STAKEHOLDER SURVEY

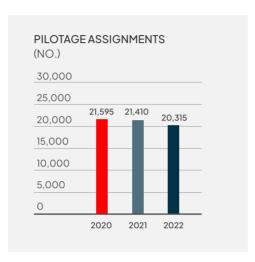
We received excellent recognition from our customers and stakeholders with regard to the quality of our work. Finnpilot's reputation (on a scale of 1-5) has risen from its previous good level to an excellent level with a 4.10 rating.

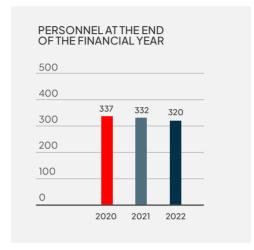
# **Key figures 2022**

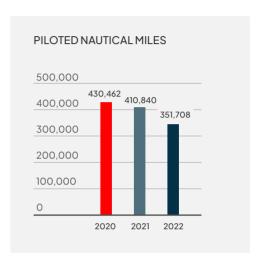


YEAR 2022







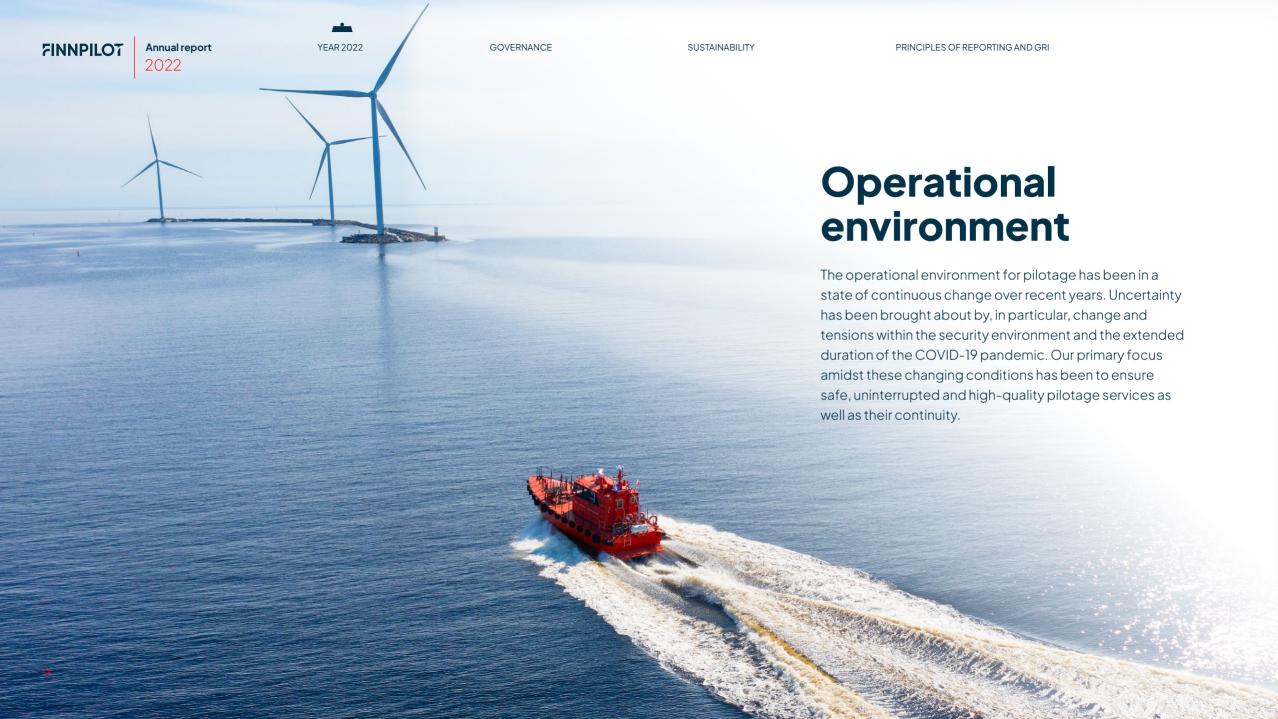


#### **KEY FINANCIAL FIGURES**

	2022	2021	2020
Number of pilotages	20,315	21,410	21,595
Piloted nautical miles	351,708	410,840	430,462
Turnover	34,487,297	35,215,811	35,830,972
Operating result	-945,155	-1,183,278	-635,270
% of turnover	-2.7%	-3.4%	-1.8%
Profit/loss of the financial year	-736,222	-792,613	-422,540
% of turnover	-2.1%	-2.3%	-1.2%
Return on equity %	-10.6%	-11.9%	-5.8%
Return on investment %	-10.5%	-11.9%	-5.7%
Solvency ratio %	57.3%	57.4%	63.0%

	2022	2021	2020
Net gearing	-26.7%	-36.4%	-32.8%
Quick Ratio	0.6	0.7	0.8
Gross investment Gross investment	1,603,495	2,068,886	2,369,690
% of turnover	4.6%	5.9%	6.6%
Average number of personnel in person-years	307	325	333
Personnel at the end of the financial year	320	332	337
Wages, salaries and other short-term benefits	20,953,882	21,943,072	22,220,087

The calculation formulas for the key figures are presented in the notes to the financial statements.





YFAR 2022

Our stakeholders must be able to trust that we are capable of safeguarding the continuity of Finnish foreign trade, also under exceptional circumstances.

This is why early identification of changes and uncertainties in our operational environment is a key aspect of our operations.

#### AMONG OTHERS, THE FOLLOWING CHANGES HAVE IMPACTED OUR OPERATIONAL ENVIRONMENT

- THE SIGNIFICANCE OF SECURITY OF SUPPLY has become emphasised within the current security situation and demands more from our continuity planning and our abilities to maintain our state of readiness. We must also be able to respond to possible cyber security threats.
- THE END OF TRADE WITH RUSSIA and the resulting termination of traffic through the Saimaa Canal has had significant impacts on our employees and resource planning.
- FINANCIAL UNCERTAINTY AND UNPREDICTABILITY hamper the long-term planning of our operations with our current operational and pricing models. Due to changes in the logistics chains, the volume of vessel traffic arriving in Finnish ports is harder to predict than earlier. The situation challenges our limited short-term adaptability. The situation calls for more agility and flexibility.
- CLIMATE CHANGE challenges us to develop our operations to be more energy efficient and outlines the path to reach our target for carbon neutrality.
- INCREASED EXPECTATIONS RELATED TO RESPONSIBILITY call for a more systematic approach to responsibility development and more comprehensive reporting in all sub-areas of responsibility.
- THE EXTENDED DURATION OF THE COVID-19 PANDEMIC has emphasised the importance of health safety and prompt dissemination of information both within our company and with our stakeholders.

- THE INCREASE OF HYBRID WORKING models poses challenges for work communities. There are fewer possibilities for faceto-face encounters within the company and with customers. Working in a way that is independent of time or location and the assurance of data security within this new situation alters our previous operational models.
- AS THE AMOUNT OF INFORMATION continues to grow, our challenges lie in our readiness and ability to gather, utilise and share data. The development of data collection and measurement is proceeding slower than the increase in the amount of information.
- THE COMPETENCE LEVEL OF VESSEL CREWS is weakening and pilots are required to play an even greater role, also during harbour manoeuvring. The importance of solid, diverse experience, competence development and shared learning is emphasised.
- THE SIGNIFICANCE OF ACTIVE CUSTOMER AND **STAKEHOLDER COLLABORATION** is increasing: mutual development and dialogue play an even more vital role in our activities, since our customers expect a higher level of knowledge and predictability.
- THE EVOLVING LEGISLATION and, in particular, the reform of the Pilotage Act, which has progressed to the parliamentary level will bring us new tasks and responsibilities when it enters into force, especially as regards the approval of qualifications and training services.



**Annual report** 

YEAR 2022

OVERNANCE

SUSTAINABILITY

PRINCIPLES OF REPORTING AND GRI

STRATEGY 2022-2026

# Setting the course



#### MUST WIN BATTLES

We are a customer-focused and highly competent partner within the field of navigation.

Renewal in the changing operational environment

Competence developent

Socially responsible and sustainable operations

### **VALUES**

200

SHARED LEARNING



SAFETY

TRUST



We guide ships safely and smoothly through the fragile maritime environment.

#### STRATEGIC PERSPECTIVES

#### CUSTOMER

- Prompt service
- · Activities based on cooperation
- Local expertize and the latest information
- Good customer experience
- Internationally competitive price

#### INTERNAL PROCESSES

- · Development of current and future services
- · Inclusion of personnel
- · Development of work ability and occupationa safety
- Reduction of environmental and climate impacts

### **FINANCES**

- · Value for the owner and society
- Cost efficiency without compromising on safety
- Long-term planning
- · Sufficiency of financing and working capital



#### **LEARNING & GROWTH**

- Defining top expertise in all tasks and roles
- · Central role in developing maritime transport
- Effetive organisational learning



Our strategic choices correspond to identified factors within the operational environment and steer the development of our activities. Our strategic objectives include, among others, prompt service, emissions reduction, high customer satisfaction and satisfied employees.

From a navigational perspective, the conditions of the Finnish archipelago are among the most challenging in the world. A pilot who is familiar with local conditions provides a shipmaster with invaluable assistance to guarantee safe fairway navigation. Finnpilot's mission is to help ships manoeuvre safely and smoothly through the fragile maritime environment.

Our vision involves us being a customer-focused and highly competent partner within the field of navigation. Within our strategy, we have specified the company-wide critical success factors in which we must succeed in order to achieve our vision:

Renewal within a changing operational environment: Tensions in the security situation, the significance of digital competence and information utilisation, carbon neutrality targets and new training demands, among other changes, require Finnpilot to engage in continuous renewal, while also emphasising our ability to respond agilely to even the most unforeseen changes in the operational environment.

- Competence development: We define and set the framework that enables the achievement of top expertise. Together with our competent employees, we create the best operational methods and ensure effective learning as an organisation.
- Socially responsible and sustainable operations: We develop our services and processes to correspond to the demands for responsibility and sustainability. We ensure that responsibility is integrated in everything we do from management processes to procurement chains and daily activities.

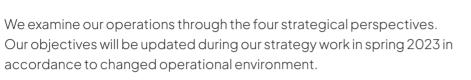
Our values – trust, shared learning and safety – are portrayed in the shape of a propeller. Trust enables us to express our thoughts and experiences, even when we are uncertain. We learn new things together, as trust provides the foundation for the exchange of important information. Safety is improved when we utilise shared information to jointly develop the best practices. Functional practices and enhanced safety increase trust in our operational approach, which further promotes shared learning.

We examine our operations through the four strategical perspectives of the Balanced Scorecard model: customers (prompt service, customer satisfaction, international price comparisons as indicators), internal processes (efficient use of resources, emissions from pilotage, occupational safety as indicators), finance (profitability, solvency, liquidity as indicators), and learning and growth (personnel satisfaction, minimal absences, competence development as indicators). The content of the perspectives is outlined on page 11 of our strategy visualisation. The realisation of the strategic indicators during 2022 is described in the following pages.

### YOU CAN READ MORE ABOUT THE PROGRESS OF OUR STRATEGIC PROJECTS IN THIS REPORT:

- Emission reduction programme -50% by 2030 (2022)
- Further definition and documentation of the Finnpilot Academy training system (2022–2023)
- Financial balancing (2022-2023)
- Developing the concept, service model, data content and preliminary business plan for remote pilotage (2022-2025)

Our strategy covers the years 2022-2026 and was last updated during spring 2022.





We report our key figures according to the Balanced Scorecard model.

#### STRATEGIC KEY FIGURES

Perspective	Objective	Indicator	Target 2022	Achieved 2022
Customer	Prompt service	Realisation of service terms and conditions %	≥ 99	99.9%
	Customer satisfaction	Stakeholders' overall grade for reputation (1–5)	≥ 4	4.1
	Internationally competitive pricing	International price comparison	< 0.74	0.74
Internal	Effective use of resources	Piloted nautical miles / person-workday	>21	21.7
		Cost/pilotage (euros)	<1,680	1,744
		Transport cost / pilotage (euros)	< 700	853
	Climate target	CO <sub>2</sub> -emissions/pilotage (tonnes CO <sub>2</sub> )	< 0.175	0.177
	Occupational health and safety	Occupational accidents / year	< 5	8
		Accident frequency / one million working hours (all)	< 5	15
Finances	Good profitability	Operating result %	> 2	-2.7
		Operating margin %	> 10	4.6
		Return on investment %	>10	-10.5
	Financial solidity	Eqyity ratio	> 50	57.3
	Good liquidity	Quickratio	> 0.8	0.6
Learning and growth	Satisfied personnel	Result of work satisfaction survey (1-6)	> 4.6	4.6
	Minimal absences	Absences as % of total working hours	< 5.0	6.7
	Promotion of competence	Training days, person/year (excl. simulations runs)	> 1.6	1.3
		Simulation runs (days/pilot)	> 1.2	2.2



GOVERNANCE

Finnpilot Pilotage Ltd is a special assignment company entirely owned by the State. The governance of state-owned companies is regulated by the State Holdings and Ownership Steering Act. The Government Resolution on the State Ownership Policy, issued in April 2020, states that, in managing its corporate assets, the State seeks to maximise overall social and financial benefits.



#### CORPORATE GOVERNANCE

The governance of Finnpilot is based on the Limited Liability Companies Act, and the company's operations are regulated by the Pilotage Act and Pilotage Decree. The company's activities are guided and supervised by the Government Ownership Steering Department. Finnpilot's principles of corporate governance are defined in the Corporate Governance Guidelines. The Guidelines reflect the general norms of Corporate Governance, the Corporate Governance Code of the Securities Market Association, the Agenda for Improving the Corporate Governance of Unlisted Companies published by the Finland Chamber of Commerce and the ownership steering guidelines of the Prime Minister's Office.

The State as owner exercises its power of decision at annual general meetings. The annual general meeting decides on issues that are relevant by virtue of the Limited Liability Companies Act. The annual general meeting elects the chair and other members of the Board of Directors. The annual general meeting for 2022 was held on 17 March 2022.

Finnpilot owns 60% of Ice Advisors Ltd, which provides maritime operators with ice navigation services. The related parties of Finnpilot include its subsidiary, the company's Board of Directors, the CEO and the Executive Committee. Finnpilot does not conduct business activities that depart from normal commercial conditions with any of its related parties.

#### **BOARD OF DIRECTORS**

The Board of Directors oversees the administration of the company and the appropriate arrangement of the company's activities. In addition, the Board of Directors guides and supervises the company's activities, elects the CEO and top management, supervises the management and issues decisions on key matters in terms of the company's business activities.

The annual general meeting elects the chair and other members of the Board of Directors. The members of the Board shall have expertise in Finnpilot's field of activities, management or business economics, and they shall be independent in the manner required with regards to competition. The diversity and CSR performance of the Board are also taken into consideration when selecting members of the Board.

The Chair of the Board of Directors is the immediate supervisor of the CEO. In 2022, the Board comprised seven members, two of which were personnel representatives (personnel representative and deputy personnel representative).

The Board of Directors has established committees to support its activities. The task of the committees is to prepare those matters assigned to them as support for the decisions of the Board. Finnpilot had two committees during 2022: the Personnel and Corporate Responsibility Committee and the Audit Committee. The members of the committees are listed in the annual review of the Board of Directors.

The Board met eight times during 2022. Of the year's meeting, five were held in person, two were hybrid meetings and one was conducted remotely. In addition, one email meeting was also arranged. The committees of the Board met a total of eight times. Four of the meetings were held in person, two as hybrid meetings and two as remote meetings. An additional two extraordinary committee meetings were also held. The attendance rate at the Board meetings was 98.6 per cent.

#### **EXECUTIVE COMMITTEE**

The Executive Committee bears responsibility for the impacts of our company's activities on society, the environment and the stakeholders. The Executive Committee assists the CEO in the implementation of operational tasks. The members of Finnpilot's Executive Committee include the Human Resources Director and Leading Legal Counsel, the Transport Director, the Pilotage Director and the Financial Director. The Communications Manager participates in the work of the Executive Committee. The Executive Committee convenes every two weeks.

