

**BUSINESS  
FINLAND**

# **SOCIAL RESPONSIBILITY REPORT 2022**

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TRANSLATED FROM THE ORIGINAL FINNISH VERSION



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# 1 REVIEW BY THE DIRECTOR GENERAL

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**B**usiness Finland creates prosperity and wellbeing for Finland by accelerating the sustainable growth of companies. We help our clients to grow and succeed globally, develop future solutions, and boldly renew their business. We promote cooperation between companies and research groups so that new openings develop into an international business ecosystem. We are developing Finland into the world's most attractive and competitive innovation environment and the most attractive investment and tourism destination.

One of the goals of our strategy is to make Finland a superpower of sustainable development. Business Finland's goal is to increase sustainability as a prerequisite for economic growth and competitiveness in the long term. Sustainability offers business opportunities for our customers and the entire Finnish economy. In our activities, we consider the implementation of the key objectives, programs, and strategies of the Government Program, in particular the goals related to growth and competitiveness as well as to business and innovation policy. In its operations, Business Finland promotes the ecological, economic, and social responsibility of its clients. In addition, we support Finnish companies

in developing solutions that have a positive impact on sustainability and that contribute to the UN's Sustainable Development Goals.

Sustainability is one of the cornerstones of our strategy and plays a key role in the development of our operations. During the strategy period 2021–2025, in addition to sustainability, we will invest in economic growth and competitiveness.

Finland's Sustainable Growth Program supports sustainable growth ecologically, socially, and economically. The program will boost competitiveness, investments, raising the level of knowledge, as well as research, development, and innovation. The RRF funding granted through Business Finland aims to develop innovative solutions for international markets that promote sustainability and digitalization. In 2022, Business Finland granted a total of approximately EUR 273 million in RRF funding. RRF Recycling and reuse investments (EUR 67 million), IPCEI on hydrogen (EUR 61 million) and the projects of leading companies (EUR 60 million) received most of the funding.

The results we have received in funding leading companies have been quite positive, which is why it was decided



to expand the funding for leading companies to include challenger class companies. Business Finland funds each challenger class company with EUR 10 million, which is half of the funding for the actual leading companies. In addition, we are prepared to fund each challenger's ecosystem with a total of EUR 20 million. With their solutions, the challenger class companies are exemplary in accelerating the green transition and environmentally friendly operations to overcome global challenges.

We sharpened our vision of the prerequisites for Finland's success in the future. We identified the most significant growth opportunities of the future and seized five market opportunities for Finnish companies arising from global transformations. These themes guide our programmatic activities, campaigns, and the allocation of our funding. Business Finland intends to allocate approximately half of its innovation funding to digitalization, health and wellbeing, a carbon-neutral and resilient energy system, the circular economy and zero waste, as well as immersive experiences.

We strongly believe that Finland has an important role to play in solving global challenges. Additionally, we estimate that with the help of solutions offered by Finnish companies, it will be possible to increase product and service exports by more than EUR 20 billion by 2035. Achieving this goal would mean new jobs and the opportunity to invest in wellbeing.

Sustainability is also visible in tourism, when tourists are attracted to Finland with unique experiences and interesting activities. Visit Finland's goal is to make Finland the world's leading country in sustainable tourism. Visit Finland has extended the national sustainable tourism program Sustainable Travel Finland, to climate work even more strongly and, among other things, committed to the global Glasgow Declaration on Climate Action in Tourism and launched a CO2 calculator for the tourism industry to calculate, monitor and reduce the company's carbon footprint.

In its program activities, Business Finland considers the UN's program for Sustainable Development Goals (Sustainable Development Goals, SDG) which pays equal attention to the environment, economy, and people. All Business Finland's programs have sustainability goals and measures to promote the implementation of the UN's program for Sustainable Development Goals through program activities. This was done particularly in the Experience Commerce, Bio & Circular, Smart Mobility & Batteries, Sustainable Manufacturing and Food programs. In addition, the Sustainable Growth Program's RRF campaigns like RRF Creative Businesses, RRF Health, RRF

Low Carbon built environment and RRF Decarbonizing industries support the achievement of this goal.

Business Finland joined the UN Global Compact initiative on corporate responsibility. Founded in 2000 by former UN secretary-general Kofi Annan, the UN Global Compact provides companies and organizations with the knowledge, support, training, and tools to build responsible and successful business. Business Finland engages in active dialogue with its globally operating client companies related to human rights, labor, environment, and anti-corruption.

In addition to laws, regulations and the performance agreement, Business Finland has a general set of rules and guidelines that govern the way Business Finland acts in relation to its clients, employees, and partners in all its operations. The most important of these are the Code of Conduct, the guidelines of affiliations, the principles of risk management, leadership principles, the information security policy, data protection guidelines and various security guidelines.

**Nina Kopola**

## 2 DESCRIPTION OF THE REPORTING ORGANIZATION



### 2.1. BUSINESS FINLAND AS AN ORGANIZATION

#### OWNERSHIP STRUCTURE AND COMPANY FORM

Business Finland consists of the Innovation Funding Agency Business Finland (the Funding Agency), which is under the administration of the Ministry of Economic Affairs and Employment, and Business Finland limited (the Company), which is a special-purpose company managed by the Funding Agency and wholly owned by the State. The Funding Agency and the Company form a functional entity, and their operations are guided by a common strategy. The performance agreement concerning the Funding Agency for 2022 also applies to the Company. The Business Finland Oy Group consists of Business Finland Oy, FinChi Innovation Center Company Ltd operating in Shanghai, China, Business Finland USA Inc operating in the USA and the inactive Finpro Finland Oy, which is registered in Finland. Business Finland Oy is the Group's parent company, and other companies are 100% owned subsidiaries. The Funding Agency also steers the venture capital company Business Finland Venture Capital Ltd.

## LOCATIONS

Business Finland operates in 16 locations in Finland. The head office is located in Helsinki in shared premises with Finnvera. In the common areas of the head office, Business Finland's subtenants are Business Finland Venture Capital Oy and the Climate Fund. In addition, Finnish Industry Investment Ltd (Tesi) operates in the same building. Shared premises with common areas make it easier for client companies to access services that are relevant to them.

Outside Helsinki, Business Finland has offices in 15 locations. In Joensuu, Jyväskylä, Kajaani, Kuopio, Lahti, Lappeenranta, Mikkeli, Oulu, Rovaniemi, Seinäjoki, Turku and Vaasa, Business Finland operates in connection with the ELY Centers and in Pori and Tampere in shared premises with Finnvera. In Kemi, the office is located in premises managed by the city's development company Digipolis Oy in Kemi Technology Village. An extensive network of domestic offices improves the local availability of services. It also strengthens Business Finland's ability to take into account the special characteristics of different regions and local strengths that improve the preconditions for growth of international business.

Business Finland operates abroad in 33 countries and 38 locations. The locations are Belgium, Spain Austria, Norway, Poland, France, Sweden, Germany (2 locations), Denmark, Turkey, Great-Britain, Brazil, Canada, Chile,

Mexico, Peru, USA (3 locations), Australia, South-Korea, Indonesia, India, Japan, Kazakhstan, China (3 locations), Malaysia, Taiwan, Vietnam, South Africa, Kenya, Morocco, Nigeria, Saudi Arabia, and the United Arab Emirates. Russian operations and offices in Moscow and St. Petersburg were closed during spring 2022.

## PRODUCTS AND SERVICES

Business Finland's services include services related to exports and internationalization, services related to building ecosystems, funding services and program services. The services also include the promotion of tourism and investments directed at Finland, as well as expert services in connection with the European Union's research and innovation funding. Business Finland helps companies find international experts and develop the activities of multinational teams. Business Finland also has digital information services and webinars that can be freely utilized on Business Finland's website. In 2022, a Work in Finland unit was established in Business Finland, which implements a joint Talent Boost program in cooperation with other Team Finland operators and the largest cities.

Business Finland is part of the Team Finland network. Team Finland is a network of public actors offering internationalization services to companies, in which the services offered by different actors are coordinated in a client-oriented manner. In addition to Business Finland,

the core actors of the Team Finland network are Finnvera, the Centers for Economic Development, Transport, and the Environment (ELY Centers) and the Employment and Economic Development Offices (TE Offices), as well as the Ministry for Foreign Affairs and the Ministry of Economic Affairs and Employment. The network also includes organizations providing export and internationalization services in Finland and in the target countries as Team Finland partners.