The CEO heads and develops the activities of Finnpilot, oversees its daily administration and ensures that the accounting is carried out as prescribed by law and asset management is carried out in a trustworthy manner. The CEO oversees the execution of the decisions made by the Board of Directors and adheres to the instructions of the Board. The CEO reports on the activities of the company to the Board of Directors and is responsible for achieving the objectives set for the business activities in accordance with the principles set by the Board of Directors.



### Board of Directors 31.12.2022



KIMMO MÄKI Chair of the Board

b. 1974, M. Sc. (Tech), EMBA Board member since 2022

Finavia Corporation. President and Chief Executive Officer 2018-

......

Port of Helsinki Ltd. CEO 2011-2017

Steveco Ltd, Senior Vice President 2006-2011

Stockmann Inc, Logistics Manager 2003-2006

Airport Council International (ACI), Board Member



MARKUS KATARA Member of the Board

b. 1982, M.Sc. (Econ.), LL.M. Board member since 2018

Kemijoki Oy, Deputy Managing Director 2022

Government Ownership Steering Department, Ministerial Adviser 2018-2022 

Castrén & Snellman Attorneys Ltd, Associate Lawyer, 2014-2015, 2016-2018 ......

Ministry of Economic Affairs and Employment, Senior Specialist, 2015-2016

...........

Outokumpu Plc, specialist and administrative duties 2008-2014

Gasonia Ltd. Chair of the Board of 2019-2022

Kemijoki Ltd, Board member 2019-2022



#### TUULA-RIITTA MARKKANEN Member of the Board

b. 1958, Ph.D., International Business and Strategy, M.A. (Marketing) Board member since 2017

Krita Corporate Identity Ltd, Senior partner, Adviser and Interim Director: management consulting, organisational transformation and change management, sustainable development



#### **PETRI PELTONEN** Member of the Board

b. 1962, Licentiate of Science (Technology) Board member since 2018

Ministry of Economic Affairs and Employment, Under-Secretary of State, 2016-

Ministry of Economic Affairs and Employment, Director General, 2008-2016

Ministry of Trade and Industry, Director General, 2007 .....

Tekes, Executive Director, 1999-2006

Business Finland, Vice Chair of the Board of Directors ..........

Finnish Climate Fund. Vice Chair of the Board of Directors

.......... Finnish Innovation Fund Sitra. Board member .....



#### HILPPA RAUTPALO Member of the Board

b. 1974, LL.M. trained on the bench Board member since 2020

Lassila & Tikanoia, Director of Human Resources 2020-

Arctia Ltd. Senior Vice President for Human Resources and Legal Affairs 2018-2019

Unisport-Saltex Group, General Counsel and SVP for HR 2017-2018

Fkokem I td. General Counsel and SVP for HR 2013-2017

Metsä Group, Group Legal Counsel 2000-2007



#### KAJ HAHTONEN Personnel representative

b. 1975, Pilot, Baltic Sea Pilot, Bachelor of Marine Technology (Master Mariner) Board member since 2019

Finnpilot Pilotage Ltd. Pilot 2011-......

State Pilotage Enterprise Finnpilot/ Finnpilot PilotageLtd, Pilot 2007-2010 ••••••••••

Neste Ltd / Fortum Oil & Gas Ltd /Neste Shipping Ltd / Aker Yards Ltd: various duties at sea (primarily deck officer), 1996-2007

European Maritime Pilots' Association, Vice president 2021-

Finnpilot Pilotage Ltd, safety representative 2012-

Finnish Maritime Pilots' Association, Board member and Vice-Chairman 2010-2021

••••••••••

Suomen Laajakaistapalvelu Ltd and Netplaza Ltd, Board member 2008-2014 .....



**AKI SAARTIA** Deputy personnel representative

b. 1975, Pilot Boat Operator Board member since 2017

Finnpilot Pilotage Ltd. Pilot Boat Operator 2011-

State Pilotage Enterprise Finnpilot, Pilot boat operator 2006-2010 



### **Executive Committee 31.12.2022**



#### **KARIKOSONEN** Chief Executive Officer

b. 1965, M.Sc. (Technology). Master Mariner Executive Committee member since 2010

Finnpilot Pilotage Ltd, CEO 2017-.....

Finnpilot Pilotage Ltd, Pilotage Director 2011-2017 .....

Finnish State Pilotage Enterprise Finnpilot, Pilotage Director 2010

Finnish Maritime Administration. Manager of VTS Centre, Senior Inspector, Division Manager, Deputy Director 1996-2010

Various duties at sea (primarily deck officer) 1987-1996

Ice Advisors Ltd, CEO 2014-2017

Ice Advisors Ltd, Chair of the Board ......



#### AKI MARJASVAARA Transport Director

b. 1978, Master of Engineering (Industrial Management). Master Mariner **Executive Committee member** since 2014

Finnpilot Pilotage Ltd, Transport Director 2014-

Port of Loviisa, Port Director 2008-2014

Port of HaminaKotka Ltd, Safety Inspector 2004-2005

Various duties at sea (primarily deck officer) 1999-2007



#### OLLINURMINEN

Human Resources Director and Leading Legal Counsel

b. 1965, Master of Laws, LLM with Court Training, Law Executive Committee member since 2021

Finnpilot Pilotage Ltd, Director of Human Resources and Leading Legal Counsel 2021-

Service Sector Employers Palta, Labour Market Advisor, Negotiations Director 2012-2021

Union of Professional Engineers in Finland, Legal Counsel (energy sector), Supervisor for Legal Services 2010-2011

STUL - The Electrical Contractors' Association of Finland, Lawyer 2006-2009 

Heinola District Court, Court Notary 2005-2006 

Legal Office & Consulting LOC Ov. Lawyer 2003-2005

Numerous jobs in the banking sector as well as in sales and marketing positions .....



#### TIMO SIREN Financial Director

b. 1966 M.Sc. (Economics and Business Administration) Executive Committee member since 2012

Finnpilot Pilotage Ltd, Financial Director 2011-

Finnish State Pilotage Enterprise Finnpilot, Business Controller 2010

Tyco Electronics Finland Ltd, Nordic Finance Manager 1996-2010 •••••

Haka Autorent Ltd. Head of Administration 1993-1994

Ice Advisors Ltd, Board member ......



#### SANNA SONNINEN Pilotage Director

b. 1970, M.Sc. (Technology). Master Mariner Executive Committee member since 2017

Finnpilot Pilotage Ltd, Pilotage Director 2017-•••••

Finnish Transport Safety Agency (Trafi), Head of Department, Director 2010-2017

Finnish Maritime Administration. Director, Development Manager, Senior Officer 2007-2009

VTT, Research Scientist 2001-2007 

Finnish Maritime Administration, VTS Centre, Operator 2001 ••••••

Neste Shipping, Finnlines, different duties at sea (primarily deck officer) 1990-2000 .....

Ice Advisors Ltd, CEO 2017-

SUSTAINABILITY



### Remuneration

Remuneration is utilised to support and promote Finnpilot's strategic areas of focus. We endeavour to offer a competitive remuneration package to both the management and the company's employees. The remuneration should be fair and just and in proper relation to the attainment of goals and the financial result achieved by the company. Our remuneration policy and profit bonus systems comply with the policy put forth by the Ministerial Committee on Economic Policy as a decision-in-principle concerning the State's ownership policy (8 April 2020).

Finnpilot's personnel are covered by the company's profit bonus system. The profit bonus system is used to support Finnpilot's strategic objectives and to encourage the personnel to act in a manner that would ensure the production of high-quality and efficient navigation and safety services. The payable bonus is primarily determined on the basis of the company's profit in accordance with the Act on Personnel Funds (Henkilöstörahastolaki 934/2010) and transferred to the personnel fund. The threshold condition for payment is that the company has achieved its set profit, safety and service level objectives. The achievement rate concerning the profit objective determines the amount of the profit bonus.

All unit directors and the CEO fall within the scope of the profit bonus system for the management. The threshold conditions for



### Paid salaries and fees in 2022

Board EUR 98,800 (2021; EUR 94,000) CEO EUR 189,344 (2021; EUR 184,540) Other Executive Committee members EUR 452,722 (2021: EUR 457,159)

These figures include wages as well as the car and phone benefit of the CEO and the phone benefit granted to members of the Executive Committee

the payment of the bonus are primarily the same as those for the profit bonus system of the personnel. In addition to the general objectives, the amount of the profit bonus of the management is reliant on, among other things, the achievement of safety, service level and responsibility goals, including indicators related to the environment and satisfaction of the employees. Furthermore, personal goals have been set for the unit directors.

The threshold conditions for the payment of the bonus to middle management are primarily the same as those for the profit bonus system of the employees. In addition to the general objectives, the amount of the profit bonus of the middle management is reliant on the achievement of personal objectives, including a financial target. In 2022, there were eight employees within the scope of the profit bonus system for middle management.

The threshold conditions of the profit bonus systems are confirmed by the Board of Directors and are valid for one year at a time.

No profit bonus provision was recognised in the financial statements, because the company did not achieve the profit target required as the threshold for payment. No profit bonuses were paid in 2022.



## Risk management

The purpose of Finnpilot's risk management is to identify risks that potentially threaten the achievement of our goals and to determine the measures necessary to manage them. At the same time, we assess the sufficiency of the measures and the company's risk-bearing capacity. Finnpilot's risk management is based on the company's risk management policy, internal supervision, good corporate governance and ongoing risk assessment.

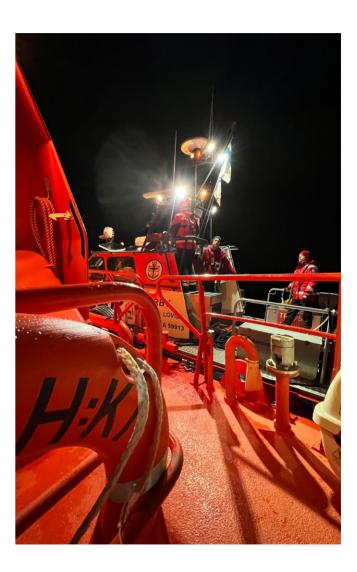
Finnpilot's risk management approach is a continuously developing, systematic and comprehensive process that covers the activities and all risk areas of the entire company. The goal is to assure balance between business risks and profit, to secure the responsible and sustainable development of business activities with consideration for environmental perspectives and to ensure that Finnpilot's activities and services are safe, both now and in the future. Risk-taking cannot fundamentally compromise the company's success or continuity of activities.

Risk management is realised as an integral part of the standard management work and strategic planning. Furthermore, the Executive Committee assesses the company's greatest risks and risk-bearing capacity as part of the annual planning process. A summary of the company's most significant risks is presented to Finnpilot's Board of Directors at least once each year.

The action error analysis and occupational safety risk assessments for pilotage are reviewed and updated at least once each year and in connection with any possible near miss situations or accidents.

The most significant risks identified for 2022 concerned the future of pilotage activities in the Saimaa region, the impacts of Russian sanctions and counter-sanctions and the unforeseen decline in pilotage demand. The risk management methods have been described in the annual review of the Board of Directors.

The risk management policy was most recently approved by Finnpilot's Board of Directors on 21 April 2022.



# Sustainability

Responsibility is at the heart of our mission: to help ships navigate safely and smoothly in the fragile marine environment. We are constantly looking for ways to improve the sustainability of our operations, whether it's climate change mitigation, client satisfaction or the welfare and expertise of our staff. We make our responsibility a reality in our daily work, every day, at all times of the day and night, all year round.



# Sustainability management at Finnpilot

As a state-owned special assignment company, Finnpilot endeavours to be a forerunner in sustainability. For us, being a forerunner means the strong integration of sustainability factors into business activities, goal-oriented CSR management, and concern for people and the environment. In this role, we also seek to challenge our subcontractors and other maritime operators to intensify their own responsibility and sustainability work.

Our operations are guided by Finnpilot's strategy, operating principles, recognised CSR guidelines and principles, as well as international agreements, declarations and recommendations. Through compliance with our values and ethical principles, every employee of Finnpilot can assure that they are working in a responsible and ethical manner. We utilise an anonymous whistleblowing channel maintained by an external service provider to enable anyone to submit feedback concerning our activities or to report observations and violations.

Continuous development with consideration for aspects of responsibility and sustainability is part of our everyday activities.

Our transparent operations and stable financial standing enable us to carry out our special assignment efficiently now and far into the future. Our operations are assessed critically by both internal and external experts. Our quality and environmental management systems have been audited in accordance with ISO 9001. ISO 16001 and ETJ+ standards.

Our sustainability work is overseen by Finnpilot's Executive Committee in accordance with the Responsibility Programme we compiled in 2021. The programme takes all the ESG dimensions (Environmental, Social, Governance) into consideration within Finnpilot's themes of responsibility: environment, employees, customers, society and safety, which is also a component of the first four themes. Our responsibility themes were selected on the basis of an internal materiality assessment carried out in autumn 2020 under the leadership of an independent corporate responsibility consultant as well as on the viewpoints of our stakeholders. As part of our materiality assessment, we assigned each responsibility theme with three areas of focus, targets and indicators by which we will measure our success. Our



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materiality specifications will be updated and the timelines of our Responsibility Programme will be reviewed in connection with our strategy work during spring 2023.

The content and realisation of our Responsibility Programme is reviewed regularly by the Executive Committee and the Personnel and Corporate Responsibility Committee. Finnpilot's Board of Directors has committed to our responsibility goals and monitors the progress of our work in its meetings. In everyday aspects of work, our operational directors and managers are responsible for the practical measures of responsibility work.

From a responsibility perspective, our most significant negative impacts are caused by emissions from pilot transports and the energy consumption of our equipment and properties. We have set a target to halve the absolute amount of the overall emissions of our activities by 2030 (in comparison to 2021). The goals and indicators for our environmental work are described in more detail in this report under the Environment heading.

As part of our risk management work, we have also identified risks related to climate change. Our equipment and properties are vulnerable to extreme weather phenomena, which can cause interruptions in our operations or other disturbances, such as threats to the functionality of mobile networks. The energy transition required to reduce the impacts of climate change causes direct and indirect changes in the price and availability of energy, which is particularly reflected in the increasing costs of pilot transports. At the same time, reducing the impacts of climate change also involves the need for more accurate information and regulation, which requires resources for more detailed measuring, monitoring and reporting of energy consumption and emissions. Our efforts to identify the risks caused by climate change and methods to manage them have only just begun and will carry on as part of our overall risk management work.

We strive to continuously increase our understanding of the sustainability of our supply and subcontracting chains. We monitor the carbon footprint of our outsourced services to the extent possible. In connection with our largest acquisitions, we provide the product or service providers with the specifications of our responsibility requirements in a separate responsibility appendix.

PRINCIPLES OF REPORTING AND GRI

The development of our responsibility work is a continuous process. We make responsibility-related decisions on the basis of the best information we currently have available. We recognise that the choices we make today, such as taking environmentally-friendly technologies into use, may prove later on, as information increases, to be less effective than anticipated or even ineffective. Our Responsibility Programme evolves as information increases and changes.

In this section of the annual report, we report on our level of responsibility in accordance with the themes of our Responsibility Programme. The framework of the Responsibility Programme is presented on the next page.



FINNPILOT



SAFETY	We protect the well-being of nature and the environment.	We assure a safe working environment.	We safeguard the business activities of our customers.	We ensure safe and uninterrupted navigation at sea.
	ENVIRONMENT	PERSONNEL	CUSTOMERS	SOCIETY
OVERALL RESPONSIBILITY GOALS	We prevent environmental damage, minimise the environmental impacts of our activities and safeguard biodiversity.	We support the work ability and well-being at work of our personnel.	We ensure reliable and timely pilotage services.	We secure Finland's security of supply and the provision of pilotage services in all Finnish fairways that require pilotage.
FINNPILOT PILOTAGE LTD	We reduce our overall emissions by 50% by 2030.	We develop the competence of our personnel and ensure shared learning.	We offer homogeneous and uniform pilotage services.	We act with a cost-efficient and long-term approach, even during economically challenging times.
	We increase our own renewable electricity production and take energy-efficient technologies into use.	We continuously advance our occupational safety.	We innovate and develop our activities through active interaction with our customers.	We respond to the needs of an evolving society through dynamic RDI activities and by developing our CSR work.



#### OUR ACTIVITIES PRIMARILY SUPPORT THE FOLLOWING UN SUSTAINABLE DEVELOPMENT GOALS:



UN SUSTAINABLE **DEVELOPMENT GOALS** 



14 LIFE BELOW WATER

DECENT WORK **AND ECONOMIC GROWTH** 

Finnpilot is a responsible employer that ensures the safety and well-being of its personnel. Our activities meet the expectations of the owner and support sustainable financial growth. Weutilise resources efficiently and generate new practices aimed atfurther enhancing our activities.



**CLIMATE ACTION** 

Finnpilot ensures the energy efficiency of its activities and minimises the emissions generated by its vessels and facilities. Our activities help our customers to adapt to the changes brought on by climate change.



By helping ships to navigate safely and smoothly, we do our part to prevent accidents and environmental hazards. Our activities protect the fragile marine environment of the Baltic Sea and Saimaa waterways and prevent water pollution.

LIFE BELOW

WATER



LIFE ON LAND

By securing maritime traffic and preventing environmental accidents...we protect the ecosystems of the coastal areas as well as the natural biodiversity.

#### ALSO THE FOLLOWING UN SUSTAINABLE DEVELOPMENT GOALS. HAVE BEEN TAKEN INTO ACCOUNT IN OUR ACTIVITIES:



INDUSTRY. INNOVATION AND INFRASTRUCTURE

We use environmentally-friendly technologies in our activities. We invest in innovations that improve safety and environmental friendliness. These innovations benefit our customers, the State as owner and the environment. We utilise resources efficiently and sustainably.



PEACE, JUSTICE AND STRONG INSTITUTIONS

Our activities comply with the principles of good corporate governance and we involve our personnel in all decision-making. We prevent corruption and bribing through transparent procurement and other practices. We are active participants in international collaboration for the benefit of maritime safety and to enhance sustainable development practices.



**RESPONSIBLE** CONSUPTION AND **PRODUCTION** 

We ensure the sustainable use of natural resources. We invest in the responsible use of chemicals and ways to minimise waste generation. Our transparent procurement practices emphasise longterm social responsibility.



PARTNERSHIPS **FORTHE GOALS** 

We actively co-operate with our domestic and international stakeholders. We are a vital part of the Finnish security of supply system. We share information about environmentally-friendly solutions and technologies

GOVERNANCE

**FINNPILOT** 





# Safety is the foundation of all our activities

Safety is the basis of our activities and a cross-cutting element of all our responsibility themes. We take safety perspectives into account in all decision-making and assess our work methods with a risk-based approach. With effective observation, we support the building of an open and safe work culture.

In 2022, we worked on, among other areas, the establishment of regular safety tours at the pilot stations and the renewal of life rafts. We campaigned internally for the use of gangways between docks and ships. Together with our employees, we compiled general instructions for the embarkation and disembarkation of pilots. With the entry into force of the instruction calling for the use of helmets to protect one's head and spine at the start of 2022, helmets became part of our standard equipment. The ladder observations we reported contributed to the IMO Safety Committee's decision to initiate improvements to the ladder regulations of the SOLAS agreement. We continued to define the operational condition limits for pilot stations and pilot boarding positions. The aim is to determine clear condition limits for each station, in excess of which interruptions to pilotage service are possible. The station-specific

limits help assure operational predictability for both customers and Finnpilot. We took the first MOB basket for rescuing persons who have fallen overboard into use on an ice-strengthened pilot cutter (read more under Environment & Employees). We created a well-functioning, uniform process for informing all pilotage areas of exceptional circumstances, as well as internally developing an application to simplify and accelerate the communication of exceptional circumstances to stakeholders.

Finnpilot's Safety group, whose members are selected from different personnel groups to serve for a term of one year, focuses on analysing everyday observations, discussing safe operational methods, identifying possible risks and preventing dangerous situations.



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Environmental damages classified as accidents	INCIDENTS
Damages classified as accidents to our own vessels or vessels piloted by our pilots	INCIDENTS

The observations and efficient processing thereof enabled us to make concrete improvements in terms of, for example, occupational safety. In 2022, the number of observations totalled 681 (2021: 876). The reduction is explained, in part, by the decline in the figure for the Saimaa region (2022: 8, 2021: 143).

At Finnpilot, incidents of different kinds and sizes are classified in accordance with their type (accidents affecting employees/ environment/property) and degree of severity (0 = no damage - 5 = catastrophic accident). The classifications are based on aspects of pilotage and transport operations, as well as on international and national guidelines and accident classifications. No damage classified as accidents was sustained by piloted vessels or our own fleet during 2022. Neither did any piloted vessels nor our own fleet cause any environmental damage classified as an accident.

Eight occupational accidents were reported, of which seven occurred during work and one during the work commute. Despite the systematic development of our occupational safety culture,

GOAL	SUCCESS IN 2022	DONE/CONTINUES/ JUST STARTED
No environmental damage classified as an accident caused by piloted vessels	Piloted vessels did not cause any environmental damage classified as an accident.	***
No environmental damage classified as an accident caused by our transport equipment	Our transport equipment did not cause any environmental damage classified as an accident.	***
No damage classified as an accident sustained by our own vessels	Our own vessels did not sustain any damage classified as an accident.	***
No damage classified as an accident sustained by vessels piloted by our pilots	Piloted vessels did not sustain any damage classified as an accident.	***
0 occupational accidents	Eight occupational accidents were reported, of which seven occurred during work and one during the work commute. The number of occupational accidents increased from the previous year.	*&&

the number of occupational accidents increased in comparison to the previous year. Finnpilot's responsibility goal is to achieve a zero incident rate. Improvements in the occupational safety culture continue through training and regular communications.

Our goals regarding the assurance and improvement of safety are also a fixed aspect of our other responsibility themes, which are discussed in later sections.





# We safeguard the fragile nature of the Baltic Sea

Pilotage protects the fragile Baltic Sea from the risks related to vessel traffic and possible environmental accidents. At the same time, the organisation of pilotage activities does leave its mark on the environment. Our goal is to minimise our environmental impacts and do our part to resolve the climate crisis. In this section, we will take a closer look at Finnpilot's environmental responsibility and our impacts on the surrounding nature and society.

Our commitment to sustainable development and environmental responsibility is a matter of honour and an integral part of our mission. We want to contribute to the strengthening of navigational sustainability, the reduction of the environmental impacts of maritime transport and the protection of our shared marine environment and its living species. The coming years will place a great many challenges on us, particularly in terms of the need to develop our equipment in a more environmentally-friendly direction.

From an environmental perspective, the year 2022 was a year of systematic and goal-directed development for us. We have been calculating and reporting the  $CO_2$  emissions caused by the

fuel consumption of our equipment for almost a decade, but we expanded our calculations significantly during the spring of 2022. With the help of external experts, we clarified our overall emissions for 2021, while also delving deeper into the methods for calculating emissions. We repeated those calculations for 2022. You can read more about the results of these calculations later in this chapter.

During the first emission calculation round, we noted that we still have a lot to develop and learn. Data acquisition proved to be arduous and time-consuming. Our network of stations is broad and, for example, our electricity agreements are local in many places. We were forced to compile bits and pieces of information from various sources, since we had no common model for data



### FOCUS AREAS OF OUR RESPONSIBILITY PROGRAMME:

WE PREVENT environmental damage, minimise the environmental impacts of our activities and safeguard biodiversity.

WE INCREASE our own renewable electricity production and take energy-efficient technologies into use.

WE REDUCE our own overall emissions by 50% by the year 2030 (using the level in 2021 as the reference).



Stakeholder survey rating "Finnpilot prevents environmental damage and accidents"

4.34

ON A SCALE OF 1-5

(2021: 4.23)

acquisition. In terms of calculating our overall emissions, we are just at the start of our journey and we accept that the calculations will become more accurate in time.

We regularly review the compliance of our activities with legislation and regulations in connection with our internal auditing and annual management review. Our key acquisitions include a consideration for environmental and energy-efficiency requirements as part of the technical standards and we communicate these to our suppliers already during the invitation to tender phase. We communicate environmental issues to our employees and explain how each one of us can affect the carbon footprint of our actions and protect biodiversity in our daily work.

As part of our environmental impact assessment, we have also extensively identified the environmental viewpoints and expectations of our stakeholders.

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STAKEHOLDER	PERSPECTIVE				
LEGISLATOR AND OWNER	prevention of vessel accidents and related environmental impacts through pilotage				
OWNER	<ul> <li>emission reduction and energy efficiency, environmental awareness in connection with procurement, environmental reporting</li> </ul>				
PORTS	<ul> <li>prevention of vessel accidents and related environmental impacts in ports</li> <li>prevention of seabed erosion during the berthing process</li> <li>life cycle of quays and prevention of damage</li> </ul>				
SHIPPING COMPANIES	prevention of vessel accidents and related environmental in     smooth flow and energy efficiency of winter navigation	npacts			
USERS OF FINNISH WATERWAYS, SMALL VESSEL OWNERS, COASTAL RESIDENTS, FISHERMEN	limitation of wave height from piloted vessels and pilot boats     prevention of fuel emissions     prevention of excessive energy noise, sound absorption     limitation of excessively large prop washes	prevention of the release of toxic paint into nature     tretment to remove nutrients from archipelago property wastewater     prevention of excessive water consumption			
RESCUE AUTHORITIES	<ul> <li>mutual assistance for the prevention and control of environ</li> <li>immediate prevention and containmentr of own oil spills</li> <li>observations of oils spills in the sea</li> </ul>	mental accidents			
SOCIETY	<ul> <li>energy-efficient use of engines; climate change and air qua</li> <li>safe pilotage of damaged or possibly sinking vessel to a place of refuge</li> <li>emission class and condition of engines; air quality</li> <li>avoidance of ennecessary electricity consumption when warming pilot boat engines, external railings and pilot bridges; climate change</li> </ul>	lity • energy efficiency of properties and lightning; climate change • use of renewal energies for properties and vehicles • waste sorting, limitation of waste amount, recycling, use of recovered materials			

**FINNPILOT** 

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- A risk was observed in the pump of the station's spillproof fuelling system, but it was repaired before any damage occurred. The possible risk was checked and repaired in other similar pumps as well.
- There were deficiencies in the markings on the waste disposal bins of one station. The markings were corrected.
- In connection with the oil change on a vessel, a
  coupling opened and a small amount (approx. one
  litre) of oil sprayed onto the deck and into the sea.
  The coupling was fixed and the damage from the leak
  was minimised using oil absorbent cloth.
- Deficiencies were noted in the chemical collection sumps in the storage area of one station. New collection sumps were acquired.
- The coupling of a boat's refuelling hose had leaked approximately 10 litres of fuel into the spill containment tray. The tray was emptied properly.
- Four observations concerned trails of oil spotted in the environment. The necessary authorities (depending on the case, VTS, a port, Finnish Board Guard) were notified of the observations immediately in order to minimise the damage.



#### OUR MOST SIGNIFICANT ENVIRONMENTAL IMPACTS & THE ENVIRONMENTAL CONCERNS OF OUR STAKEHOLDERS

We regularly address the environmental concerns of our stakeholders and update the assessment of environmental impacts caused by our activities. We assess our possibilities to affect both positive and negative impacts.

Pilotage has significant positive impacts on the environment. In addition to ensuring the safe passage of vessels, we actively report observations concerning vessel deficiencies and the environment. Relaying information to the authorities early on may, in the best case scenario, prevent greater damage to the environment and people. Our goal is, in the future, to be able to also strengthen the environmental handprint of pilotage by increasing our influence, for example, on the cruising speed of piloted vessels when possible. Finnpilot established an internal working group to investigate the company's possibilities for influence.

The most significant portion of our direct negative environmental impacts is derived from the GHG emissions from our pilot boats. Of our overall emissions in 2022, the share caused by boat transports totalled 67%. Later in this chapter, we will talk more about the measures by which we endeavour to achieve substantial emission reductions in the coming years.

The electricity generation required to heat our transport equipment also places a burden on nature. During 2022, our utilised electricity was 80% emission free, but we are still also utilising electricity generated by fossil fuels. Our goal is to make the shift to using only fossil-free electricity. We are also annually increasing our own electricity production by building at least one wind or solar power plant to help power our pilot stations. In autumn 2022, we initiated an extensive electricity savings project involving employees from several pilotage areas. The project examines different savings measures and those that prove to be the most effective will be adapted and replicated for all our pilot stations.

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**GOVERNANCE** 



### Number of vehicles and properties













ice-strenghtened

hydrocopters

substations

AVERAGE AGE OF THE FLEET (YEARS)	2018	2019	2020	2021	2022
Pilot cutters	15.6	16.6	17.6	18.6	19.0
Fast pilot boats	13.1	13.2	12.9	13.7	13.2



Finnpilot operates using steel-framed pilot cutters for icy conditions, aluminium fast pilot boats, hydrocopters that travel over the ice, and cars. Our station network is comprised of continuously manned pilot stations and substations that do not have permanent personnel.



Finnpilot's pilotage areas and station network are presented on our website.

#### A YEAR OF EQUIPMENT **DEVELOPMENT AND MAINTENANCE**

The year 2022 was a year of equipment development and maintenance for Finnpilot. More than one third of our ice-strengthened pilot cutters were docked for maintenance purposes during the year. In 2022, we developed the related project planning, the content of our invitations to tender and project supervision. A lot of the docking involved reducing the maintenance backlog, and the projects were more extensive than in previous years. As 2022 was characterised

by a general rise in prices, the price of vessel investments was also higher than originally estimated. Problems in the logistics chains delayed deliveries of devices and components, thereby also slowing the progress of investments.

The new L248 interseasonal pilot boat was ready for use in 2022 and proved to be highly seaworthy and low in consumption. We confirmed the order of two optional boats to be ready in 2023. Also, the first lifecycle extension investment for an icestrengthened pilot cutter was completed. The project also included a new type of MOB rescue basket that significantly facilitates the rescue of persons who have fallen overboard.

The carbon footprint of the fleet increases relatively over time, which emphasises the importance of long-term planning. Equipment investments are made at a steady rate so that the aging of the vessels that are in heavy use will not result in a cumulative need for repairs and renewals. We strive to recycle our old equipment as far as possible During 2022, Finnpilot sold three fast pilot boats with aluminium hulls and one pilot cutter with a steel hull. Reducing our fleet by

unloading vessels that are less frequently used helps us to focus our maintenance and upgrades on those vessels that are in active use.

In the coming years, our emission reduction targets will require us to make significant investments in low-emission technology. As part of our investment programme, we are planning multiple equipment investments that will facilitate a reduction in the carbon intensity of pilot transports.

Read more about the development of our fleet on Finnpilot's website (in Finnish)



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#### OUR GOAL IS A 50% REDUCTION IN EMISSIONS BY 2030

The International Maritime Organisation (IMO) has set multiple environmental targets as a means of reducing the environmental impacts of navigation in accordance with the Paris Agreement. As our owner, the Finnish state requires its companies to take into account the target of a carbon neutral Finland by 2035 and the targets of the Paris Agreement, aimed at limiting global warming to 1.5 degrees Celsius.

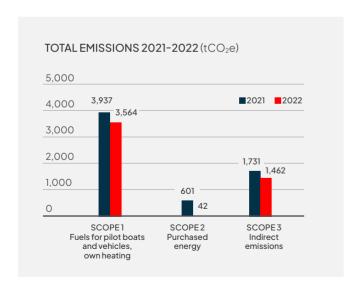
In spring 2022, we calculated the amount of our total emissions (for 2021) for the first time, and the calculations will be repeated for 2022. According to the recommendations of the working group on

fossil-free transport, as commissioned by the Ministry of Transport and Communications, our target is to halve the absolute amount of our overall emissions by 2030 (in comparison to the figures for 2021). The target encompasses Scope 1 (direct GHG emissions), Scope 2 (GHG emissions from the generation of purchased energy) and Scope 3 (indirect emissions, e.g., waste maintenance) of the Greenhouse Gas Protocol.