### **BUSINESS FINLAND'S CLIENTS**

Business Finland's mission is to create prosperity and wellbeing for Finland by accelerating the sustainable growth of its clients globally. Business Finland's clients include companies operating in Finland that seek bold business growth and renewal in the international market, as well as research organizations and public organizations cooperating with companies. Around the world, Business Finland's clients include foreign tourists and tour operators, as well as international companies and investors. For example, the clients of Visit Finland and

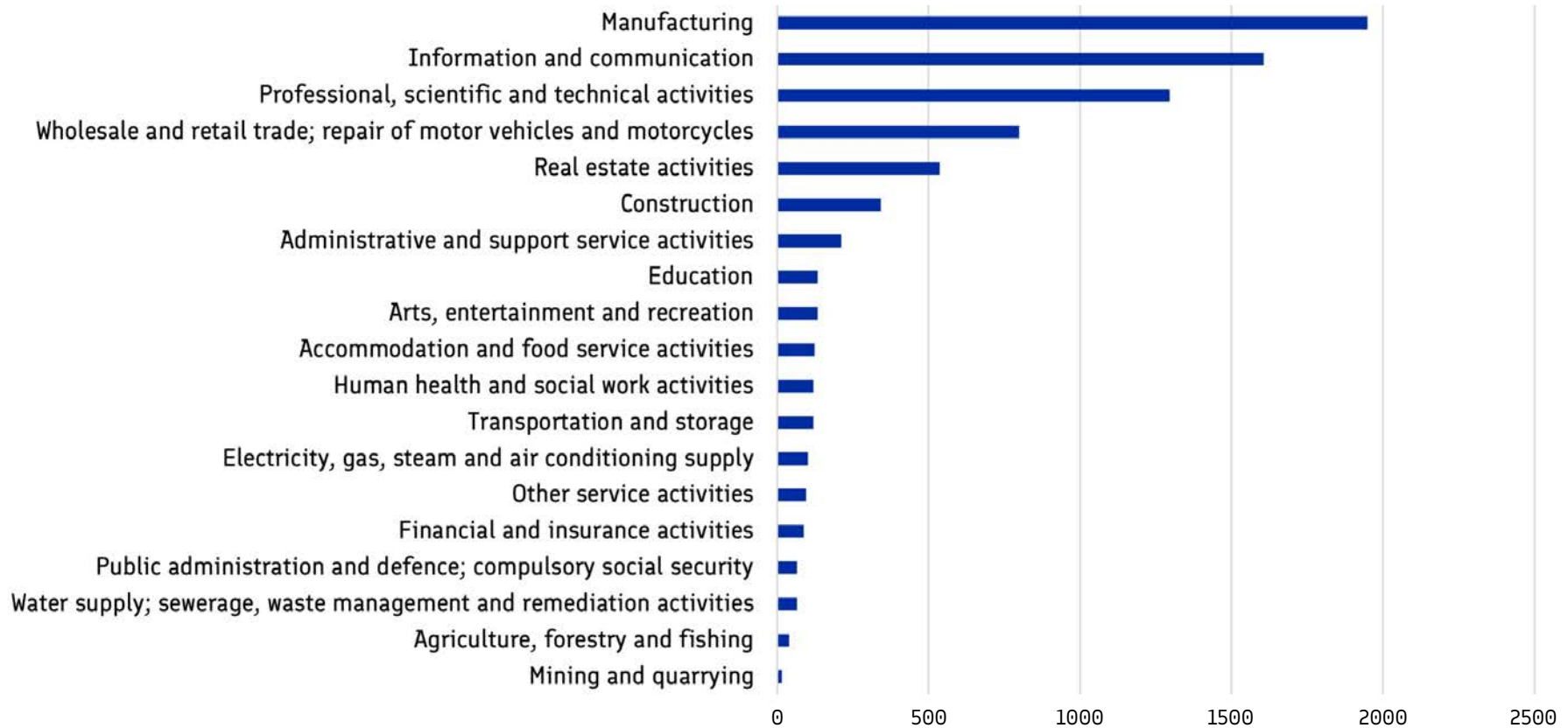
Invest in Finland are, as a rule, companies registered in countries other than Finland.

During 2022, Business Finland had approximately 7,850 corporate clients operating in Finland (in 2021: 8129, in 2020: 6900). The figures do not include customers who have received disruption funding, clients of Invest in Finland or Visit Finland. In 2022, Business Finland's clientele included 32 research organizations (in 2021: 29, in 2020: 37).

The majority of Business Finland's funding and expert service clients in 2022 were microenterprises and small enterprises (approx. 80%), which is on level with previous years. Most clients come from Uusimaa province (49%), followed by Pirkanmaa (10%), Southwest Finland (9%) and North Ostrobothnia (7%). The order is the same as in previous years. Among the industries of Business Finland's clients, most common were manufacturing (26%), information and communication (21%) and professional, scientific, and technical activities (17%). The top of the industry distribution has remained fairly unchanged in recent years. The regional and industry distribution is based on the number of corporate clients operating in Finland.



## BUSINESS FINLAND CLIENTS 2022 BY MAIN INDUSTRY



BUSINESS FINLAND'S CORPORATE CLIENTS OPERATING IN FINLAND BY MAIN INDUSTRY (AMOUNT).



## ADMINISTRATION

Through the Funding Agency, the Ministry of Economic Affairs and Employment steers and supervises the operations of the Business Finland entity in accordance with the central government's performance management practices and the Ministry's Rules of Procedure. The Ministry steers Business Finland's operations at a strategic level so that the operations are in line with the government's strategies and policies. Innovation Funding Agency Business Finland, reports to the Ministry on the realization of the objectives of the Business Finland entity in accordance with the central government's steering model and guidelines.

Provisions on the Board of Directors of Business Finland are defined in law<sup>1</sup>. Provisions concerning the Board of Directors are also included in Business Finland's general operating principles, which also serve as the Rules of Procedure of the Funding Agency as required by law. The Funding Agency has a Board of Directors that steers, monitors and controls the operations of the Business Finland entity and decides upon its strategy and other general operating principles, taking into consid-

<sup>1</sup> Act (1146/2017) on the Innovation Funding Agency Business Finland and a limited liability Company called Business Finland, and the Government Decree on Innovation Funding Agency Business Finland and the limited liability Company called Business Finland (1147/2017)

ration the targets set by the Ministry of Economic Affairs and Employment, and the principles and guidelines of ownership steering. The Board of Directors is Business Finland's highest decision-making body. The Board of Director's specific financial responsibilities are related to the approval of the financial statements of the Innovation Funding Agency Business Finland and the decision-making in administrative appointment and funding matters. The Board of Directors decides on the allocation of funding to projects in which the Funding Agency's financial contribution exceeds EUR 3 million.

The Board of Directors has a supervisory responsibility related to the appropriate organization of the monitoring of the achievement of objectives and internal control. The state of internal control is assessed, for example, through internal risk assessments and studies, various surveys and discussions with personnel, and external evaluations of Business Finland's operations. The Internal Audit function prepares an annual assessment and statement of assurance on the state of internal control for the annual report of the Funding Agency.

The Government appoints the Board of directors for two years at a time, in accordance with the state's diversity policies. The authority to appoint is based on the Government rules of procedure<sup>2</sup>. The members of the Board of Directors are appointed based on their expertise, considering the duties and responsibilities of Business Finland. The Government appoints a chairman and a deputy chairman to the Board of Directors. The Board

of Directors consists of a minimum of five and a maximum of ten persons familiar with the Funding Agency's field of activity, one of whom represents the Ministry of Economic Affairs and Employment. A person employed by Business Finland cannot be appointed as a member of the Board of Directors. The composition of the Board of Directors, their other duties, the delegation of decision-making authority to the Director General and decision-making may be defined in a Government decree. The members of the Board of Directors are orientated to their task, e.g., Business Finland's strategy, in which sustainability is a key part.

The persons elected to the Board of Directors do not represent stakeholders but are selected for the Board of Directors based on their personal expertise. Business Finland's legal basis requires that the Board of Directors has extensive and up-to-date expertise in matters related to Business Finland's operations. It is therefore possible that the persons appointed to the Board of Directors will play an important role in society, have several other commitments and are widely involved in the business world. The members of the Board of directors are subject to separate affiliation policies. When making administrative decisions, the members of the Board of Directors shall ensure that they are not disqualified from the matter in question under the Administrative Procedure Act. They must also consider the procedures related to insider information matters. The members of the Board of Directors must declare their affiliations to Business Finland.

<sup>2</sup> Section 6(2) of the Government Decree on the appointment of members of the boards of directors of central government agencies and bodies

## **DURING THE REPORTING YEAR, BUSINESS FINLAND'S BOARD OF DIRECTORS CONSISTED OF**

- Chairman – Päivi Marttila, Board professional
- Vice Chairman – Petri Peltonen, Under-Secretary of State, Ministry of Economic Affairs and Employment
- Juha Ala-Mursula, Director, BusinessOulu
- Jaakko Aspara, Professor, Hanken School of Economics
- Sami Lampinen, CEO, Inventure Oy
- Laura Langh-Lagerlöf, CEO, Langh Group Oy
- Miia Porkkala, owner-entrepreneur, Aho Group Oy
- Nina Vaskunlahti, Under-Secretary of State, Ministry for Foreign Affairs

The members of the Board of Directors or persons closely associated to them have a total of 70 different affiliations.

The Director General operates as a presenting officer for the Board of Directors. The Director General has the right to attend and speak at the meetings of the Board of Directors. In addition, the personnel, from both the Funding Agency and the Company, elects representatives from among themselves to the Board of Directors. They have the right to attend and speak at Board meetings, apart from appointment matters. The Board of Directors may also invite experts selected on a case-by-case basis and permanent experts for their support.

The personnel section describes the gender and age distribution of the Board of Directors.

Business Finland's Board of Directors meets monthly and, if necessary, in separate meetings. The meetings focus especially on handling of strategic and fundamentally significant matters in accordance with the annual calendar which is designed for Board's operations. The meeting will present a topical review of Business Finland's management, as part of which special concerns, if any, will also be reported.

Business Finland's social responsibility report is handled by Business Finland's leadership team and the Board of Directors of Business Finland Oy, and it is distributed to the Audit Committee and the Board of Directors for their information. The material topics have been approved by the leadership team, not the Board of Directors, as

the topics are based on Business Finland's strategy approved by the Board of Directors. The Social Responsibility Report is submitted to the Ministry steering Business Finland and published on Business Finland's website.