The calculation of our overall emissions still involves several uncertainties. The calculation of Scope 3 emissions, in particular, will need to be further specified in the future. For the Scope 3 calculation, we utilised Hansel's Procurement Pulse tool, which

provides increasing amounts of more detailed information. We also have not been able, for example, to assess the impact that building our own solar and wind plants has on our overall emissions.

In addition to reducing our overall emissions, our goal is to halve the relative carbon dioxide emissions from vessel fuel consumption (tCO $_2$  per pilotage assignment) by the year 2030. In order to get closer to the IMO reference level from 2008, we have set our reference level to that of 2013, which was the first year for which we have emissions data. The development of fuel consumption and CO $_2$  emissions of transport vehicles is shown in the table below.



#### FUEL CONSUMPTION AND CO2 EMISSIONS OF TRANSPORT EQUIPMENT (YEAR OF COMPARISON 2013)

	2013 (year of					
	comparison)	2018	2019	2020	2021	2022
Number of pilotages	21,919	22,519	22,716	18,589	18,245	20,223
Consumption (liters)	1,898,056	1,842,059	1,781,934	1,555,638	1,579,229	1,595,679
Consumption liters/pilotage	86.6	81.8	78.4	83.7	86.6	78.9
CO <sub>2</sub> emissions in total (tCO <sub>2</sub> )	4,502	4,303	4,162	3,632	3,777	3,575
CO <sub>2</sub> emissions / pilotage (tCO <sub>2</sub> )	0.205	0.191	0.183	0.195	0.207	0.177
Change in CO₂ emissions compared with previous year		-0.4%	-4.1%	6.6%	5.9%	-14.6%
Change in CO₂ emissions compared with 2013		-7.0%	-10.8%	-4.9%	0.8%	-13.9%

For comparability reasons, the pilotages of Saimaa area and the fuel consumed in the Saimaa region have been removed from the figures also in 2013-2021.

 $CO_2$  emissions have been calculated on the basis of Statistics Finland's Fuel Classification 2022, using DEFRA2022 data as the conversion factor. For HVO fuel oil, the emission factor has been calculated assuming that the HVO used reduces  $CO_2$  emissions by 90%. The figures include consumption by boats, cars and hydrocopters. Fuel consumption and  $CO_2$  emissions are calculated on the basis of annual fuel deliveries and vehicle kilometres. Changes in fuel stocks have been taken into account in the fuel consumption figures.

The emission figures for different years are not fully comparable as they are affected by variations in weather and winter conditions and service demand.

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#### **ELEMENTS OF OUR EMISSION REDUCTION PATH**

The following methods, among others, help us to reach our emission reduction targets:

- Investments in new vessels (possibly the use of, e.g., electric/hybrid vessels)
- More eco-friendly energy sources (increased use of, e.g., HVO biofuel)
- Transition to 100% emission-free electricity (mainly achieved during 2022)
- Investments in more energy-efficient and environmentally-friendly technologies
- Gradual transition to carbon-neutral outsourced services
- Transition to exclusive use of electric cars
- Development of transport planning
- Efforts to promote more energy-efficient driving behaviours



Our total emissions in 2022 (5,068 tCO<sub>2</sub>e) decreased

compared with 2021 (6,269 tCO<sub>2</sub>e)

In order to help us achieve our emission reduction targets, we established an emission reduction programme for the years 2022-2030. The programme is comprised of multiple elements, the combined impact of which equates to -50% by 2030. During 2022, we sought a 7% reduction from the level of 2021. We succeeded excellently in our goal by reducing our overall emissions by as much as 19.2%. Along with the increased use of HVO biofuel, switching to emission-free electricity played a significant role in achieving the target.

Along our emission reduction journey, we have identified multiple challenges that we must resolve in order to achieve our ambitious goals. The biggest of these concerns fuel solutions for our fleet. Some of our fast pilot boats use HVO biofuel as their energy source. During the manufacturing phase, this seemed to be a highly efficient alternative in our endeavour to reduce emissions. It turned out, however, that the use of HVO slightly increases the relative fuel consumption (litre/pilotage assignment) of the pilot boats. Despite the relative increase in consumption, the total of our

Scope I emissions has decreased since the introduction of HVO biofuel. We will continue our search for more suitable renewable energy sources.

The emission reduction path and annual reduction targets are intended to spur us along on our journey, but we also accept that progress towards our emission reduction targets may not necessarily advance annually as planned. The calculations are revised annually, for example, to include emissions from our outsourced services, whereby we may even see an increase in our calculated emissions for some years.

#### WASTE AND WATER

Our waste management services have primarily been arranged locally at our pilot stations located around Finland. Some of the stations are located in difficult places in terms of logistics, such as islands and at the end of long archipelago roads. Waste sorting has been arranged at those stations where it is possible to do so as part of the service provided by local waste operators. In 2022, we endeavoured to specify our waste calculations in a centralised manner and conducted a survey among all our stations on the total amount of waste by waste type. We discovered, however, that it is not possible, with our current local waste management agreements, to acquire accurate calculations of specific waste amounts. We will continue to work on standardising our waste management agreements and to develop the calculation of waste amounts at all stations throughout Finland during 2023.

When it comes to water consumption, our calculations are evolving. In 2022, we received data from a total of ten pilot stations. The total water consumption at these operational sites was 2,144 m<sup>3</sup>.

rt YEAR 2022

GOVERNANCE



#### **BIODIVERSITY**

The use of pilot boats has immediate impacts on the environment, particularly in the form of waves and propeller wash. The negative impacts include, for example, coastal erosion caused by mechanical weathering and resulting changes in the vegetation and microorganisms of the coastal zone as well as in the fish populations in and around the fairways. Propeller wash can also disturb seawater stratification, particularly in the summer, when the mixing effect can bring the nutrient-rich bottom water up to the surface. This phenomenon contributes to the growth of algae. Our boats also produce noise, which may have a negative effect on nature, animals and people in close proximity to the fairways.

The paints used to protect the bottom of the pilot boats dissolve and chip off in the waterways due to wear and tear. In 2022, we piloted a pesticide-free, ultrasonic vibration-based sanitation

system on two of our boats. During spring 2023, we will conduct a trial using eco-friendly, anti-fouling paint solutions that, if successful, can be expanded to the rest of our fleet.

We are able to reduce the damage caused by wave formation and propeller wash as well as the negative impacts of noise by taking these issues into consideration in the hull design of our boats and by observing the mandatory speed limits set for the areas in which we travel. Travelling strictly in designated fairways, as far as possible, also helps to minimise the impact of waves and propeller wash. In addition to our own vessels, wave formations created by piloted vessels within the narrow archipelago fairways also have an impact. This issue is part of the larger discussion on the environmental handprint of pilotage, which is being advanced by Finnpilot's internal working group.



Stakeholder survey rating "Finnpilot aims to reduce its own environmental and climate impacts"

4.18

ON A SCALE OF 1-5

(2021: 3.78)



# ALL OPERATIONAL LOCATIONS OF FINNPILOT HAVE BEEN GRANTED ISO 14001 AND ETJ+ CERTIFICATION

Our environmental and energy efficiency development programme extends to all of Finnpilot's activities, including pilotage and transport activities, our property management as well as the company's administration.

Four internal environmental audits were conducted during 2022. The audited stations are located in Kaskinen, Rauma, Emäsalo and Orrengrund.

The personnel's familiarity with environmental issues on the everyday level was good and they have the right attitude towards environmental considerations. The necessary reports concerning any observed deficiencies were drawn up and corrective measures implemented.

One area for development was the need to communicate more information on the content of the environmental and energy-efficiency certifications on the local level, for example, in connection with station meetings or safety tours. Environmental matters were put on the agenda for station meetings to be held during spring 2023.

**FINNPILOT** 



GOAL	SUCCESS IN 2022	DONE/CONTINUES/ JUST STARTED
We will calculate our overall emissions (Scopes 1, 2 and 3) and establish an emission reduction path for the years 2021-2030.	We completed our calculations and established an emission reduction path for 2021-2030.	***
We will implement lighting renovations to promote energy-efficient internal lighting at a minimum of two stations per year.	Lighting renovations were carried out at the Kokkola and Raahe stations.	***
We will pay special attention to the cataloguing and storage of chemicals at the stations.	We renewed our chemical catalogue to make it easier to use. The storage of chemicals at the stations has improved considerably, but we must remain on top of the matter.	***
One renewable power plant each year: we will acquire a wind power plant for the Emäsalo station and solar power plant for the Harmaja station.	We took the wind power plant into use at Emäsalo, but there were difficulties in starting up production. The solar power plant at Harmaja was built in autumn 2022 and will be connected to the grid in early 2023 when the electricity transmission company changes.	***
We will make the gradual shift to low-emission vehicles; at least 40% of the cars purchased during the year will be electric cars.	Two all-electric cars were ordered, but due to global delivery difficulties, neither vehicle was delivered in 2022. We took one new diesel car into use during the year.	***
Environmental issues will become part of our everyday work: we will initiate environmental card training for our employees.	Our internal environmental audit showed that our employees are not yet sufficiently knowledgeable about environmental issues and the related standards and certificates. The matter was put on the agenda for the round of station meetings taking place in spring 2023. With the introduction of our online learning environment, we decided to create our own environmental training course specifically tailored to our needs. The training will be published in spring 2023 and completed by all employees of Finnpilot.	***
We will expand our spill-proof fuelling system to all of Finnpilot's stations.	We installed the spill-proof fuelling system at Isokari and Uusikaupunki.  The entire fuelling system at Kaskinen station had to be renewed as an urgent measure in 2022 and, as a result, the installation of spill-proof fuelling systems at Pori, Hanko and Porkkala were postponed until 2023.	***
We will report the total amount of waste at our sites, broken down by waste type and treatment method, and compile detailed information on shipments of hazardous waste.	We specified our information on the transport of hazardous waste and conducted a survey of the total amount of waste by type of waste at all our stations. It turned out, however, that it is not possible, with our current local waste management agreements, to acquire accurate calculations of specific waste amounts. We will continue to work on standardising our waste management agreements in 2023.	*&&
We will report information on endangered and rare species that occur within the areas of influence surrounding our operational locations, and we will list protected or high biodiversity areas close to our stations.	We conducted a survey for the pilot stations and substations in the Bay of Bothnia area, but our resources were insufficient for an overall survey of the entire station network. A survey and possible action plan will be commissioned in 2023.	*&&
Through our equipment management system, we will collect data on the electricity and water consumption of all our stations.	The data collection methods were improved, but overall automation of the system was not achieved. This work will continue in 2023.	*&&





### Together we are building a sustainable future

The success of our safety work rests on the strong professional competence of our employees. Operating within a changing world calls for constant adaptations and the solid commitment of the employees to our shared goals. In 2022, we had already become accustomed to dealing with the demands of COVID-19, but the year introduced new insecurity factors when Russia attacked Ukraine.

#### A YEAR OF UNCERTAINTIES

In February 2022, Russia attacked Ukraine and vessel traffic in the Saimaa Canal ended. The situation led to a rapid decrease in the need for pilotage services. The beginning of 2022 immediately forced us to tackle this difficult challenge as we endeavoured to find solutions that would minimise the impact of the situation on our employees.

During the year, we conducted two rounds of change negotiations concerning the pilots, pilot boat operators and pilot dispatch for the Saimaa area. A total of 67 persons fell within the scope of the change negotiations. The result of the first round of negotiations,

held in March-April, was the temporary lay-off of 35 employees. The second round of negotiations was held between May and July. As a result of the second round, we were forced to make tough decisions, including dismissals. In July, Finnpilot decided to lay off 17 employees. Additionally, seven employees had to be dismissed for financial or production-related grounds.

The negotiations were conducted in a spirit of excellent collaboration with employee representatives and succeeded in finding solutions that enabled us to offer work in other areas of the company during 2022 to a considerable number of the Saimaa area employees. Throughout the entire process, our primary aim



WE SUPPORT the work ability and well-being at work of our personnel.

WE DEVELOP the competence of our personnel and ensure shared learning.

WF CONTINUOUSI Y IMPROVE occupational safety.





Finnpilot is an attractive long-term employer: most employment relationships end with retirement

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was to take care of all our employees who were working, laid off or dismissed. We promoted the re-employment of the dismissed workers by providing guidance on career opportunities and job-seeking in co-operation with the TE Office and an expert company providing employment services. We worked closely with our occupational health provider to ensure that everyone had the support they needed to process the experiences brought about by this situation.

As during the previous year, we piloted numerous ships which had a suspected case or confirmed cases of COVID-19 into and out of Finnish ports. Remote working was only possible for administrative employees and, to a limited extent, for pilot dispatchers. In order to prevent the spread of COVID-19, we continued with the practices

already in place from earlier years, updating them as necessary. Due to the sensitive nature of our operations, we continued to maintain our own strict instructions and policies, even after the rest of society began its return to a state of normalcy. We maintained close communications with the health authorities and our occupational health provider. Despite occasional resource challenges, the exemplary actions of our employees made it possible to maintain our normal service level.

Even with the challenges presented by the situation in the Saimaa area, we continued to work towards the goals of our Responsibility Programme. In regard to our employees, we monitor, among other things, their job satisfaction, the share of absences due to illness in relation to overall working hours, and the advancement of their competence. We advance aspects of well-being at work, competence and the development of our work community in

accordance with the Work community development plan drafted in 2022. The plan will be further specified and updated as necessary at the meetings of our Co-operation Committee.

### INFORMATION ABOUT THE PERSONNEL AND EMPLOYMENT RELATIONSHIPS

At the end of 2022, Finnpilot employed 320 persons, 291 of whom were in permanent and 29 in fixed-term employment relationships. The mean person-years worked in 2022 was 299. Finnpilot's personnel is primarily comprised of experienced seafarers, with the average age being 52.4 at the end of the year. A total of 91 per cent of the personnel are men. Finnpilot is an attractive long-term employer, with most employment relationships ending with retirement. The average retirement age for Finnpilot employees in 2022 was 62.3 years.

#### NO. OF PERSONNEL BY FUNCTION

	2018	2019	2020	2021	2022
Pilots (incl. district managers)	148	151	147	140	131
Pilot boat operators	145	145	143	145	142
Pilot Order Centre	20	21	21	21	22
Hostesses and houskeepers	6	6	5	5	6
Administration	21	23	21	21	21
Total	340	346	337	332	320
Mean person-workyears during the year in review	324	336	333	325	299



### NO. OF OPERATIONAL PERSONNEL BY AREA\*

	2018	2019	2020	2021	2022
Bay of Bothnia	64	63	62	60	70
Archipelago Sea-Bothnian Sea					
(combined since year 2021)	93	89	94	74	80
Hanko-Helsinki (combined since year 2021)	56	59	54	69	76
Kotka-Saimaa (combined since year 2021)	86	91	85	87	51
Total	299	302	295	290	277

<sup>\*</sup> The numbers have been combined in accordance to new pilotage area division

### TYPE OF EMPLOYMENT, PERMANENT/FIXED-TERM

	2018	2019	2020	2021	2022
Permanent	310	322	315	308	291
Fixed-term	30	24	22	24	29
Total	340	346	337	332	320

### NATURE OF EMPLOYMENT, FULL-TIME/PART-TIME

	2018	2019	2020	2021	2022
Full-time	325	340	328	322	306
Part-time	15	6	9	10	14
Total	340	346	337	332	320

### PERSONNEL DISTRIBUTION, MALE/FEMALE

	2018	2019	2020	2021	2022
Male	310	313	307	304	291
Female	30	33	30	28	29
Total	340	346	337	332	320

### BOARD OF DIRECTORS (INCL. PERSONNEL REPRESENTATIVE AND DEPUTY PERSONNEL REPRESENTATIVE), MALE/FEMALE

	2018	2019	2020	2021	2022
Male	4	4	4	4	5
Female	3	3	3	3	2
Total	7	7	7	7	7

### EXECUTIVE COMMITTEE, MALE/FEMALE

	2018	2019	2020	2021	2022
Male	3	3	3	4	4
Female	2	2	2	1	1
Total	5	5	5	5	5

### AVERAGE AGE OF PERSONNEL BY FUNCTION AT THE END OF THE YEAR

	2018	2019	2020	2021	2022
Pilots (incl. district managers)	52.0	51.7	52.2	52.1	52.4
Pilot boat operators	51.0	50.1	51.5	50.5	50.3
Pilot Order Centre	42.0	42.5	42.0	43.0	44.4
Hostesses and houskeepers	60.0	60.0	60.0	60.4	63.5
Administration	48.0	48.9	49.9	51.0	52.0
All personnel	50.6	50.5	51.0	51.0	51.4

### REASONS FOR TERMINATION OF EMPLOYMENT AND RETIREMENT AGE

	2018	2019	2020	2021	2022
Retired	14	11	17	16	18
Cancelled employment contract	7	4	5	3	8
Terminated employments in total	21	15	22	19	26
Average retirement age, in years	62	63	64	64.1	62.3





The most significant changes related to personnel are processed in Co-operation Committee meetings chaired by the CEO. The committee discusses company-related matters and other matters that are fundamental in terms of principle and far-reaching in terms of impact. In the meetings, the employer is represented by the CEO as well as members of the Executive Committee and experts. The employees are represented in the meetings by shop stewards and other personnel representatives. The Committee convened four times during 2022.

Finnpilot's Occupational Safety Committee is comprised of the Occupational Safety Manager as chair and eight regionally selected members who are occupational safety and health representatives in their own area. The aim of occupational safety co-operation is to advance the dialogue between the employer and employees and to facilitate the participation and influence of employees in matters related to safety and health within the

workplace. The Occupational Safety Committee annually reviews and discusses the follow-up summary detailing the realisation of the occupational safety and health plan.

Finnpilot's employees have full freedom of association and the right to join, for example, a trade union. We wish to maintain active dialogue between the management and employee unions. During 2022, we conducted four situational reviews, in which we worked towards a common understanding and direction for the challenging year.

### WORK ABILITY AND WELL-BEING AT WORK

Work at the pilot stations and the Pilot Dispatch Centre is carried out through irregular shifts, which places a physical and mental strain on the employees. The work at the stations is carried out using a week on/week off system and pilot coordinators work in three shifts over each 24-hour period. Sufficient rest and recovery play a vital role in coping at work. We systematically monitor the realisation of rest periods and impact of rest on recovery and analyse the data to identify any possible needs for development.

Finnpilot supports communal well-being at work and exercise by paying the participation fees for its personnel to take part in different sporting events and by providing an annual recreational benefit to help encourage the physical activity of the personnel. We arrange exercise opportunities for employees who reside at pilot stations during the work week, based on their requests.

We want to support coping during long work careers and are working with employees and the occupational health provider to develop a model for maintaining work ability throughout one's

career. The work to develop a more comprehensive work ability management model will begin during 2023.

Finnpilot has multiple models and guidelines designed to support well-being at work, such as the early support and crisis support action model, guidelines for the prevention of substance abuse. and procedures for identifying and addressing harassment and inappropriate treatment. We want to highlight ways of addressing situations, helping to choose the proper time for intervention, outlining the content of meetings and deciding on follow-up measures. Our employees also have the possibility to use the Mielen Chat mental health service provided by our occupational health provider.

We uphold a work culture that facilitates the flexible harmonisation of work and personal life. At Finnpilot, we encourage employees to make use of family leaves. The possibility to take paternity leave has been used to an increasing extent. In those positions where it is possible, we can adapt to situations using flexible working hours and remote working. There is a working hour bank system in place for the administration, pilots and pilot boat operators. Employees have had the possibility to exchange part of their holiday pay for time off. The use of job alternation leave has decreased from earlier years due to a change in the provisions concerning the leave. It is, however, still possible to take job alternation leave.

Remote working is here to stay. The need for office space for employees working at Finnpilot's headquarters decreased as a result of the COVID-19 pandemic, when an even greater number of work tasks were adapted so that they could be done from a remote terminal. In May 2022, the administration and Pilot Dispatch Centre moved from their previous location to facilities nearly half the size,



in terms of square metres, in the Ruoholahti area of Helsinki. The employees were involved in the process and their opinions played an essential role. The selection and design of the new facilities were driven by a space concept that would nurture different ways of working, with a common 'living room' that would support a hybrid approach to work. It was also important to design the space in order to bring the administration and pilot dispatch employees together as a more solid work community. The end result was an office that supports hybrid work and will, in the coming years, also bring significant cost savings. The expressed desire for the work environment to be in proximity to the sea was also realised.

During the year, the pilot station in Turku was moved to a new location in Naantali. Excellent feedback was given on the new premises by those working in the Archipelago Sea region. We have a plan for the systematic development and renovation of the premises of our station network. Our aim over the next few years is to systematically modernise the interior of several stations.

Well-being at work and work satisfaction are measured at Finnpilot each year through a personnel survey. The survey serves as the foundation for improving and developing well-being at work through co-operation with the personnel, supervisors and management. The results and their development are compared to earlier years and, more broadly, with the results of other companies. The results are discussed within the different functions and pilotage areas, together with our employees. On the basis of the discussions, we identify and select the key development areas and specific issues to be developed. The response rate for the personnel survey conducted in autumn 2022 was 72.3% (2021: 78.5%). The overall rating for the employer was 4.6 on a scale of 1-6 (2021: 4.6).

Positive ratings at the company level were given, in particular, for the organisation of work within the work units, the equity of remunerations and the reasonableness of the workload. Areas for improvement included, in particular, opportunities to influence the development of work unit activities. A decrease was also observed in the rating given for the correct direction of the company's development. The uncertainties brought about by exceptional years have provided challenges for management. On the basis of the results, there is a need for more joint discussions. Our annual schedule now includes four reviews presented to the entire personnel by the CEO. Additionally, the management will endeavour to make more visits than was possible during the COVID-19 years for the purpose of engaging in joint discussions.

A decrease in the response rate of the personnel survey from the peak of 84.5% in 2020 has been noted, and the aim is to raise the percentage again. As regards development discussions, our aim is for all Finnpilot employees to participate in a development discussion each year. In 2022, altogether 79% of Finnpilot employees participated in a development discussion. The trend in the response rate of the personnel survey and the number of participants in development discussions during 2022 can, perhaps, be explained in part by the challenges of the ongoing exceptional years from COVID-19 to the Saimaa situation.

### WORK SATISFACTION OF PERSONNEL AND SURVEY RESPONSE RATE

	2018	2019	2020	2021	2022
Response rate	74%	81%	85%	78%	72%
Overall rating for the employer	47	4.6	47	4.6	4.6
employer	4.7	4.0	4.7	4.0	4.0

Overall rating for the employer

ON A SCALE OF 1-6

### TRAINING AND DEVELOPMENT

Shared learning is one of our values. The framework for shared learning is our own internal training system, *Finnpilot Academy*, under which we provide induction and train all our new colleagues in their new duties and work safety requirements. We encourage our employees to continuously develop and enhance their professional skills. In addition to our centralised training, local training and development opportunities play a significant role in the learning of our work community.

In 2022, alongside the Training Path for New Pilots launched the previous year, we developed a similar path for new pilot boat operators, which will provide a more systematic introduction to the different roles of the boat crew. The path was established by a working group consisting of pilot boat operators representing different pilotage areas and was launched in autumn 2022. Read more about it on Finnpilot's website.

Generally, pilots are experienced master mariners, whom Finnpilot has trained to serve as pilots. In addition to everyday pilotage operations and piloted voyages executed specially for



During the year, 11 people completed the management training programme we arrange for new supervisors.

the purpose of maintaining the validity of a pilot license, pilots maintain their vocational expertise through, for example, simulator exercises, escort towage training and training courses on areas of competence required by the authorities. The qualification requirements for pilots are defined in the Pilotage Act, the reform proposal for which progressed to the Parliament for review in 2022. Upon entry into force, the reformed Pilotage Act will bring Finnpilot new obligations for the development of its pilotage training system. During 2022, we developed our training system so that we will be able to approve pilotage examinations in accordance with the new Pilotage Act. Our qualified examiners will provide examination services to both our own pilots and to ship officers who wish to obtain pilot exemption certificates. This work will continue during spring 2023. Read more about the reform of the Pilotage Act under Responsibility: Society.

Through co-operation with Meriturva, we organise station-specific rescue training for pilots and pilot boat operators as well as individual safety and rescue courses. All Finnpilot employees are

offered first aid training by work units, basic and further training for occupational safety personnel, work-related information system training and other work-related training that is assessed as necessary through annual development discussions.

SUSTAINABILITY

The navigational training series was continued for pilot dispatchers, the first part of which focused on ships and their operation, and the second on official matters that are crucial for pilotage. The training was led by, among others, representatives from the Finnish Meteorological Institute, Traficom and the Finnish Transport Infrastructure Agency.

In order to support the development of the Finnpilot Academy, we built and launched a digital learning platform that facilitates the organisation of training and monitoring of progress on the individual level. The learning platform provides a way to participate in training that is not dependent on time or location. When selecting the platform, special attention was paid to the usability and intuitiveness of the platform.

Training was held for supervisors both online and in person. In March, the relevant parties convened in Teams to process the Saimaa situation, development discussions and topical safety and security areas. The spring seminar for supervisors included discussions on the development of communications within the pilotage process, upcoming changes in pilot dispatch, processing of observations and assessments of work-related risks, safety tours and the updating of emergency guidelines. The topics also covered contingency planning, the processing of data from the vehicle system and the results of the change negotiations conducted in the spring. The autumn seminar for supervisors included discussions on job descriptions and task lists, the reform of the order process, occupational safety issues and the impacts of the possible Pilotage Act reform on our operations. Responsibility issues were also presented from a number of perspectives. During the year, 11 people completed the management training programme we arrange for new supervisors.

We develop our pilotage process along with the general development in maritime transport. We listen closely to the needs of our customers to ensure our capability to offer an excellent customer experience. The development of daily work methods requires our employees to continuously engage in further training. Among other actions in this area during 2022, we continued to develop the HR information system that we took into use in 2021, moved our order process to an electronic application and further developed our vehicle monitoring system as well as the monitoring of the energy consumption of our properties.

### OCCUPATIONAL HEALTH AND OCCUPATIONAL SAFETY: EVERYONE SHOULD ARRIVE HOME SAFELY AND **HEALTHY**

Our aim is to guarantee a healthy and safe work environment for our employees. Pilotage and pilot transports are physically demanding work within a challenging environment. Moving about on a boat or ship deck, on pilot ladders or on guays and outdoor fields in slippery and dark conditions presents a heightened risk of occupational accidents. Occupational accidents and sick leaves complicate resource planning and cause the accrual of direct and indirect costs. Replacing and regaining knowledge and expertise lost due to long-term sick leaves may take a long time in tasks that call for solid experience.

Our occupational health service includes statutory preventive occupational health care and voluntary medical care for the treatment of acute illnesses. We invest in preventing absences due to illness as well as reducing the duration of sick leaves. We encourage our personnel to contact their own occupational health physician as soon as they notice any changes in their health situation. By immediately addressing problems that threaten work ability, we can, in the best case scenario, completely avoid sick leaves among vessel crews as well as the need to wait for exceptional permits to the medical certificate.

We are committed to the continuous improvement of safety. In order to minimise and prevent the risk of accidents at our pilot stations, we organise regular safety tours and occupational safety training. We have an occupational safety and health plan in place and its realisation is overseen by supervisors. We endeavour

to effectively identify risks related to accidents at work and to communicate the identified risks actively. Our intranet and weekly newsletters have a separate section dedicated to safety issues.

We are members of the Nolla tapaturmaa (zero incidents) forum coordinated by the Finnish Institute of Occupational Health and actively communicate themes raised in this forum. We invest in a positive safety culture and emphasise that everyone has the opportunity to affect the safety of our work environment.

During 2022, Finnpilot employees experienced a total of 8 occupational accidents, of which 7 occurred at work and 1 during the work commute. Obviously this is an area that still needs development. We believe that occupational safety is generated every day in our daily work together with others. We promote open and continuous dialogue on HSE matters and focus on developing a positive safety attitude as well as safety skills and behaviours on all levels of the organisation. Supervisors are responsible for the realisation of occupational health and safety, but we expect all the members of our community to take responsibility for ensuring a safe, health-promoting workplace. Everyone is obliged to address any dangerous conditions and observed risks.

During the year, we conducted 17 occupational safety and health inspections at our pilot stations and on our vessels. Any deficiencies noted during the inspections were communicated with the stations. Although there were some noted issues, the overall feedback from the inspections was that the work is being carried out well and safely.

### OCCUPATIONAL ACCIDENTS

	2018	2019	2020	2021	2022
No. of accidents (incl. first-aid cases)	5	16	11	7	8
Absences due to accidents, days of work	143	265	385	842	465
Accident frequency, accidents per million working hours (occurring at work)	5	20	10	5	15

#### OCCUPATIONAL HEALTH CARE COSTS. %

	2018	2019	2020	2021	2022
Medical care	40.8	47.3	45.5	41.0	42.5
Preventive care	59.2	52.7	54.5	59.0	57.5
Total	100.0	100.0	100.0	100.0	100.0

### **ABSENCES**

	2018	2019	2020	2021	2022
Days of work	3,697	3,439	3,266	4,038	5,021
Days/employee	11	10	10	12	16
Share of full-time working nours, %	4.8	4.3	4.4	5.6	6.7
Health precentage, % of personnel who were healthy		40	47	<b>5</b> 1	0.4
for the entire year)	44	42	43	51	24



### TOGETHER WE CREATE A WORKPLACE CHARACTERISED **BY EQUALITY**

Finnpilot guarantees equal opportunities, rights and treatment to all its employees. Aspects of equality are included in our annually updated Work community development plan and, as such, are regularly monitored and developed. By virtue of Finnpilot's code of ethics concerning all Finnpilot employees, we commit to respect each other's work. Our principles of equal and non-discriminatory treatment are also outlined in our Work community development

<< At our pilot stations, we regularly practice, among other things, how to handle MOB situations.

plan. We do not accept any form of discrimination, harassment, exploitation or bullying within our work community. Our aim is ensure that no one is discriminated based on their origin, social background, religion, world view, health status, age, gender, sexual orientation, political views or membership in a trade union.

We still have a great deal of work to do, particularly in terms of advancing gender diversity and a more even age distribution. Of Finnpilot's employees, 91% are male and the average age of the employees exceeds 50 in all professional groups with the exception of pilot dispatchers. At the end of 2022, women represented 1/5 of the Executive Committee and 2/7 of the Board of Directors. Of the total personnel, the share of women is unfortunately low, only 9%, of which only three work in pilotage/ pilot transport positions. This figure reflects the gender distribution for maritime tasks in general. There are very few female applicants for open positions. We hope to get more women interested in the field of navigation and want to encourage young people to pursue navigational careers regardless of gender. We examine the realisation of equality through a regularly conducted survey. In the previous equality survey, conducted in 2021, none of the 82 respondents reported experiencing any gender discrimination.

Finland is vying for IMO Council membership in 2024–2025. One aim of the membership campaign is gender equality in maritime transport. We are actively monitoring and supporting the campaign through our own communication channels. We endeavour to use language that promotes gender equality. We have, for example, switched to the use of the gender neutral title of 'esihenkilö' (foreperson) instead of 'esimies' (foreman) when referring to supervisors in Finnish.

As the exceptional years continue, we have not been spared from negative feelings either. During a year characterised by change negotiations, we were also forced to address situations involving experiences of unfair behaviour and treatment. The internal discussion culture of the company also saw instances in which the exchange of opinions becoming heated Support from HR as well as external help from the occupational health provider were offered to resolve the situations. Those in supervisory positions, in particular, hold significant responsibility when addressing such situations and we endeavour to provide them with tools to solve potential conflict situations. In 2023, we will launch work community training, one aspect of which involves highlighting everyone's responsibility for respecting the opinions of others, even in difficult situations.