The performance of the Board of Directors is assessed through regular, biennial self-assessments. In addition, the Director General, a representative of the Ministry of Economic Affairs and Employment and the Chairman of the Board of Directors meet regularly to discuss topical issues. The Board's activities and meeting practices will be developed based on the discussion and feedback received during the evaluation.

Business Finland's Audit Committee assists the Board of Directors in the management of supervisory responsibilities. The Audit Committee helps the Board of Directors to ensure, with regard to the entire Business Finland entity, that accounting is appropriately organized and that internal control, risk management, the compliance function, Internal Audit, and auditing have been arranged in accordance with laws, regulations and the principles confirmed by the Board of Directors. The Audit Committee operates systematically and brings significant findings to the Board of Directors' attention without delay.

The Audit Committee of the Board of Directors consists of minimum of three members, at least one of whom is

a full member of the Board of Directors. The remaining members of the Committee may be external experts with a good knowledge of the Audit Committee's field of work. The Board of Directors elects the members of the Audit Committee and the Chairman for a two-year term, which is the same as the Board of Directors' term.

The Director General of the Funding Agency is responsible for the overall operational management of Business Finland. The Director General manages the entity formed by the Innovation Funding Agency Business Finland and Business Finland Oy and is responsible for the overall development of operations and ensures that the tasks of Business Finland are carried out efficiently and appropriately. The leadership team supports the Director General in managing Business Finland. The tasks and operating methods of the leadership team are defined in the description of their operation. The leadership team assesses new opportunities and the measures required to utilize them, and monitors operations and their effectiveness, efficiency, and compliance with regulations.

Business Finland Oy's annual general meeting decides on the matters within the meeting's remits specified by law and the articles of association. The Business Finland entity operates as a single functional entity, in which the



Business Finland Oy's Board of Directors primarily ensures that the owner's will is realized.

The Ministry of Economic Affairs and Employment appoints a Team Finland's leadership team, which consists of influential members in the Team Finland network and stakeholders. The Team Finland leadership team manages the coordination and continuous development of the Team Finland network and operations. The Team Finland network is managed by the Ministry of Economic Affairs and Employment and the Ministry for Foreign Affairs, with Business Finland coordinating the operations of the network at the national level and the Centers for Economic Development, Transport, and the Environment (ELY Centers) coordinating operations at the regional level.

The remuneration of Business Finland's governing bodies is subject to the decisions of the Ministry of Economic Affairs and Employment concerning remuneration and, in the case of special-purpose companies, to the remuneration guidelines issued by the Government's ownership steering. The remuneration of the Board of Directors is paid in accordance with the decision of the Ministry of Economic Affairs and Employment<sup>3</sup>. The salaries and remuneration of the Director General are decided by the Ministry of Finance on a proposal from the Ministry of Economic Affairs and Employment.

The remuneration of the other directors of the Funding Agency are decided by the Director General. The salaries

of the directors of Business Finland Oy's service areas are decided by the Company's Board of Directors after consulting the Director General. Business Finland does not have contribution-based supplementary pension arrangements, clawback clauses or severance pay.

During 2022, the Company and the Funding Agency piloted a new one-off reward model. The new model replaces the bonus model used by the Company. The members of the leadership team of the Company are also covered by the new one-off reward model. The possible remuneration of the Board of Directors of Business Finland Oy is confirmed by the annual general meeting. As a rule, the members of the Board of Directors carry out the duties related to board membership as part of their job description.

## **MEMBERSHIPS AND COMMITMENTS**

In 2022, Business Finland established new partnerships around sustainability. Business Finland committed to the UN Global Compact Finland in 2022. As a member, Business Finland has publicly promised to adopt, support, and implement in its sphere of influence, UN Global Compact's values related to human rights, working life principles, the environment and anti-corruption activities.

Visit Finland and 60 Finnish travel companies and regions signed the global Glasgow Declaration for Climate

<sup>3</sup> MEAE/311/00.03.05.02/2018.



Action in Tourism in 2022. All the signers are committed to halving their emissions over the next decade and reach net zero emissions before 2050.

Business Finland is a member of FIBS (Finnish Business & Society). FIBS is the largest corporate responsibility network in the Nordic countries. FIBS membership offers Business Finland various learning opportunities through different events, trainings, and information services.

The Ministry of Economic Affairs and Employment and Business Finland are funding Finland's ESA membership and participation in ESA programs. With regard to voluntary programs, Business Finland is responsible for national decision-making with the aim of using public funds as efficiently and prudently as possible.

The cooperation, for example, with the global Mission Innovation and the Digital for Development Hub, are good examples of Business Finland's participation in programs that promote multidisciplinary and relevant innovation activities. Several international tasks, such as the EU's Framework Program for Research and Innovation, ESA, Eureka, IEA, and co-operation under the Nordic Council of Ministers (Nordisk Energiforskning NEF and Nordisk Innovation NI), are special responsibilities assigned to Business Finland by the Ministry of Economic Affairs and Employment. Other key organizations or associations in which Business Finland is involved are TAFTIE and ETC (European Travel Commission). The company is also a member of the employers' association Palta.

**WITH PASSION**

**THINK BIG**

**ALL TOGETHER**

**WITH SISU**

BUSINESS FINLAND'S VALUES

**VALUES**

Business Finland's values are reflected in the day-to-day operations of its personnel with its clients, partners, and colleagues. They provide the basis for Business Finland's operations and help Business Finland achieve its strategic goals. They are the cornerstones of Business Finland's culture. These values have been included in the recruitment and induction processes and remuneration. Business Finland's values are: With passion, Think big, All Together and With Sisu.



### **SIGNIFICANT CHANGES IN THE ORGANIZATION**

Significant issues in Business Finland in 2022 included the establishment of the Work in Finland unit, preparations for the Business Finland law change and the changes it would bring, and the effects of the war in Ukraine on Business Finland's operations. These events have been reported in different parts of the report in the appropriate context.

### **REPORTING PRACTICES**

Business Finland renewed its sustainability reporting in connection with reporting in 2021, when the transition to unified sustainability reporting in the Finnish central government and Business Finland's strategy reform changed the structure and material topics of the report. No changes have been made to the reporting for 2022 and there are no material changes in the reported data compared to the previous year. Business Finland's previous social responsibility report was published on April 26, 2022.

The financial statements of the Funding agency or the Company have been used or referred to in the reporting. The social responsibility report concerns Business Finland entity, separating the information on the Funding Agency and the Company to the extent necessary. Business Finland Venture Capital Oy prepares its own social responsibility report. The reporting period of the social responsibility report is January 1 – December 31, 2022, which is the same as the financial year of the Innovation Funding Agency and Business Finland Oy Group. This report describes how Business Finland's social responsibility has been implemented with regard to the material topics defined in Chapter 8 and the UN Sustainable Development Goals (SDGs) for the financial year mentioned before. Reports on Business Finland's social responsibility are published annually. The report is prepared with reference to the requirements of the GRI Standards for Corporate Responsibility Reporting Framework. The report has not been externally assured and there is no separate process for external assurance of the report, as the regulations do not oblige to do so.



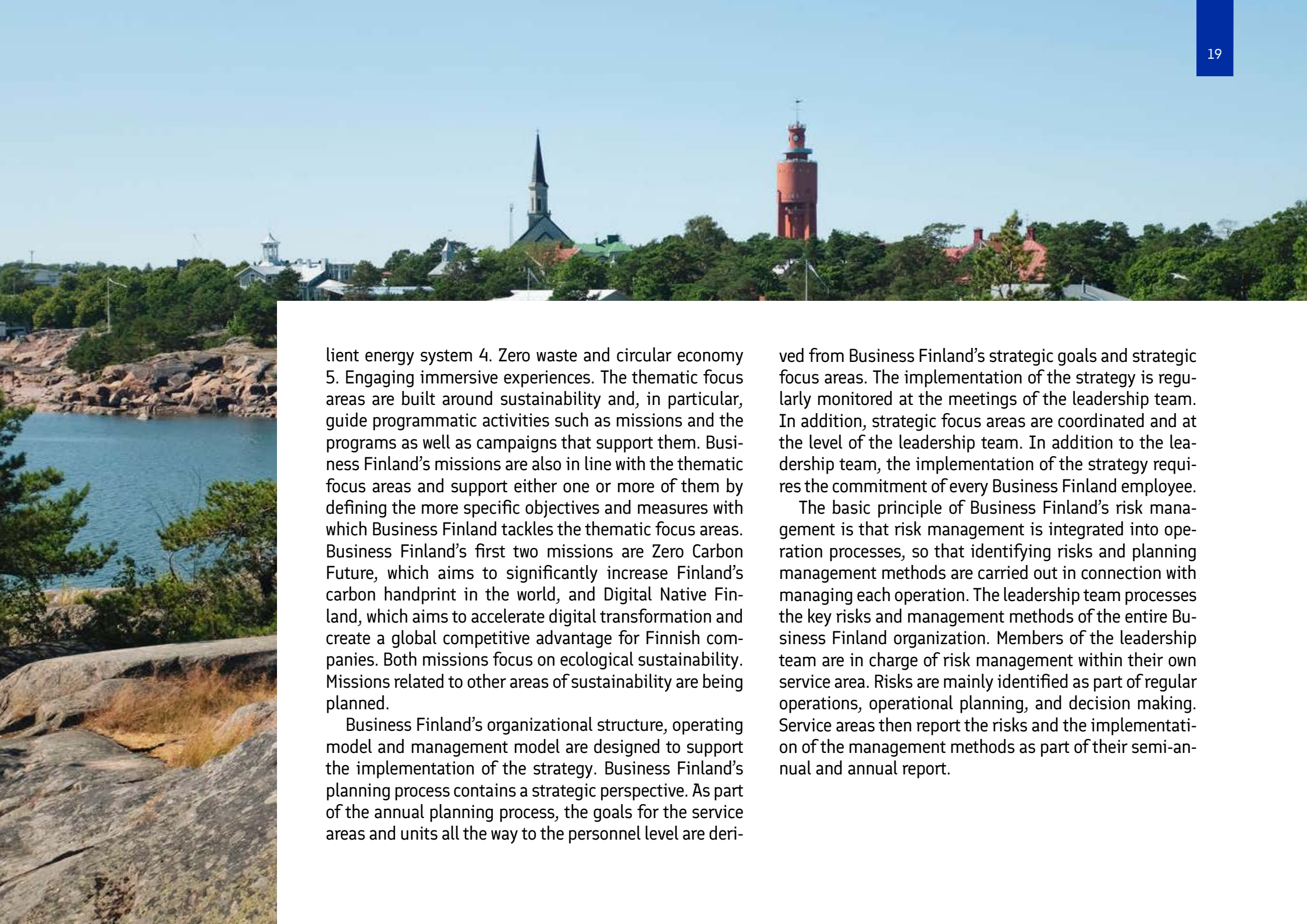
## 2.2 SUSTAINABILITY MANAGEMENT AND ADMINISTRATION

Business Finland discharges a service duty handed down by the Finnish state and assigned to it by law. Therefore, social responsibility is a key part of Business Finland's operations, and it is managed as part of its day-to-day operations. Business Finland has prepared a strategy for the years 2021–2025. Business Finland's strategy is based on three core areas: economic growth, sustainability, and competitiveness. Together, these three themes lay the foundations for the prosperity that Business Finland aims to create for Finland.

Sustainability is at the heart of Business Finland's strategy. With sustainability, Business Finland refers to all three areas of sustainability: ecological, economic, and social sustainability. Business Finland's mission is to promote sustainability in two manners: we want to ensure the ecological, economic, and social responsibility of our own and our clients' operations and to mitigate the negative effects of these operations.

As part of its strategy, Business Finland has defined five strategic focus areas for its operations, which are identified as important development areas for the success of the strategy. For each development entity, Business Finland has appointed a leadership-team-level owner who is responsible for the detailed planning of the development entity and the management and monitoring of its implementation. One of the focus areas specifically deals with sustainability. In addition to the leadership-team-level owner, Business Finland has appointed a project group for the sustainability focus area, which will take the development forward in accordance with the roadmap defined for the strategy period. The work of the project team is described in more detail in chapter 6.1.

Business Finland has also selected five thematic focus areas that Business Finland should focus on in the future. A wide range of Finnish and international experts as well as representatives of Business Finland's stakeholders and clients were involved in the background work related to identifying the focus areas. These focus areas are 1. Digitalization based boost for productivity 2. Comprehensive health and wellbeing 3. Carbon neutral and resi-



lient energy system 4. Zero waste and circular economy 5. Engaging immersive experiences. The thematic focus areas are built around sustainability and, in particular, guide programmatic activities such as missions and the programs as well as campaigns that support them. Business Finland's missions are also in line with the thematic focus areas and support either one or more of them by defining the more specific objectives and measures with which Business Finland tackles the thematic focus areas. Business Finland's first two missions are Zero Carbon Future, which aims to significantly increase Finland's carbon handprint in the world, and Digital Native Finland, which aims to accelerate digital transformation and create a global competitive advantage for Finnish companies. Both missions focus on ecological sustainability. Missions related to other areas of sustainability are being planned.

Business Finland's organizational structure, operating model and management model are designed to support the implementation of the strategy. Business Finland's planning process contains a strategic perspective. As part of the annual planning process, the goals for the service areas and units all the way to the personnel level are deri-

ved from Business Finland's strategic goals and strategic focus areas. The implementation of the strategy is regularly monitored at the meetings of the leadership team. In addition, strategic focus areas are coordinated and at the level of the leadership team. In addition to the leadership team, the implementation of the strategy requires the commitment of every Business Finland employee.

The basic principle of Business Finland's risk management is that risk management is integrated into operation processes, so that identifying risks and planning management methods are carried out in connection with managing each operation. The leadership team processes the key risks and management methods of the entire Business Finland organization. Members of the leadership team are in charge of risk management within their own service area. Risks are mainly identified as part of regular operations, operational planning, and decision making. Service areas then report the risks and the implementation of the management methods as part of their semi-annual and annual report.

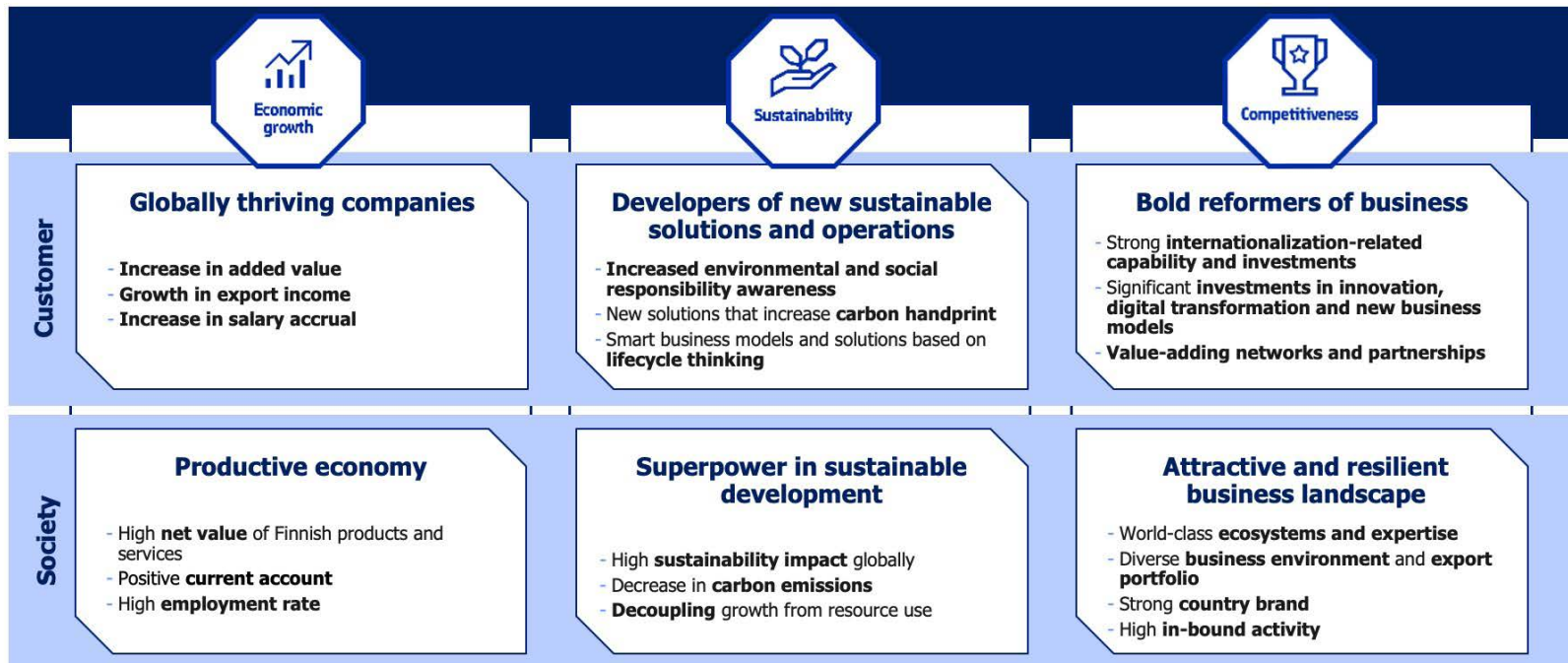
## 2.3. SUSTAINABILITY GOALS

The central strategic goals under the administration of the Ministry of Economic Affairs and Employment, based on the Government Program, are a 75% employment rate; a 4% GDP share of research, development, and innovation funding; and Finland's carbon neutrality by 2035. Business Finland's strategy takes into account the implementation of the key goals, programs, and strategies of the Government Program, in particular the goals related to growth and competitiveness as well as to business and innovation policy.

The annual performance agreement with the Ministry of Economic Affairs and Employment defines Business Finland's goals and the indicators for monitoring the outcomes. The performance agreement applies to the whole of Business Finland. The goals take into account the above-mentioned goals of the Government Program and Business Finland's strategy. Business Finland reports on the achievement of the goals in the annual report of the Funding Agency. The same goals also guide the social responsibility of Business Finland.

In its strategy, Business Finland has defined impact targets that concern three areas: economic growth, promotion of sustainability, and the development of competitiveness. Business Finland has set two strategic goals for each core area, one for the client level and one for the level of society. These goals are presented in the figure below.

The goals for the client level are based on the value that Business Finland creates for its clients and provide an indication of the impact of Business Finland on the development of its clients and, thus, society. The performance agreement's key performance indicator targets are set for these client-level goals. Business Finland assesses its success by measuring the success of its clients. The goals at the level of society are closely related to the core mission of Business Finland: creating prosperity for Finland. Business Finland's impact at the level of society cannot be measured directly, as other factors also influence the achievement of the goals. This is why Business Finland assesses its success with these goals through impact assessments



BUSINESS FINLAND'S IMPACT TARGETS



## 2.4 RESPONSIBILITY PRINCIPLES

Achieving the goals set for Business Finland's operations requires responsible operations from Business Finland. Business Finland complies with the laws, regulations, and practices in force both in Finland and the EU and in each country in which it operates as well as with good governance. Business Finland's operations are governed by specific legislation, national and European regulations on state aid, and the Companies Act in the case of company-based operations. In carrying out public administrative tasks, Business Finland complies with general legislation on governance. The core tasks of Business Finland are defined in the law<sup>4</sup>. Business Finland's work is also steered by the performance agreement signed with the Ministry of Economic Affairs and Employment and other guidelines.