At the end of the year, we examined the psychosocial stress factors of the work using a statutory occupational health care survey. The processing of this survey will continue in 2023.

At Finnpilot, all matters that violate the Code of Conduct, such as suspected discrimination and harassment, should be reported to a supervisor or his/her supervisor. Finnpilot has a whistleblowing channel that enables employees to anonymously report, for example, any experienced or witnessed incidents of discrimination. Annual report



GOAL	SUCCESS IN 2022	DONE/CONTINUES/ JUST STARTED
Training and development: We will expand our training path model to cover the work of pilot boat operators as well. A working group will be established for the purpose of considering how to develop the requirements for pilot boat operators with a more goal-directed approach.	The working group has done its job and the new training path for pilot boat operators has been taken into use.	***
Training and development: We will advocate the importance of the pilot training system as part of the preparation work for the reform of the Pilotage Act.	We strongly advocated the importance of the training system. The new training system will play a significant role in terms of the content of the reformed Pilotage Act.	***
Training and development: We will continue to develop Finnpilot Academy by establishing an online learning environment that facilitates the organisation of training and monitoring of progress on the individual level.	The online learning environment was taken into use and the first training courses were published.	***
Occupational health and occupational safety: The first hydraulic MOB basket for an ice-strengthened pilot cutter will be completed.	The MOB basket was completed and taken into use in our pilot cutter.	222
Occupational health and occupational safety: We will invest in improvements concerning the embarkation and disembarkation of pilots and ladder safety.	The end result of the 14-person working group was the creation of a guide 'Operational activities: Pilot embarkation and disembarkation operations'. All Finnpilot employees working at sea were required to review the guide in the online learning environment.	***
Work ability and well-being at work: The work ability maintenance project will be completed.	The decision was made to integrate the project into the ongoing work ability support model, which was included as part of the broader Work community development plan. The development plan will help provide us with methods to involve employees and engage them in genuine dialogue on work ability issues.	*&&
Work ability and well-being at work: We will review the results of the equality survey with supervisors and plan any necessary further measures.	Issues of equality were discussed at the supervisor seminar in autumn 2022. The results of the survey were incorporated into the Work community development plan. The processing of equality issues will continue with all our employees.	*&&

FINNPILOT

GOVERNANCE





# Responsible service provider and reliable partner

Finnpilot serves its customers 24 hours a day, every day of the year, into 62 ports or berths through 42 pilot boarding points. There are more than 1,100 compulsory pilotage fairways and route combinations. Our pilotage services help to safeguard a smooth and cost-effective logistical transport chain for Finland.

The availability and predictability of pilotage services is of great financial significance to our shipping company customers. In addition to shipping companies, of which 90% are foreign shipping companies, Finnpilot's customers are shipmasters and shipbrokers representing the shipping companies. Indirectly, our customers also include industry and ports, as cargo must reach ports and depart from ports reliably and without delays. Our customers must be able to trust that we are capable of providing timely and high-quality pilotage services.

We develop our activities by paying close attention to the needs of our customers. We want to offer the best customer experience and a uniform customer service, regardless of the pilotage area or individual providing the customer's service. The cornerstones of our customer service are expertise, safety and reliability. We review the expectations of our stakeholders each year in connection with our strategic updates and every other year in our stakeholder survey. Read more about the expectations of our stakeholders on Finnpilot's website (in Finnish):





## FOCUS AREAS OF OUR RESPONSIBILITY PROGRAMME:

WE ENSURE reliable and timely pilotage services kaikilla luotsattavilla väylillä.

WE OFFER homogeneous and uniform pilotage services kaikilla luotsausalueilla ja luotsiasemilla.

WE INNOVATE and develop our activities with our customers.



GOAL	SUCCESS IN 2022	DONE/CONTINUES/ JUST STARTED		
We set clear condition limits for pilot boarding positions and ports to enable for the shutdown of pilotage services in bad weather. Clear condition limits improve the predictability of our operations.	In close cooperation with our employees, the mapped condition limits were set. The functionality of the limits will be monitored and they will be adapted as necessary.	***	Overall grade of customer experience - Reputation & Trust survey  Goal: 4.0 ON A SCAL	26 EOF1-5
We create a well-functioning, uniform process for informing all areas of exceptional circumstances, as well as internally launch a digital tool to simplify and standardise the communication of exceptional circumstances.	We created a PowerApps-based application as a means of providing information on exceptional circumstances. The application was launched in autumn 2022.	***	Overall grade of reputation & Trust survey  Goal: 4.0 ON A SCAL	EOF1-5
We develop the division of the pilot dispatch areas to ensure our capability to provide consistent service availability, also in emergency situations.	The reform of the pilot dispatch areas was prepared and entered into force in January 2023.	***	99.9%	)
We ensure a closed loop system for customer feedback so that every case will advance the development of our activities. All customer feedback will be fed into the incident management system and assigned from there.	All contacts made using the feedback form are recorded in the system. The recording of feedback given via other channels (phone, email) requires additional internal training and communications.	* * &	the precentage of pilotage requests carried out within the limits for the waiting times specified in our service level objectives  Goal: 99 %	



### CUSTOMER AND STAKEHOLDER SURVEY: OUR REPUTATION IS AT AN EXCELLENT LEVEL

We monitor and measure the level of satisfaction among our customers and stakeholders through a customer and stakeholder survey carried out every other year. The satisfaction of shipmasters with regard to our service is investigated also using an electronic questionnaire that is completed using a terminal device at the end of each pilotage assignment. Due to the COVID-19 pandemic, this practice has been suspended.

The purpose of the Reputation&Trust 2022 survey was to clarify Finnpilot's reputation among its stakeholders. The survey was conducted by T-Media. The data collection is carried out through an electronic questionnaire form. Representatives of Finnpilot's eight key stakeholder groups were invited to answer the questionnaire. Invitations were sent to a total of 854 stakeholder representatives, of which 200 responded to the questionnaire. The response rate was, therefore, 23%. The most active respondent groups were shipbrokers, authorities and vessel bridge crews.

On a scale of 1–5, Finnpilot's reputation received an average rating of 4.1 (previously 3.97), which is an excellent result. The best rating, 4.24, was given for our open and transparent operations (Governance dimension) and the weakest, albeit still good, was 3.86 in the Innovations dimension, which describes the level of renewal and development of our activities.

According to the survey, the impact of our reputation on the support from stakeholders has been strengthened. In terms of the trust that our stakeholders have for Finnpilot, respondents







As a result of the pilot dispatch area reform, we are able to provide our customers even better and faster service in the area with the most traffic at any given time.

emphasised the importance of the openness and transparency of our activities, good corporate governance and a responsible approach. Our exclusive statutory right to carry out pilotage activities in Finland emphasises the importance of these issues.

A strong, rising trend in our results can also be seen in the ratings from the customer experience section tailored specifically to Finnpilot. The overall rating for all six sub-areas was 4.26 (the previous figure was 4.08). Our strongest rating was given for safety (4.47). The rating given for all sub-areas under the customer experience section was excellent, which means higher than 4.0.

The survey showed room for improvement in development and renewal (Innovations) in terms of both our reputation and customer experience. Our rating for these individual indicators, however, also reached an excellent level, which was an increase from the previous year.

### CONSISTENT COMMUNICATIONS AND DEVELOPMENT WITH CUSTOMERS

On the basis of the feedback from our previous customer and stakeholder surveys, we focused, in particular, on increasing

regular dialogue with our customers over the past few years. We regularly meet with Shipbrokers Finland to discuss common issues and the development of our operations. We also meet annually with the Finnish Shipowners' Association to discuss current matters. The key discussion topics during 2022 included Russia's attack on Ukraine and its impacts on vessel traffic, the Saimaa situation, summer cruise ship traffic in Finnish ports, pilotage pricing, the reform of the Pilotage Act and the development of pilot dispatch activities.

During 2022, on the basis of feedback from our customers, we moved up the initiation of our annual discussion with customers concerning pilotage pricing. The purpose of the change was to facilitate the processing of pricing proposals within the internal forums of our customers.

Through collaboration with authorities, we organised training on winter navigation regulations for our customers. Our purpose is to ensure safe and smooth pilotage also when assistance restrictions are in effect. We continued to ensure that the draughts of piloted vessels meet the requirements of the ice class.

Discourse surrounding the reform of the Pilotage Act continued

intensely throughout the year. More information on the reform of the Pilotage Act can be found in the Society section.

We met with our customers at navigational stakeholder events. namely Maritime Day (Sjöfartens Dag) in Mariehamn and the Call the Agent seminar organised by Shipbrokers Finland. Finnpilot had abundant representation at both events and a stand that provided the opportunity for participants to use VR glasses to experience the everyday process of pilotage as filmed using a 360 camera. At the Call the Agent seminar, a Finnpilot representative spoke about the reform of the pilot dispatch areas.

Our local experts play a very important role in the success of our work with clients. Finnpilot's four Area Managers and Pilot Dispatch Manager meet extensively with our stakeholders, from ports to shipping companies. Chief pilots in charge of the stations are also often involved in the discussions. The results of the regional stakeholder meetings are shared at the operational management team meetings, where customer and stakeholder issues are regularly on the agenda. Regular stakeholder meetings help us to better understand the needs of our customers and stakeholders across the country.

During the year, we published four customer and stakeholder newsletters on current topics related to pilotage. The newsletter is sent to approximately 700 recipients. The average open rate of the newsletters was 48.8%, which can be considered excellent for a customer and stakeholder newsletter.

The work undertaken to improve interaction was reflected in the reputation section of the customer survey as an improvement in the Interaction rating (3.84 >> 4.04) and in the customer experience

2022

**FINNPILOT** 





The quality management system behind our pilotage process fulfils the requirements of the ISO 9001:2015 standard.

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section as an increase in Customer-orientation (3.98 >> 4.16). The rating for the consistent quality of our services also increased (3.91 >> 4.14).

We developed the division of the pilot dispatch areas to ensure our capability to provide consistent service availability to customers, also in emergency situations. Instead of the earlier three pilot dispatch areas, there are now seven. As a result of the reform, we are able to provide our customers even better and faster service in the area with the most traffic at any given time. The new division will make pilot dispatch services more efficient by distributing the areas more flexibly and evenly among the pilot dispatchers on duty. The reform entered into force in January 2023.

It is important for our customers' planning of operations to get information as early as possible concerning any possible interruptions or delays in the pilotage service. As a means of providing information on exceptional circumstances, we created a Microsoft PowerApps-based application that was ready for use in autumn 2022. During the year, we worked together with our employees to set the condition limits for any pilot boarding positions and ports that required them. This ensured clear limits for the shutdown of pilotage services as required by weather conditions. The functionality of the limits will be monitored and they will be adapted as necessary. During 2023, active communications will ensure that all our customers have easy access to information about the condition limits.

### WE ARE COMMITTED TO CUSTOMER-ORIENTATION, HIGH QUALITY AND SUSTAINABLE BUSINESS OPERATIONS

The enhancement of our customer work is part of our quality management system, which covers the pilotage process at all stations, in pilot dispatch and in administration. The quality management system behind our pilotage process fulfils the requirements of the ISO 9001:2015 standard. Certification by an accredited third party demonstrates our commitment to quality management, customer satisfaction and sustainable business operations. ISO 9001 certification promotes a culture of continuous improvement within our organisation.

In 2022, we continued to become acquainted with the International Standard for Maritime Pilot Organizations (ISPO). We found that some aspects of the standard overlapped with those of the ISO 9001 standard. The organisation of auditing for the ISPO standard in Finland proved to be challenging at this point (availability of auditors, auditing language). The matter will possibly be considered again in the future.

During 2022, we conducted two internal quality audits, at the pilot stations in Utö and Uusikaupunki. The results of the internal audits were processed and the subsequent measures were scheduled at the end of the year as part of the management's review and further in connection with external ISO 9001 auditing. In addition to customer relationship management, the external auditing of the quality management system assessed, for example, the overall quality policy, the applicability of strategic indicators, employee satisfaction, observation reporting and procurement.





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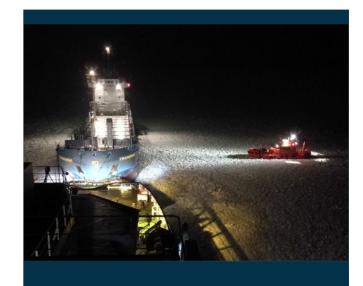
**FINNPILOT** 

# We guarantee smooth maritime transports in all conditions

Pilotage secures navigational efficiency and promotes Finland's international trade. Pilotage plays a critical role for security of supply and, as thus, requires us to engage in the continuous development of our activities and competence. By means of long-term, cost-effective activities. Finnpilot upholds its responsibility to the surrounding society in the form of jobs, tax revenue and increasing expertise.

We develop our operations and Finnish navigation through close co-operation with our extensive network. In addition to our personnel and customers, other notable stakeholders include Finnpilot's Board of Directors, the Prime Minister's Office, which is responsible for ownership steering, the authorities, media and multiple co-operative partners, such as icebreakers, tugboats, maritime traffic centres, research facilities and institutes providing education in the field of navigation.

We influence society as a responsible actor and active participant in discourse within our field. We are members on, among others, national advisory boards for SAR activities and the prevention of oil spills and chemical spills from ships as well as on the collaborative working group for winter navigation led by the Winter Navigation Unit of the Finnish Transport Infrastructure Agency. We also collaborate with the Finnish Transport Infrastructure Agency in regional transport infrastructure groups. As a member of the Maritime Transport Pool of the National Emergency Supply Agency, we are involved in developing our preparedness and that of our network to deal with disruptions and emergency situations.



### **FOCUS AREAS OF OUR RESPONSIBILITY PROGRAMME:**

WE SAFEGUARD the security of supply for Finnish society.

WE ACT in a cost-efficient way and develop with a long-term approach, even during economically challenging times

WE RESPOND to the needs of an evolving society through dynamic RDI activities.

YEAR 2022

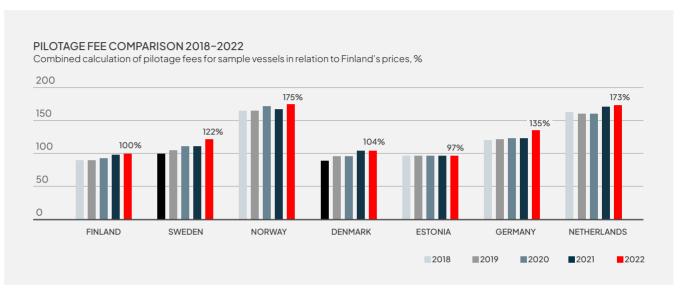


As a state-owned special assignment company, Finnpilot serves the entire Finnish society. We have identified the following expectations of the State and society as regards our activities:

- promotion of navigational safety
- safeguarding the security of supply, including the assurance of cyber security
- generation of value for the owner, cost efficiency, long-term planning
- consideration of aspects of responsibility in all our activities, including socially responsible acquisitions
- ongoing development and renewal, active co-operation within networks
- assurance of conformity, ethical activities, open and transparent reporting

Read more about the expectations of our stakeholders on our website (in Finnish).





### FINANCES 2022: RUSSIA'S ATTACK ENDED TRAFFIC IN THE SAIMAA CANAL

Finnpilot's operations are planned and managed in accordance with the instructions and guidelines issued to state-owned special assignment companies. The owner and society expect us to conduct cost-efficient activities and long-term planning under all conditions. Our activities must be profitable, efficient and internationally competitive.

The year 2022 progressed as a year of uncertainties. We had already become accustomed to dealing with the demands of

COVID-19, but Russia's attack on Ukraine in February forced Finland to reorganise its logistic transport chains. Russian sanctions ended traffic through the Saimaa Canal, and new transport routes were established along the coast. The year was also exceptional for cruise ship traffic; along with the traditional cruise traffic into Helsinki, ships also made stops at the ports of Mariehamn, Turku and Kotka.