In addition to laws, regulations, and the performance agreement, Business Finland has a general set of rules and guidelines that govern the way it acts in relation to its clients, employees, and partners in all its operations. The most important of these are the Business Finland's Code of Conduct, the guidelines for affiliations, the principles of risk management, leadership principles, the information security policy, data protection guidelines, and various security guidelines. With regard to human resources, the most important guidelines and policies are the equal opportunity plan, the early intervention policy, as well as guidelines for dealing with inappropriate

<sup>4</sup> Act on Business Finland and a limited liability company called Business Finland (1146/2017)

behavior at work and dealing with neglect and misdemeanor, training policy, instructions for threatening customer situations, and the occupational health and safety program. Business Finland's work with clients is also guided by a customer service handbook. Instructions, policies, and regulations relating to funding activities have also been compiled into a handbook. Business Finland updates its policies, guidelines, and manuals regularly. The principles related to organization and decision-making are described in Business Finland's general operating principles, which also serve as the Rules of Procedure of the Funding Agency as required by law. Code of Conduct, guidelines for affiliations and the principles of risk management are approved by the Board of Directors, Business Finland-level guidelines are approved by the Director General, and service area-specific guidelines are approved by the service area managers.

In 2022, information related to the amendments to the Business Finland Act was published. The change will have an impact on Business Finland's operations and personnel. Preparations for the change began in 2022 and the work continues in 2023.

Towards the end of 2022, Business Finland started the preparation of the Sustainability Policy and Sustainability Handbook, the first of which will be published on Busi-

ness Finland's website and the latter will be used by the personnel. The purpose of these documents is to bring together Business Finland's principles and guidelines related to sustainability.

Business Finland's website has a whistleblower feedback channel through which Business Finland's clients, employees and the representatives of other stakeholders may report any unethical or non-compliant actions they observe. The notifications are processed confidentially. The Legal, Administration and Compliance unit is responsible for processing the notifications.

Business Finland complies with data security guidelines and rules and exercises sufficient care and diligence when processing data and using information systems. During 2022, there were a total of 10 reported information security incidents (in 2021: 5, in 2020: 9). No client information, trade secrets or confidential information has been found to fall into the wrong hands. During 2022, there have been two data protection non-conformances (in 2021: 5). In both cases, the observation and notification have come from within Business Finland. Business Finland has trained its personnel in order to avoid similar deviations in the future. The deviations did not result in a high risk to the rights or freedoms of the data subject. The data security incidents were not reported to the



Office of the Data Protection Ombudsman. No abuses of data protection were detected.

Business Finland's Code of Conduct compiles the main principles of responsible operations. Business Finland requires that all its employees adhere to the Code of Conduct. Business Finland also expects its contractual partners to comply with these principles in their operations related to the contractual relationship. The Code of Conduct has been published on Business Finland's website. The implementation of the Code of Conduct is supported by online training, which all employees are required to take. The Code of Conduct contains the principles concerning bribery and anti-corruption, as well as hospitality. In addition, Business Finland's internal guidelines on representation and hospitality are followed. The personnel's affiliations are collected in the human resources management system.

Business Finland addresses malfeasance, and every employee is responsible for reporting suspected malfeasance. Business Finland does not tolerate money laundering or other illegal activities in its operations. Business Finland conducts background checks on its clients to prevent money laundering and support for illegal or unethical activities, for example. Business Finland does not fall within the scope of application of the Anti-Money Laundering Act, but it has an obligation to obtain information. Among the customers applying for funding, Business Finland establishes the owners of all the funded clients, their financial situation, and all their existing bu-



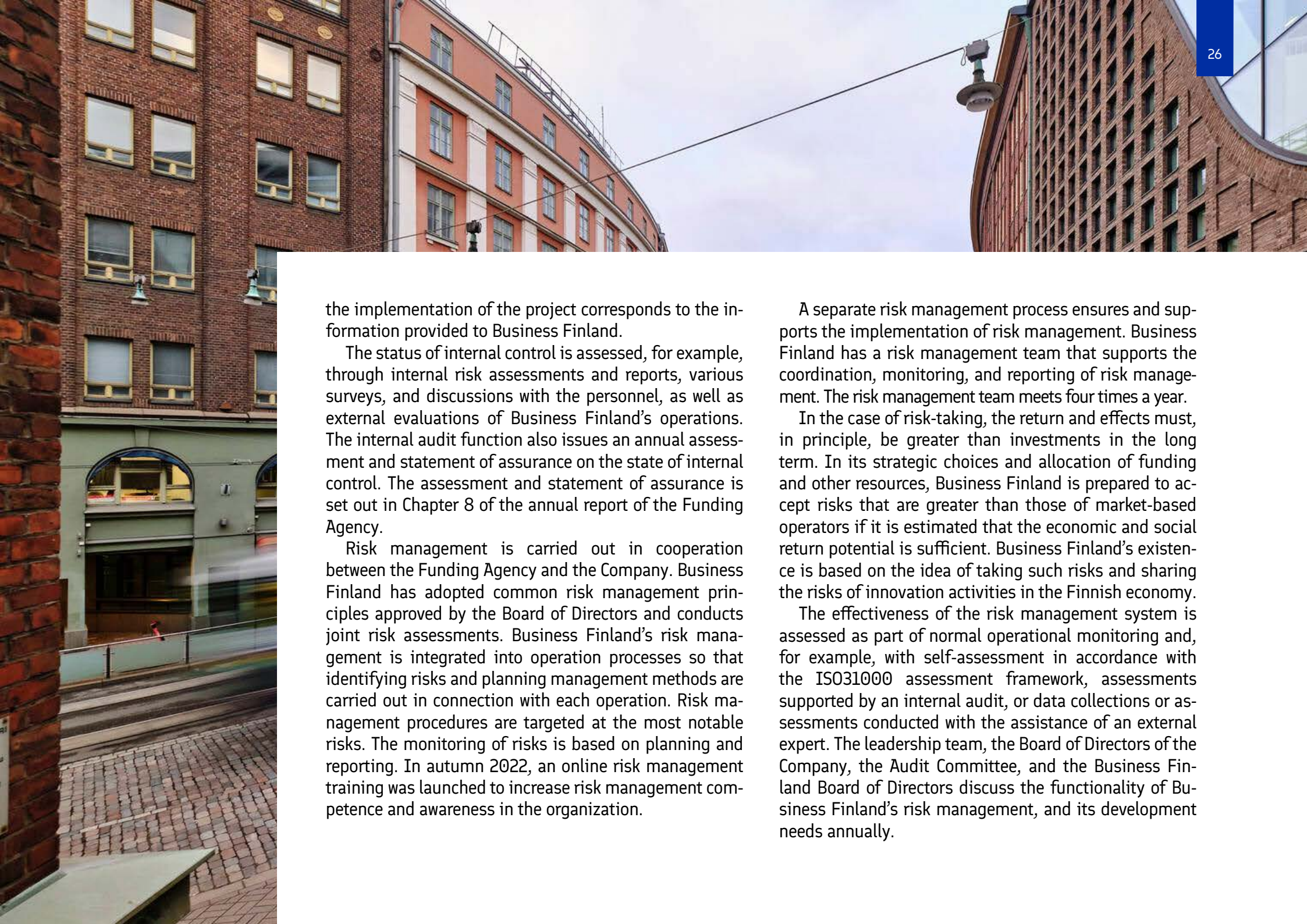


business activities. If the client company is also funded by other funders, they must always inform Business Finland of the names of the other funders and the amount of funding. Each client's business activities are investigated when evaluating a project for which funding has been applied for. In addition, it is verified that neither the funded clients nor their beneficiaries are on sanctions lists. Meeting the Know Your Customer requirements has been widely considered in Business Finland. A separate Know Your Customer team started its operations in the summer of 2022. Projects funded under the Sustainable Growth Program for Finland are always assessed in accordance with the DNSH (Do No Significant Harm) principles. In the Sustainable Growth Program for Finland, Business Finland does not fund projects that do not meet the DNSH criteria. Information of the actual beneficiaries of the funding is collected. Chapter 10 of the annual report of the Funding Agency summarizes the malfeasance detected each year.

The purpose of Business Finland's internal control is to ensure that the finances and operations comply with the law, the operations are effective, the funds and property under Business Finland's control are safeguarded and correct and sufficient information is obtained for management and external steering. The internal control is based

on a functioning control environment, a target-oriented approach and accountability, as well as controls, systems, and risk assessment. Internal control is an integral part of all core activities and their management. Support for internal control ensures and supports internal control as part of the core activities. The internal audit function verifies the effectiveness of the internal control function. The Funding Agency monitors the Company's activities, and it can audit the Company's state aid activities to the extent necessary. As a significant user of public funding, Business Finland has a strong supervisory responsibility for the proper use of the funding it grants and remits. In order to maintain openness and transparency, public funding information is published on the website. The funding information is reported to the European Commission by aid scheme and also by project in accordance with the EU's transparency obligation.