During 2022, Finnpilot handled a total of 20,315 pilot assignments covering 351,708 piloted nautical miles. The number of pilotage assignments decreased by 5.1% and piloted nautical mileage by 14.4% in comparison to the previous year. The pilotage





Only 92 pilotage assignments were carried out in the Saimaa region (2021: 3,165).

assignments in Finland's coastal waters increased by 10.8% over the previous year.

Only 92 pilotage assignments were carried out in the Saimaa region, which represented a decrease of 97.1% from the previous year. In the Saimaa region, Finnpilot has an obligation to provide financially unprofitable services. During 2022, we receive EUR 0.9 million in support for the pilotage and upkeep of service readiness within the Canal and related waterways. Despite this support, the activities within the Saimaa pilotage area resulted in a loss of EUR 0.5 million.

The price of pilotage in Finland is internationally competitive and Finnpilot's pilotage fees are among the most reasonable in the Baltic Sea region. From the start of 2022, the pilotage fees were increased by an average of 2.5%. No changes were realised in any other part of the pilotage pricing structure.

Finnpilot's turnover for the financial period of 2022 was EUR 34.5 million (2021: EUR 35.2 million). This represented a 2.1% decrease from the previous year. The operating profit for the entire year was EUR -0.9 million (EUR -1.2 million) and the net profit of the financial year was EUR -0.7 million (EUR -0.8 million).

### NUMBER OF PILOTAGE ASSIGNMENTS\*

2018	2019	2020	2021	2022
5,069	5,080	4,503	4,888	4,757
5,622	5,252	4,829	4,631	4,721
6,797	7,100	5,058	4,828	6,179
5,031	5,284	4,199	3,898	4,566
3,097	2,407	3,006	3,165	92
25,616	25,123	21,595	21,410	20,315
	5,069 5,622 6,797 5,031 3,097	5,069 5,080 5,622 5,252 6,797 7,100 5,031 5,284 3,097 2,407	5,069         5,080         4,503           5,622         5,252         4,829           6,797         7,100         5,058           5,031         5,284         4,199           3,097         2,407         3,006	5,069         5,080         4,503         4,888           5,622         5,252         4,829         4,631           6,797         7,100         5,058         4,828           5,031         5,284         4,199         3,898           3,097         2,407         3,006         3,165

### PILOTED NAUTICAL MILES\*

	2018	2019	2020	2021	2022
Bay of Bothnia	78,826	79,736	69,788	72,663	69,318
Archipelago Sea-Bothnian Sea	118,392	111,058	106,926	87,779	92,484
Hanko-Helsinki	84,526	91,195	66,781	61,841	74,600
Kotka	114,494	119,564	97,959	91,619	112,006
Saimaa	88,721	69,745	89,008	96,938	3,300
Total	484,959	471,298	430,462	410,840	351,708

<sup>\*</sup> Due to the support policy for pilotage in the Saimaa region, the figures for the pilotage assignments of Kotka and Saimaa are presented as their own entities rather than together with the other pilotage areas of Finnpilot.

#### **KEY FINANCIAL FIGURES**

EUR 1,000	2018	2019	2020	2021	2022
Turnover	40,292	40,923	35,831	35,216	34,487
Operating result	3,649	2,638	-636	-1,183	-945
Profit/loss of the financial year	2,971	2,121	-423	-793	-736
Operating profit, % of turnover	9.1%	6.4%	-1.8%	-3.4%	-2.7%
Return on investment, %	26.5%	21.6%	-5.7%	-11.9%	-10.5%
Solvency ratio, %	66.1%	63.4%	63.0%	57.4%	57.3%
Quickratio	1.0	0.9	0.8	0.7	0.6

### **COST-EFFICIENCY OF ACTIVITIES**

	2018	2019	2020	2021	2022
/eald/pilotage assignment	1,573	1,629	1,659	1,645	1,698
/eald/piloted mile	83	87	83	86	98
Cost/pilotage assignment	-1,430	-1,524	-1,689	-1,700	-1,744
Cost/piloted mile	-76	-81	-85	-89	-101
Profit/loss/pilotage assignment	142	105	-29	-55	-46
Profit/loss/piloted miles	8	6	-1	-3	-3

### PILOTAGE SUBSIDY FOR SAIMAA

EUR 1,000	2018	2019	2020	2021	2021
State subsidy	3,478	3,951	3,687	4,022	1,033

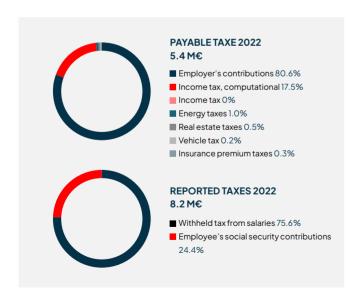
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Finnpilot's tax footprint was a total of EUR 12.1 million in 2022. Personnel-related charges comparable to taxes amounted to EUR 6.4 million and payroll taxes from employees to EUR 6.2 million. The company's share of statutory pension insurance contributions was EUR 3.7 million and other social security expenses amounted to EUR 0.9 million.

Finnpilot complies with Finnish legislation as it concerns the payment, collection and accounting of taxes. Finnpilot has no operations in any countries classified as tax havens, nor does the company utilise any international dimensions in its tax planning for the purpose of minimising its taxation. The company's taxes are paid in their entirety to Finland. Finnpilot also does not pay any profits, dividends or interest outside of Finland.



### **TAX FOOTPRINT**

EUR1,000	2018	2019	2020	2021	2022
Share of taxes	413	298	-81	-208	-454
Personnel-related	6,406	6,554	6,184	6,584	6,376
Withheld taxes	6,367	6,651	6,595	6,437	6,167
Total tax footprint	13,186	13,503	12,698	12,813	12,089
Tax burden	-709	-820	-1,155	-1,204	-1,407

### **PAYABLE TAXES**

EUR 1,000	2018	2019	2020	2021	2022
Employer's contributions	4,472	4,537	4,173	4,567	4,384
Income tax, computational	1,122	1,118	1,074	996	953
Income tax	639	534	0	0	0
Energy taxes	50	47	47	55	53
Real estate taxes	29	25	25	24	25
Vehicle tax	14	13	12	12	11
Insurance premium tax	14	13	14	15	0
Asset transfer tax	0	0	0	0	15
Total	6,340	6,287	5,345	5,669	5,441

### REPORTED TAXES

EUR1,000	2018	2019	2020	2021	2022
Value added tax, net	-1,455	-1,452	-1,253	-1,310	-1,511
Withheld tax from salaries	6,367	6,651	6,595	6,437	6,167
Employee's social security contributions	1,934	2,018	2,012	2,017	1,992
Total	6,846	7,217	7,354	7,144	6,648

#### CASH FLOW TO STAKEHOLDERS

EUR 1,000	2018	2019	2020	2021	2022
Customers					
Turnover	40,292	40,923	35,831	35,216	34,487
Other income from					
operations	160	26	0	85	1,143
Income in affiliated	_		_	_	_
companies	0	0	0	0	0
Good suppliers					
Material and service acquisitions	-2 433	-2,745	-2 206	-2 368	-3,627
Other operating cost		-5,609			-5,096
other operating cost	0,002	0,007	0,000	4,700	0,070
Personnel					
Salaries and fees	-22,095	-22,901	-22,220	-21,943	-20,954
Pension costs	-3,732	-3,867	-3,426	-3,709	-3,514
Social security expenses	-810	-722	-807	-910	-836
Total	-26,637	-27,491	-26,453	-26,562	-25,304
Taxes (income tax)	-639	-534	-4	0	0
Support and donations	-8	-2	-3	-2	-3
Dividends to shareholders	-4,700	-3,500	-500	-500	0
Financing costs	-2	-1	-4	-2	0
Funds set aside for the development of activities	702	1,067	1,594	902	1,600
Investments	2,312	2,467	2,370	2,031	1,603



### WE ARE DEVELOPING OUR RESPONSIBLE APPROACH TO PROCUREMENT

As a state-owned special assignment company, Finnpilot's acquisitions are realised in compliance with the Act on Public Procurement and Concession Contracts (1397/2016). Finnpilot endeavours to organise its procurement activities in a way that enables the acquisitions to be carried out in the most economic, high-quality and systematic manner possible, making use of existing competitive conditions and considering aspects of responsibility. All participants in the procurement procedure are treated in an equitable and non-discriminatory manner, and Finnpilot acts transparently and with regard to the requirements of proportionality. We examine the business activities of suppliers already when drafting our invitations to tender, and our aim is always to draft tender documentation that is easy to understand. We reject the abuse of a dominant market position and do not act in a way that violates competitive neutrality.

Our procurement guidelines cover the requirements for environmental and energy efficiency that are applicable to our subcontractors and suppliers. The elements of social responsibility that we require from our other suppliers are identified and specified in connection with each specific acquisition. The requirements extend to the subcontractors of our suppliers as well. A separate responsibility requirement appendix is published for our most significant acquisitions. The appendix defines, for example, the requirements for a safe working environment, environmental protection and the ban on the use of child labour. Furthermore, we have expanded the requirements of the Act on the Contractor's Obligations and Liability when Work is Contracted Out (1233/2006) to apply to the majority of our acquisitions. Our stakeholders can

use our Whistleblowing channel to anonymously report violations or suspected violations related to human rights, corruption and bribery.

We are continuously developing our responsible approach to procurement and creating new operational methods to help our partners to act responsibly as well. We have planned online training for subcontractors in 2023 as a means of ensuring that our key partners are familiar with our principles of responsibility.

### CYBER SECURITY AND CONTINUITY MANAGEMENT

During 2021, the state as owner published a Cyber Security Development Programme for the purpose of creating a cyber security ecosystem in Finland that will provide vitality and growth and improve the sustainability of the digital society. As part of our risk management, we continuously develop our data security so as to have the capability to react rapidly to possible cyber security threats.

As a result of the rapid change in the global situation, we focused significantly in 2022 on continuity management and our resilience to disturbances. The level of cyber security has been further developed to correspond to the demands of our operational environment. New technical solutions have been used to better counter immediate threats to individual employees. Systematic training has also played a significant role.

During spring 2022, we carried out a cyber security exercise together with the National Cyber Security Centre Finland and other critical actors in terms of security of supply. The aim of the exercise

was to find possible deficiencies in the current instructions and documentation and aspects of the instructions or guidelines that may be missing entirely. Any critical process and documentation deficiencies that were observed were corrected after the exercise. An implementation plan and scheduling was prepared for the rest.

The cyber security training given to our employees has been shown to have a significant impact on cyber security. The effectiveness of the training was tested in the spring by conducting a phishing test. The results showed a clear improvement over previous exercises. This training will be continued.

We improved the continuity and service reliability of our critical systems. The systems were duplicated and decentralised, thus ensuring their availability, even in the face of serious disturbances. Special attention was paid to the documentation of continuity management and process functionality in order to minimise the impact that disturbances have on our operational activities. Our work on continuity issues will continue in 2023.

### NETWORKING TOWARDS SAFER AND MORE SUSTAINABLE MARINE TRAFFIC

The development of remote pilotage is included in the current Government Programme. The legislative amendment that facilitated permit-based remote pilotage (1 February 2019) gave Finnpilot the possibility to realise pilotage without needing a pilot to be physically present on the piloted vessel. The Government Resolution on promoting transport automation (25 November 2021) stated the vital role of trials and testing in terms of the development of automation. According to the resolution, the

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deployment of remote pilotage in selected areas would support the advancement of automation.

We are generating the future of navigation together with the technology and maritime industries, research organisations, shipping companies and relevant authorities. Finnpilot's role in the projects is to contribute navigational and pilotage expertise and, in particular, to provide viewpoints on how remote pilotage might be carried out safely in the future. Finnpilot is a member of the One Sea autonomous maritime ecosystem, whose Sea for Value (S4V) research programme involves companies and universities researching the technologies, data, operating methods and safety

used in remote piloting and the fairways of the future, with the aim of promoting safer, more efficient and more sustainable maritime transport through digitalisation.

In 2022, an important milestone in the development of remote pilotage was achieved when the fairway section of the Sea for Value project progressed to the first practical experiments. The aim was to test the suitability of the shared technical arrangements of the fairway and the vessel for remote piloting. The trial, originally planned for the early part of the year, was challenged by weather conditions and the effects of the Russian attack on Ukraine.

The trial was finally successfully carried out when the first vessel

equipped with future fairway technologies, Viikki of ESL Shipping, was directed from the port of Kokkola to the fairway on 18 May 2022. In the test, Viikki was piloted traditionally with the technology for remote piloting being tested alongside. M/S Viikki transmitted real-time data on the ship's movements and the conditions of the fairway to the remote pilotage centre located at Novia University of Applied Sciences in Turku. The results of the trial were encouraging. The trial provided information on, for example, whether the systems used were working correctly, whether the right kind of data was collected and whether all the necessary information was transferred to the remote pilot at the right time. Read more about the trial on Finnpilot's website (in Finnish).



# THE DEVELOPMENT OF REMOTE PILOTAGE CALLS FOR INTERNATIONAL STANDARDISATION

The mission of Sea for Value – Fairway, which came to an end in December 2022, was to create internationally reproducible models for digitalisation, service innovation and information flows in maritime transport. The advocacy work of the One Sea ecosystem will now focus on exerting influence internationally, especially within the IMO, in accordance with One Sea's new strategy.

The Remote Pilotage Days event was jointly led by Finnpilot's Head of Technology, Tero Vainio, and Pilotage Director, Sanna Sonninen.

Finland and Finnpilot will be on the international forefront when the development of remote pilotage moves into the next phase. A step in this direction was taken at the end of the year, when an extensive group of international maritime, pilotage and technology experts gathered in Turku by the invitation of Finnpilot to discuss the future of remote pilotage. The discussion involved different perspectives on the matter, such as new technological solutions, competence development, new types of operational models and ways to share information. Remote Pilotage Days provided a forum to gain a common understanding of the current status of remote pilotage and to share ideas for its future.

Read more about the event on Finnpilot's website (in Finnish)







Representatives of Nordic pilotage organisations gathered in Helsinki as quests of Finnpilot during November.

The ECAMARIS project funded by Business Finland and headed by ABB was launched in 2022. The aim of the project is to facilitate autonomous maritime solutions, such as the development of electronic lookout for boats sailing in open sea conditions. Within the project, Finnpilot focuses particularly on how the future technologies might affect pilotage. As part of the project, plans were made for observation equipment to be tested at Harmaja pilot station. The testing will begin in early 2023.

The preparation of this extensive development project aimed at the implementation of remote pilotage was launched together with Finnish partners. Funding for the project was sought from the EU's CEF programme with the goal of assembling a broad group of actors from within the EU. The first project planning meeting was set for early 2023 and the funding application will be submitted at the end of 2023.



In 2022, we expanded co-operation with, in particular, other Nordic pilotage organisations. The topics of the joint discussions included the current COVID-19 situation, the development of remote pilotage, occupational safety, training and recruitment.

Our international co-operation is not limited to the development of remote pilotage. In 2022, we expanded co-operation with, in particular, other Nordic pilotage organisations. The topics of the joint discussions included the current COVID-19 situation, the development of remote pilotage, occupational safety, training and recruitment. The result of the co-operation was, among other activities, the initiation of information exchange between the countries on the deficient pilot embarking and disembarking arrangements on ships. The topic of the weekly meetings between Nordic pilotage directors shifted from COVID-19 to the effects of Russia's war on Ukraine. In addition to the Nordic countries, we also established relationships with pilotage organisations in many other European countries as well as in, for example, Canada and Singapore. The aim of the co-operation is to share best practices and find synergies in joint development.

Within our domestic networks, we carry out extensive collaboration with authorities and other societal actors for the purpose of improving navigational safety and developing operational methods. Co-operation continued closely with authorities, particularly Traficom and the Finnish Transport Infrastructure Agency, stakeholders and companies involved in maritime spatial

planning. The co-operation initiated earlier for the purpose of fairway planning and guidance and implementation of the change to the N2000 reference system and the new authorised draught continued. Additionally, co-operation was carried out on, among other projects, the spatial planning for offshore wind farms. We advanced pilotage safety and the monitoring of vessel conformity during winter navigation by continuing the supervision of the ice class draught of vessels. The supervision will not only improve the safety of pilotage in ice but also increase the efficiency of pilotage and icebreaking operations.

We continued to work closely with maritime operators by actively participating in various exercises to improve maritime safety, such as oil spill response and rescue exercises.

We actively participated in operational planning events organised by the authorities. Pilotage training for reserve channels advanced through co-operation with the civilian authorities and the Navy. Together with the Finnish Meteorological Institute, we further developed the weather services required for pilotage and participated in the planning of the R&D project aimed at improving the availability of marine condition data.



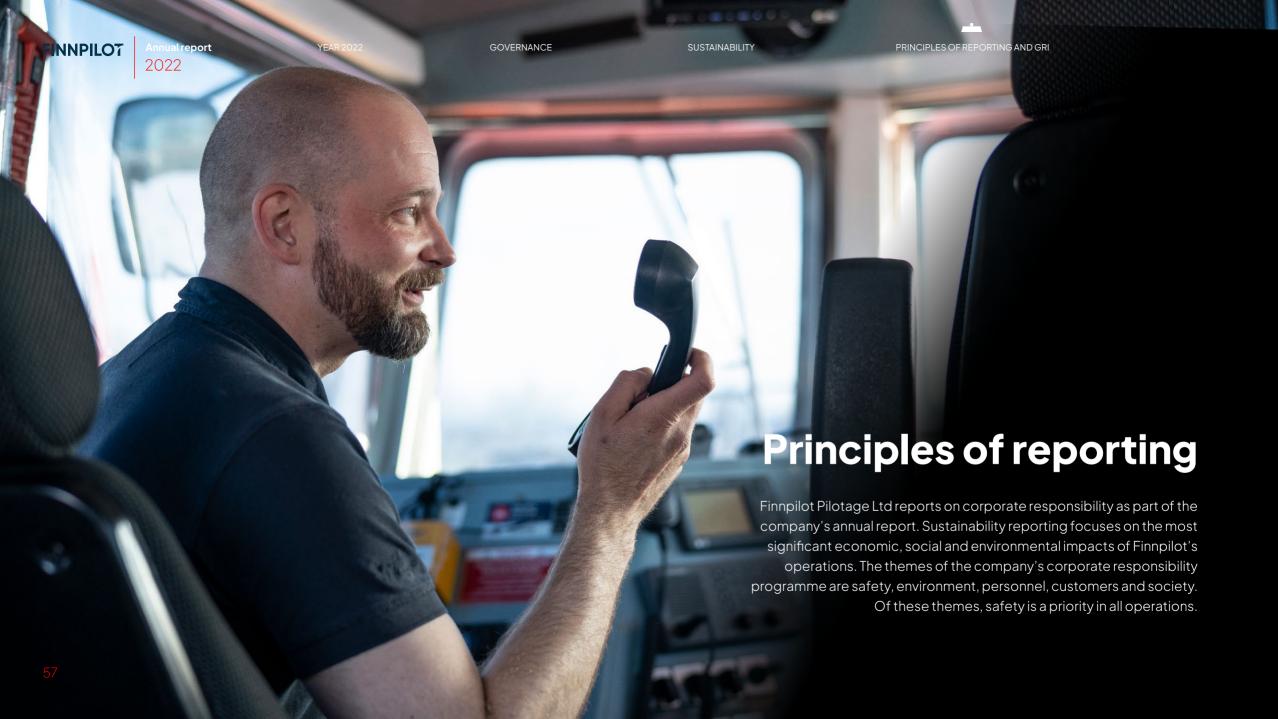


As vessel sizes increase, it becomes more important than ever to determine the safe draught of the vessel. Changes in the channel depth practice of sea and port fairways were taken into account by introducing the Load Calculator, a safe draught calculation application developed internally by the Finnpilot. The application allows pilots to estimate the wind load and squat on the vessel. The Load Calculator, verified by Aalto University, was also presented to the authorities for possible wider use.

### REFORM OF THE PILOTAGE ACT

The overall reform of the Pilotage Act was completed and the Government's proposal for a new Pilotage Act was submitted to Parliament in November 2022. Finnpilot actively participated in the research and definition work needed to support the reform of the Act. At the core of the new law is the development and assurance of pilotage skills for pilots and shipmasters exempted from pilotage. The reforms concern pilotage examinations and licensing requirements, as well as vessel and fairway-specific requirements for pilotage. Finnpilot must have an officially approved training system in place by 1 September 2023, in accordance with the Act and the regulations issued under it. The Act also provides for more detailed provisions on the pilotage company's obligation to prepare for exceptional circumstances and other exceptional situations, and issues the company new tasks, for example, in relation to accepting pilotage examinations and Baltic pilotage. The preparation of regulations under the Act and the development of the training system will continue actively in 2023. At the time of writing, the new Pilotage Act has already been adopted by Parliament. The law will now be submitted to the President for approval.

GOAL	SUCCESS IN 2022	DONE/CONTINUES/ JUST STARTED
We will conduct the first trial of data transfer for remote pilotage.	The data transfer trial was conducted successfully within the Kokkola fairway in May 2022.	2.2.2.
We will carry out uninterrupted pilotage service 24/7/365, excluding interruptions in accordance with condition limits.	No interruptions in the pilotage service outside of the condition limits.	222
We integrate the development and monitoring of our Responsibility Programme as a fixed aspect of our annual planning.	The monitoring and development of the Responsibility Programme was added to Finnpilot's planning calendar.	***
We will balance our finances to minimise the impacts caused by COVID-19 and Russia's war on Ukraine.	The year was difficult financially due to the end of traffic in the Saimaa region. Despite the active financial adjustments, the year ended with a loss.	***
We develop our supplier management and the responsibility requirements placed on our suppliers.	We publish a separate responsibility requirement appendix for our most significant acquisitions. The development of supplier training and the supervision of responsibility requirements will continue.	***
We define and document our training programme under Finnpilot Academy.	The development of our training programme continued, the work will continue in 2023 according to the requirements of the new Pilotage Act.	***
We develop our contingency planning to correspond to the requirements of the upcoming legislation, also as concerns cyber security attacks.	We initiated work on, for example, the choice of pilots for readiness fairways. This work will continue intently in 2023.	*&&





Finnpilot's sustainability reporting complies with the international Global Reporting Initiative (GRI). The GRI used is the GRI 1: Foundation 2021. For each reported standard, the GRI Index indicates its location in the Annual Report. The requirements for the CSR reporting of state-owned companies have also been taken into consideration. The state-owner's expectations on accountability are described in The Government Resolution on the State Ownership Policy issued in 2020.

Finnpilot's principles of corporate governance are defined in the Corporate Governance Guidelines. The Guidelines reflect the general norms of Corporate Governance, the Corporate Governance Code of the Securities Market Association, the Agenda for Improving the Corporate Governance of Unlisted Companies published by the Finland Chamber of Commerce and the ownership steering guidelines of the Prime Minister's Office. Reporting is also guided by the UN Global Compact principles and commitments and guidance for majority-owned state-owned companies on reporting country-specific taxes. The development

of reporting has also taken into account forthcoming EU legislation (including the European Financial Reporting Directive and Standard (EFRAG), the proposed Corporate Responsibility Directive and the Taxonomy Regulation).

The reporting covers all of Finnpilot's activities, excluding those of its subsidiary, Ice Advisors Ltd. The reported financial information is based on our audited financial statements and accounting. We present more detailed information about our financial performance and turnover in the statutory financial statements. The financial statements and annual review of the Board of Directors for 2022 was published on 21 March 2023.

Information concerning the personnel is based on our HR systems. Environmental data has been compiled from Finnpilot's own data collection systems. Information on customers and stakeholders is obtained through, for example, our quality systems and separate surveys.

In terms of environmental impacts, Finnpilot's emissions calculation covers Scope I (own direct greenhouse gas emissions), 2 (emissions from energy purchased for own use) and 3 (indirect emissions, e.g. waste management) of the Greenhouse Gas Protocol calculation methodology. The reference year for emission reductions is 2021. In 2022 the total emissions for 2021 and 2022 are reported.

Our Corporate Responsibility Report has not been verified by an independent third party. Data collection will be further developed to meet the requirements of the forthcoming proposal for the Corporate Sustainability Reporting Directive. If the directive comes into force, Finnpilot will report under the directive from 2025 (report to be published in spring 2026).

The main rule of Finnpilot's sustainability reporting is that comparative data are presented for the time period of four years. Where comparable figures are not available, data is presented for a shorter period. The report will explain why the data is not available or not comparable with previous years.

The Corporate Responsibility Report is published annually in connection with Finnpilot's annual report and information about it is included in stakeholder communications, such as personnel and customer newsletters. Finnpilot's annual report for 2022 will be published in electronic format on its website.



Finnpilot's sustainability reporting complies with the international Global Reporting Initiative (GRI). The GRI used is the GRI 1: Foundation 2021.





# **GRI Content Index**

**Statement of use:** Finnpilot Pilotage Ltd has reported the information cited in this GRI content index in accordance with the GRI standards for the period of 1 January 2022 ti 31 December 2022. GRI 1 used: GRI 1: Foundation 2021

GOVERNANCE

GRI standard	Content indicator	Links	Omissions / Remarks			
GRI 2: GENERAL DI	GRI 2: GENERAL DISCLOSURES (2021)					
GRI 2: General Disclosures	Organizational Profile					
	2-1 Organisational details	Finnpilot in brief				
	2-2 Entities included in the organisation's sustainability reporting	Principles of reporting				
	2-3 Reporting period, frequency and contact point	GRI index	The reporting period is Jan 1 - Dec 31, 2022. The report is published once a year. Contact: Laura Kaustinen, Communications Manager.			
	2-4 Restatements of information	Environment	Due to the end of the Saimaa soundings, the Saimaa soundings and the fuel consumed on Saimaa have been removed from the emission figures also for the years 2013-2022 for comparability.			
	2-5 External assurance	Principles of reporting	Corporate Responsibility Report has not been verified by an independent third party.			
	Activities and Workers					
	2-6 Activities, value chain, and other business relationships	Finnpilot in brief, Customers, Society				
	2-7 Employees	Employees				
	2-8 Workers who are not employees	GRI index	All Finnpilot employees are in employment.			
	Governance					
	2-9 Governance structure and composition	Corporate governance				
	2-10 Nomination and selection of the highest governance body	Corporate governance				
	2-11 Chair of the highest governance body	Corporate governance				

GRI standard	Content indicator	Links	Omissions / Remarks
GRI 2: General Disclosures	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance, Sustainability management	
	2-13 Delegation of responsibility for managing impacts	Corporate governance, Sustainability management	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability management	
	2-15 Conflicts of interest	Corporate governance	
	2-16 Communication of critical concerns	Sustainability management, Employees	Finnpilot has a whistleblowing channel that enables employees to anonymously report, for example, any experienced or witnessed incidents of discrimination
	2-17 Collective knowledge of the highest governance body	Corporate governance	
	2-18 Evaluation of the performance of the highest governance body	GRI index	Each year, the Board evaluates its own activities and their effectiveness in a self-assessment.
	2-19 Remuneration policies	Remuneration	
	2-20 Process to determine remuneration	Remuneration	
	2-21 Annual total compensation ratio	GRI index	Finnpilot Pilotage Ltd does not report median salary figures.
	Strategy, Policies and Practices		
	2-22 Statement on sustainable development strategy	Review of the CEO, Sustainability management	
	2-23 Policy commitments	Corporate governance, Sustainability management	
	2-24 Embedding policy commitments	Sustainability management	
	2-25 Processes to remediate negative impacts	Sustainability management, Safety, Employees, Environment	
	2-26 Mechanisms for seeking advice and raising concerns	Employees	
	2-27 Compliance with laws and regulations	GRI index	In 2022, Finnpilot had no reported cases of non-compliance with laws or regulations.
	2-28 Membership associations	GRI index	Helsinki Region Chamber of Commerce, ITS Finlandry, One Seary, Palvelualojen työnantajat PALTAry, Vastuu Group, Association of Finnish Waterways, Finnish Information Processing Association, Nolla tapaturmaa forum of the Finnish Institute of Occupational Health, Taxpayers Association of Finland

GRI standard	Content indicator	Links	Omissions / Remarks	
GRI 2: General Disclosures	Stakeholder Engagement Stakeholder Engagement			
	2-29 Approach to stakeholder engagement	Customers, Society		
	2-30 Collective bargaining agreements	GRI index	Finnpilot's entire personnel falls within the sphere of the collective bargaining agreement for the field of pilotage	
GRI 3: MATERIAL TO	PICS (2021)			
GRI 3: Material	3-1 Process to determine material topics	Sustainability management		
Topics	3-2 List of material topics	Sustainability management	The material topics identified form the themes and priorities of our sustainability programme.	
	3-3 Management of material topics	Sustainability management		
Economic standard	series			
GRI 201:	201-1 Direct economic value generated and distributed	Society		
Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability management		
	201-4 Financial assistance received from government	Society	Pilotage subsidy for Saimaa in 2022 was 1,033 tEUR	
Anti-corruption				
GRI 3: Material Topics	3-3 Management of material topics	Sustainability management		
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Sustainability management	Guidance on anti-corruption policies and procedures is included in our Code of Ethics.	
	205-3 Confirmed incidents of corruption and actions taken	GRI index	None to report.	
Anti-competitive behaviour				
GRI 3: Material Topics	3-3 Management of material topics	Society		
GRI 206: Anti- competitive behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Society	None to report.	

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GRI standard	Contentindicator	Links	Omissions / Remarks
Energy			
GRI 3: Material Topics	3-3 Management of material topics	Sustainability management, Environment	
GRI 302: Energy	302-1 Energy consumption within the organization	Environment	
2016	302-3 Energy intensity	GRI index	Finnpilot does not yet report the energy intensity of its operations.
Emissions			
GRI 3: Material Topics	3-3 Management of material topics	Sustainability management, Environment	
GRI 305:	305-1 Direct (Scope 1) GHG emissions	Environment	
Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Environment	
	305-3 Other indirect (Scope 3) GHG emissions	Environment	
	305-4 GHG emissions intensity	GRI index	The GHG emissions intensity (Scope 1+2+3): 147 gCO₂e/€ (y. 2021: 178 gCO₂e/€).
	305-5 Reduction of GHG emissions	Environment	
Waste			
GRI 3: Material Topics	3-3 Management of material topics	Sustainability management, Environment	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment	
	306-2 Management of significant waste related impacts	Environment	
	306-3 Waste generated	GRI index	Our local waste management contracts do not yet allow us to calculate the exact amount of waste.
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	GRI index	Our procurement policy includes requirements for environmental responsibility.

GRI standard	Content indicator	Links	Omissions / Remarks		
Social standards	Social standards				
GRI 3: Material Topics	3-3 Management of material topics	Sustainability management, Employees			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	GRI index	Will be reported in 2023.		
Labor management	relations				
GRI 3: Material Topics	3-3 Management of material topics	Employees			
GRI 402: Labor/ management relations 2016	402-1 Minimum notice periods regarding operational changes	GRI index	In cases of operational changes we respect the minimum notice and negotiation periods under national law.		
Occupational healt	n and safety				
GRI 3: Material Topics	3-3 Management of material topics	Employees			
GRI 403:	403-1 Occupational health and safety management system	Sustainability management, Safety, Employees			
Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Safety, Employees			
	403-3 Occupational health services	Employees			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety, Employees			
	403-5 Worker training on occupational health and safety	Safety, Employees			
	403-6 Promotion of worker health Occupational health and safety	Employees			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety, Employees			
	403-8 Workers covered by an occupational health and safety management system	Employees	Our occupational health and safety management system covers all operational activities.		
	403-9 Work-related injuries	Safety, Employees			

GRI standard	Content indicator	Links	Omissions / Remarks	
Training and educat	Training and education			
GRI 3: Material Topics	3-3 Management of material topics	Employees		
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	GRI index	All our employees are receiving regular performance and career development reviews.	
Diversity and equal opportunity				
GRI 3: Material Topics	3-3 Management of material topics	Employees		
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	Employees		
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employees	None to report.	



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