Business Finland monitors its state aid operations through quality audits and audits concerning the supervision of funded clients. Quality audits assess the quality of the preparatory work for funding decisions and the monitoring performed during the duration of the project. The purpose of the audits conducted by Business Finland is to ensure that the projects it funds comply with the funding decision and its terms and conditions, and that



the implementation of the project corresponds to the information provided to Business Finland.

The status of internal control is assessed, for example, through internal risk assessments and reports, various surveys, and discussions with the personnel, as well as external evaluations of Business Finland's operations. The internal audit function also issues an annual assessment and statement of assurance on the state of internal control. The assessment and statement of assurance is set out in Chapter 8 of the annual report of the Funding Agency.

Risk management is carried out in cooperation between the Funding Agency and the Company. Business Finland has adopted common risk management principles approved by the Board of Directors and conducts joint risk assessments. Business Finland's risk management is integrated into operation processes so that identifying risks and planning management methods are carried out in connection with each operation. Risk management procedures are targeted at the most notable risks. The monitoring of risks is based on planning and reporting. In autumn 2022, an online risk management training was launched to increase risk management competence and awareness in the organization.

A separate risk management process ensures and supports the implementation of risk management. Business Finland has a risk management team that supports the coordination, monitoring, and reporting of risk management. The risk management team meets four times a year.

In the case of risk-taking, the return and effects must, in principle, be greater than investments in the long term. In its strategic choices and allocation of funding and other resources, Business Finland is prepared to accept risks that are greater than those of market-based operators if it is estimated that the economic and social return potential is sufficient. Business Finland's existence is based on the idea of taking such risks and sharing the risks of innovation activities in the Finnish economy.

The effectiveness of the risk management system is assessed as part of normal operational monitoring and, for example, with self-assessment in accordance with the ISO31000 assessment framework, assessments supported by an internal audit, or data collections or assessments conducted with the assistance of an external expert. The leadership team, the Board of Directors of the Company, the Audit Committee, and the Business Finland Board of Directors discuss the functionality of Business Finland's risk management, and its development needs annually.



## 2.5 IMPACT EVALUATION

Business Finland's impact assessment examines the impact of public R&D and innovation funding as well as internationalization and invest-in services on companies, industries, and the entire national economy. The impact assessment is based on research and evaluation results and reliable statistical sources. The aim is to convey as objective a view as possible of the subjects of the assessment.

The impact of Business Finland and the development of its core areas are monitored by means of impact studies for each core area (economic growth, sustainability, competitiveness) agreed upon with the Ministry of Economic Affairs and Employment. In addition, other assessments are conducted in accordance with the assessment plan agreed upon with the ministry. Separate impact studies are carried out annually for different goals, so that every goal will be assessed at least once between 2021

and 2024. Impact studies and their results are described in the chapter 3.2 of the Funding Agency's annual report. In addition, a summary of the results and impacts is published annually on Business Finland's website (a report called Results and impacts).

Business Finland's impact studies are based on an impact model describing added value (additionality). The impact model has also been developed to describe various client segments and instrument-specific results and impacts. In addition, the impact model is suitable for utilizing impact information, such as impact paths specific to each core area. At the same time, Business Finland will increase the use of impact information in its strategic decision-making and strengthen its proactive impact and external communication. Impact communication has been further developed using visualization, client segmentation, case analyses, and impact reviews.



## 2.6. STAKEHOLDER ENGAGEMENT

Clients are a key stakeholder group for Business Finland. Business Finland regularly and systematically collects feedback from its clients on their use of its services. For example, funding services and internationalization services send out an automated survey to clients at the end of each service event. In addition, Business Finland conducts an annual feedback survey for its Focus clients in order to receive client-level feedback on its operations.

In 2022, Business Finland has introduced a segmentation model, renewed its customer relationship strategy and offering and service portfolio process, as well as a management model to continuously develop the service portfolio to meet changing customer needs. In line with its strategy, Business Finland has systematically built client-oriented and multichannel marketing and communications, renewed its digital services on various websites, attracted international operators to Finland, strengthened Finland's country image and developed the customer journey of an international customer. Business Finland has also introduced a new model for key account management, further developed data-based customer segmentation and introduced a model related to industry expertise and industry management. In addition, Business Finland has further developed its customer service process and improved the customer's path in digital channels.

The quality of Business Finland's services was mainly at an excellent level in 2022. Business Finland's most important customer experience indicators are general satisfaction with Business Finland's services and willingness to recommend its services, of which the willingness to recommend rose clearly from 2021 (+59) to 2022 (+67), while general satisfaction remained at the same good level (4,3 on a scale of 1–5). The indicators and indicators related to the quality of services are described more extensively in the Funding Agency's annual report in chapter 5.2.

Stakeholder cooperation is guided by Business Finland's strategy. On the basis of the strategy, it is assessed whether cooperation with a particular organization has a significant social impact or whether the cooperation contributes significantly to the goals of Business Finland. Business Finland engages in particularly close cooperation with the Ministry of Economic Affairs and Employment and the organizations under its administration, as well as with the Ministry for Foreign Affairs. In addition to the above, the key strategic stakeholders include organizations in Team Finland network, VTT, Academy of Finland, Sitra and other regional actors. Business Finland operates actively in the Research and Innovation Council, which guides and coordinates research and in-

novation policy. Business Finland also cooperates with the bodies of the European Union. Business Finland's international network cooperates closely with both Finnish embassies and significant regional actors. Examples of Business Finland's stakeholder cooperation are given in chapters 4–6 of this report.

Business Finland regularly evaluates its operations by using an EFQM framework. In 2022, the evaluation was carried out as a self-assessment. Business Finland's key strengths were its strategy, strategy process, and strategic and operational performance. Key areas for improvement were stakeholder cooperation as well as performance management and renewal.

The performance agreement for 2022 between Business Finland and the Ministry of Economic Affairs and Employment contains two monitoring indicators related to stakeholder satisfaction; Visit Finland's stakeholder satisfaction and stakeholder satisfaction with Business Finland's Talent Boost activities. Both indicators clearly exceeded the target level. The performance of these indicators is reported in more detail in chapter 5.2 (table 14) of the annual report of the Funding Agency.

## 3 UN SUSTAINABLE DEVELOPMENT GOALS SELECTED BY BUSINESS FINLAND



For the purpose of uniform sustainability reporting of the Finnish central government, Business Finland has selected SDGs 8, 9 and 13 as its UN Sustainable Development Goals. Of the SDG targets, the most suitable ones for Business Finland's operations were selected. At some level, Business Finland contributes to almost every UN Sustainable Development Goal. This report describes the UN Sustainable Development Goals (SDGs) which particularly concern Business Finland's operations, although its operations are also linked to the other goals. For example, in the context of the core theme of sustainability, climate change was not the only UN SDG that Business Finland could have selected.

The selected goals are described in the table below. The tables also contain the indicators proposed in the UN indicator list for measuring the progress of the targets, as well as the indicators selected by Business Finland for each target.

**TABLE 1: UN SUSTAINABLE DEVELOPMENT GOALS AND INDICATORS SELECTED BY BUSINESS FINLAND.<sup>5</sup>**

SDG	TARGET	UN INDICATOR	BF INDICATOR
<b>Goal 8:</b>  Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.	Annual growth rate of real GDP per employed person.	Export growth of SME clients (incl. midcap), EUR million and %.
	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	Proportion of informal employment in total employment, by sector and sex.	Number of jobs created by RDI funding (estimated number of jobs in the target year of the project).
	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.	Material footprint, material footprint per capita, and material footprint per GDP or domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP.	Business Finland does not yet have a specific progress indicator for this target but the indicator of target 9.4 describes well also the progress of this target.
	8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.	Tourism direct GDP as a proportion of total GDP and in growth rate.	Registered foreign overnight stays, 1,000 days.  Finland's market share of overnight stays by foreign tourists in relation to other Nordic countries (%).  International tourism income (tourism balance), EUR million
<b>Goal 9:</b>  Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	CO2 emission per unit of value added.	Funding for solutions promoting low-carbon and circular economy, EUR million.
	9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.	Research and development expenditure as a proportion of GDP or researchers (in full-time equivalent) per million inhabitants.	Increase in the combined RDI investments of Business Finland's clients (%).
<b>Goal 13:</b>  Take urgent action to combat climate change and its impacts.	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population. Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015–2030.  Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies .	Business Finland does not yet have a specific progress indicator for this target.
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Extent to which (i) global citizenship education and (ii) education for sustainable development are mainstreamed in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment	Share of service events related to the promotion of sustainability (%).

<sup>5</sup> Goals: <https://www.globalgoals.org/goals/> Indicators: <https://unstats.un.org/sdgs/indicators/indicators-list/>



As described in Chapter 2.3, the annual performance agreement with the Ministry of Economic Affairs and Employment defines Business Finland's goals and the indicators measuring the achievement of these goals, and these same goals also govern Business Finland's social responsibility. The indicators in the performance agreement measure the progress of Business Finland's work. The UN has included appropriate indicators for each target in its list of indicators. However, the indicators included in the UN indicator list are not suitable for measuring the work Business Finland carries out to promote each UN target, and they are not fully suitable for Business Finland's reporting either. This is why Business Finland measures the progress of its goals with the performance and monitoring indicators set out in its performance agreement. The descriptions and calculation method of the performance and monitoring indicators are described in Appendices 4 and 5 to the performance agreement 2022–2025. The performance agreements can be found on Business Finland's website under "Performance management" (in Finnish).

The primary measures taken to achieve the goals outlined above are described in the following Chapters 4–6. The Funding Agency's annual report also describes these measures.



# 4 A HANDPRINT FOR THE UN SUSTAINABLE DEVELOPMENT GOAL 8

<b>UN SUSTAINABLE DEVELOPMENT GOAL 8:</b> Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all	
<b>TARGET 8.2:</b> Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high-value added and labor-intensive sectors.	<b>TARGET 8.3:</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
<b>TARGET 8.4:</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.	<b>TARGET 8.9:</b> By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

**B**usiness Finland is an important operator in promoting economic growth in Finland. By supporting the growth of its clients' export earnings, Business Finland contributes to a positive current account balance at the national level. By increasing its clients' salary accrual, Business Finland promotes the development of the employment rate in Finland. In the long term, Business Finland aims to increase sustainability as a prerequisite for economic growth and competitiveness. The aim is also to enable faster growth of foreign tourism demand in relation to the growth of the number of tourists.



#### **4.1 TARGETS 8.2, 8.3, 8.4 AND 8.9**

Business Finland's research, development and innovation funding encourages organizations to engage in research, development and innovation activities and joint programs aimed at accelerating development, increasing value added and productivity, as well as promoting the development of working life. Business Finland assesses the long-term social benefits of each project, takes into account the project's impact on other organizations and its direct impacts on the environment and society. In 2022, Business Finland further developed the funding criteria and sustainability reports used in evaluating funded clients. During the end of the year, preparations were made for the implementation of the sustainability reports for the joint use of Team Finland operators. The actual piloting was postponed to 2023. Business Finland's funding activities and their results are reported more extensively in chapter 5.1 of the Funding Agency's annual report.

Business Finland helps Finnish companies to enter the international markets and advises companies at all stages of internationalization. Business Finland recognizes promising business opportunities in the market and helps to find suitable partners and contacts. In 2022, in Business Finland's internationalization services, client work focused on the most potential customers. Business Finland's funding and internationalization services for the

most potential customers have quadrupled, suggesting significant growth potential.

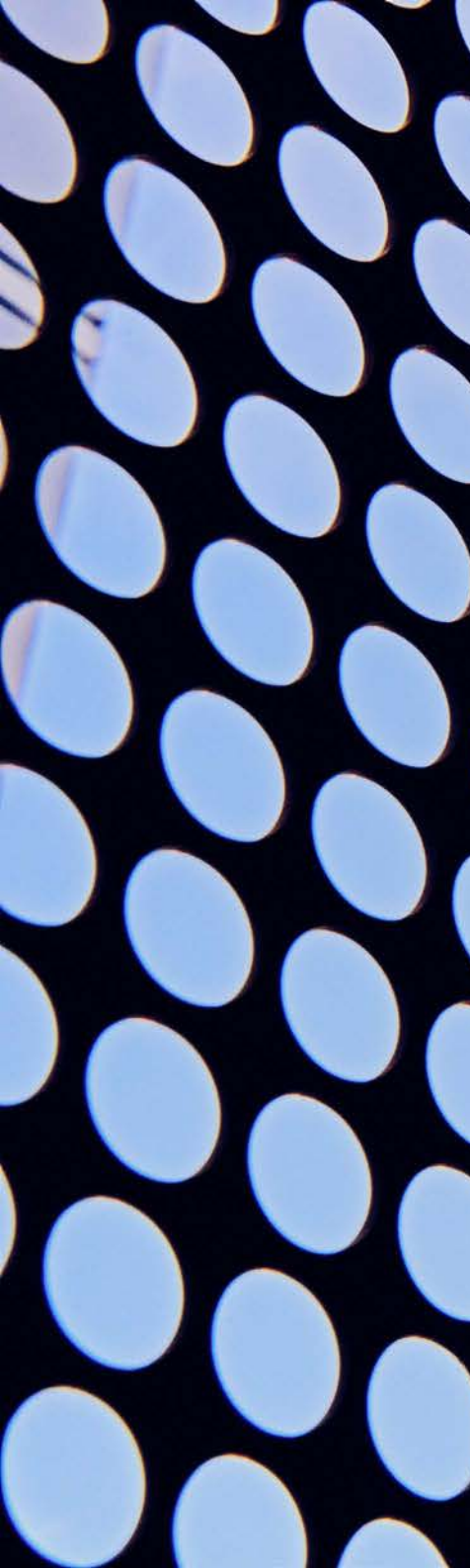
Russia's invasion of Ukraine in February 2022 challenged Business Finland to find alternative markets for Finnish exporters to Russia. Business Finland started the investigation quickly, contacted companies and advised and talked about Business Finland's services and new market opportunities. In the spring of 2022, Business Finland launched a new, clearer service model related to internationalization, which is based on the identified needs of clients in internationalization.

Sales and marketing work of Invest in Finland function helps to identify foreign companies that could have the potential to make investments that strengthen Finland's economic environment. The impact of investments is measured, among other things, by indicators such as the creation of new jobs. In order to attract foreign investments to Finland, Invest in Finland has carried out sales and marketing work in a targeted manner, especially in knowledge-intensive sectors. Several preliminary announcements of large cleantech investments give hope for strong sustainability results in 2-4 years. However, Finland's permit and appeal process requires a major re-

form, or these investments are at risk. The results of Invest in Finland's operations in 2022 are presented in chapter 3.2.4 of the Annual Report of the Funding Agency.

Since 2021, Business Finland participates in the implementation of the government's program for export and international growth and has promoted the achievement of the program's goals in the areas of internationalization services, improvement of internationalization and digital skills, multi-billion ecosystems and innovation, as well as the promotion of low-carbon approach in cooperation with other Team Finland members. Building joint offerings is part of the program for export and international growth. During 2021-2022, a total of 21 joint offerings for concrete market opportunities have been launched. The offerings of ecosystem export promotion groups, such as International Business Innovations or Export Campaigns, are built with sustainability in mind. The joint offerings are built on concrete market opportunities, to help Finnish export and solve local sustainability challenges.

During 2022, the implementation of the Team Finland service path continued as planned. Based on the Team Finland evaluation completed in June 2022, strategy



work was started, and the roles of different actors were clarified. The correct timing and targeting of services are important to maintain the strong drive of exports that existed in 2021–22.

In 2020 and 2021, Business Finland launched challenge competitions for leading companies, in order to get companies to significantly increase their research, development and innovation activities in Finland, and to create new jobs and multi-billion ecosystems aiming at new business. The number of these ecosystems increased by ten as five new leading companies and five new growth engines started in 2022. A total of 14 leading ecosystems and 26 growth engine ecosystems were operating at the end of 2022. The leading ecosystems that started earlier grew with new partnerships. Business Finland's results on the funding of leading companies have been positive, which is why it was decided to expand the leading company funding to include challenger class companies. Business Finland funds each challenger class company with EUR 10 million, which is half of the funding for the actual leading companies. In addition, Business Finland prepares to fund each challenger's ecosystem for a total of EUR 20 million.

Decoupling economic growth from the use of resources is necessary to ensure long-term sustainable growth. This means that, as a society, we need to find sustainable solutions that enable economic growth without consuming more resources. Sustainability also offers significant market potential for our clients and the Finnish economy

as a whole: solving the great challenges facing humanity offers viable and significant business opportunities. Business Finland's efforts to promote target 8.4 are very similar in content to target 9.4. The work carried out for target 9.4 is described in chapter 5.1.

Visit Finland has defined its vision that Finland will be the leading destination country for sustainable tourism by 2025. A key role in this work is played by the Sustainable Travel Finland program developed by Visit Finland, which provides common, concrete tools for promoting sustainable tourism. At the end of 2022, nearly a thousand companies are already participating in the program, of which 220 have received the STF label as an indication of sustainable practices. During 2022, the program has also created national indicators for measuring and monitoring sustainability and launched a tourism carbon footprint calculator.

Many tourism companies will continue to suffer from economic difficulties for a long time to come, both as a result of the pandemic and the war in Ukraine. Through its work, Visit Finland supports companies in many ways, for example through the RRF measures to be implemented until the end of 2024. The recovery instrument builds, among other things, common tools to promote sustainable tourism, digitalization, and knowledge-based management. In addition, an action plan was drawn up during the autumn to support tourism operators in Eastern Finland, where companies have suffered more than the rest of the country from the lack of Russian tourists.

**TABLE 2: PROGRESS INDICATORS FOR TARGETS 8.2, 8.3, AND 8.9.**

KEY PERFORMANCE INDICATOR	2020 OUTCOME	2021 OUTCOME	2022 OUTCOME	2022 ESTIMATE
Export growth of SME clients (incl. midcap), EUR million and %.	EUR 71 million 1 %	EUR 1500 million 16,5 %	EUR 730 million 14 % (forecast)	EUR 400 million 7 %
Number of jobs created by RDI funding (estimated number of jobs in the target year of the project).	38 835	24 937	32 610	35 000
Finland's market share of overnight stays by foreign tourists in relation to other Nordic countries (%).	14	9	13 (estimate)	11
International tourism income (tourism balance), EUR million <sup>6</sup> .	1 089	909	2 120 (estimate)	2 000
KEY PERFORMANCE INDICATOR	2020 OUTCOME	2021 OUTCOME	2022 OUTCOME	2022 GOAL
Registered foreign overnight stays, 1,000 days <sup>7</sup> .	2 292	2 085	5 000 (estimate)	6 000

<sup>6</sup> Income from foreign tourism treated as export (excluding transport income).

<sup>7</sup> Visit Finland's measures contribute to these only in part.

### PROGRESS INDICATORS

The progress of targets 8.2 and 8.3 is measured by the export growth indicator for SME client companies and the jobs created by RDI funding. There is no specific indicator for target 8.4, but its progress is measured by the same indicators as target 9.4. The progress of target 8.9 is measured by the number of registered foreign overnight stays, Finland's market share of foreign tourists' overnight stays in relation to other Nordic countries, and international tourism income. The outcomes are analyzed in chapters 3.2.2 and 3.2.4 of the Funding Agency's annual report.

## CASE EXAMPLE

### **FINNISH TOURISM INDUSTRY AIMS FOR A CARBON-NEUTRAL FUTURE**

Visit Finland and 60 Finnish tourism companies and regions have signed the Glasgow Declaration for Climate Action in Tourism. The signatories of the declaration commit to halving their carbon dioxide emissions during this decade and aim to achieve carbon neutrality before 2050.

Source (in Finnish): Finnish tourism industry aims for a carbon-neutral future - Business Finland



# 5 A HANDPRINT FOR THE UN'S SUSTAINABLE DEVELOPMENT GOAL 9

## UN SUSTAINABLE DEVELOPMENT GOAL 9:

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

### TARGET 9.4:

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

### TARGET 9.5:

Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

**B**usiness Finland promotes the sustainable and bold renewal of its clients and the Finnish economy, by investing especially in strong capabilities and investments related to internationalization, significant innovation investments, digital transformation, and new business models, as well as value-added networks and partnerships. Business Finland strengthens competitiveness and strives to support its clients so that they would develop into bold reformers of business.

## 5.1. TARGETS 9.4 AND 9.5

Sustainability is closely linked to the goals of the two pilot missions launched in Business Finland in 2021. The themes of the missions are carbon neutral future (Zero Carbon Future) and productivity growth through digitalization (Digital Native Finland). The missions respond to global challenges that require long-term and extensive work at the societal level. At the same time, it helps Finnish companies to take advantage of new market opportunities that arise as a result of systemic changes. The missions promote especially sustainability themes, such as solutions that increase the carbon handprint. In 2022, Business Finland's programmatic activities were carried out in a mission-oriented manner, and the preparation of new programs was launched in accordance with the roadmaps and goals of the missions Zero Carbon Future and Digital Native Finland. During 2022, new missions promoting sustainability themes have been prepared. Preparations will continue into early 2023. Business Finland's programs serve as a key tool in the implementation of missions, and most of Business Finland's programs are tied to sustainability.

For its part, Business Finland has implemented Finland's Sustainable Growth Program and as part of this, Finland's national recovery and resilience plan funded by the EU's Recovery and Resilience Facility (RRF). During the year, the planned funding calls, and activities of the Finland's Sustainable Growth Program (RRF), which were assigned to Business Finland, were carried out successfully. Through the RRF campaigns and the related funding calls, the objectives of the Sustainable Growth Program have been implemented, targeting programmatic measures to promote the sustainable development goals.

During 2022, Business Finland has promoted the circular economy and allocated funding towards new solutions for the bioeconomy and circular economy, climate change mitigation, as well as the health sector and digitalization. Business Finland has used RDI and investment funding for circular economy to support projects that have a significant impact on emissions reduction or employment and that promote systemic change towards a circular economy. Through both the Bio&Circular Finland program and the RRF calls for recycling and reuse, Business Finland has contributed to the realization of the objectives of the national program promoting circular economy. In 2022, 88 projects promoting the bioeconomy and circu-

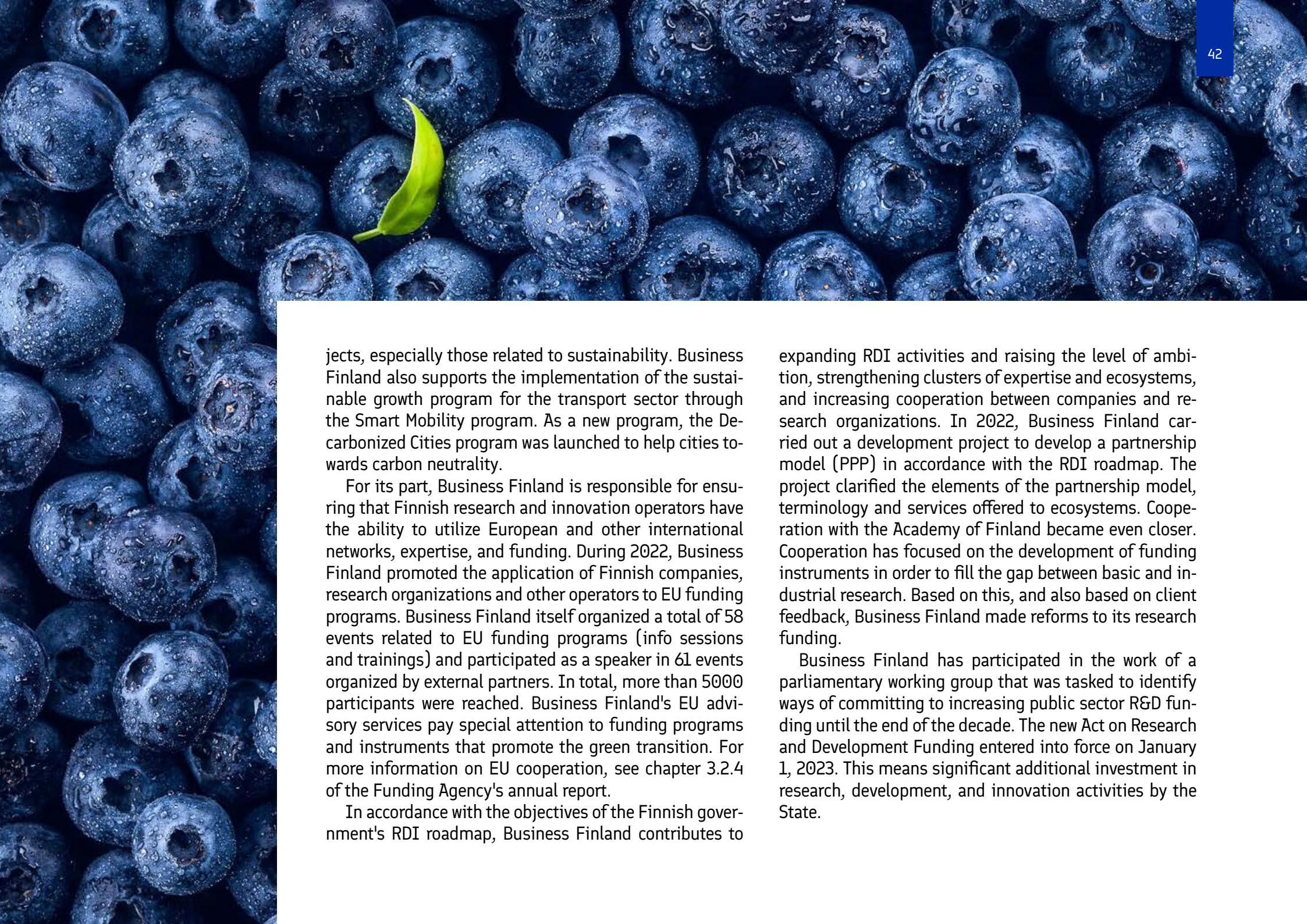




lar economy were funded under the Bio&Circular program for a total of EUR 131.5 million. (63 projects of companies – EUR 117.0 million and 25 projects of research organizations – EUR 14.5 million).

The Experience Commerce program has produced a sustainability playbook for digital commerce to support companies in concretizing sustainability in their own business. The guide was prepared in collaboration with companies, universities and other stakeholders who participated in the program. The guide supports the development of companies' competence, and the introduction of sustainability into companies' strategy and future planning. The guide brings together content, tools, and business cases from the perspectives of the consumer trade value chain, strategy, and marketing, especially for use by SMEs. The development work also provides an opportunity for scaling in other industries.

Business Finland's Sustainable Manufacturing program aims to renew the manufacturing industry and increase its competitiveness. In 2022, the Sustainable Manufacturing program has focused on supporting the growth and internationalization of companies specifically related to sustainability (so called "carbon handprint companies"). The Sustainable Manufacturing program has succeeded in increasing the number of new RDI pro-



jects, especially those related to sustainability. Business Finland also supports the implementation of the sustainable growth program for the transport sector through the Smart Mobility program. As a new program, the Decarbonized Cities program was launched to help cities towards carbon neutrality.

For its part, Business Finland is responsible for ensuring that Finnish research and innovation operators have the ability to utilize European and other international networks, expertise, and funding. During 2022, Business Finland promoted the application of Finnish companies, research organizations and other operators to EU funding programs. Business Finland itself organized a total of 58 events related to EU funding programs (info sessions and trainings) and participated as a speaker in 61 events organized by external partners. In total, more than 5000 participants were reached. Business Finland's EU advisory services pay special attention to funding programs and instruments that promote the green transition. For more information on EU cooperation, see chapter 3.2.4 of the Funding Agency's annual report.

In accordance with the objectives of the Finnish government's RDI roadmap, Business Finland contributes to

expanding RDI activities and raising the level of ambition, strengthening clusters of expertise and ecosystems, and increasing cooperation between companies and research organizations. In 2022, Business Finland carried out a development project to develop a partnership model (PPP) in accordance with the RDI roadmap. The project clarified the elements of the partnership model, terminology and services offered to ecosystems. Cooperation with the Academy of Finland became even closer. Cooperation has focused on the development of funding instruments in order to fill the gap between basic and industrial research. Based on this, and also based on client feedback, Business Finland made reforms to its research funding.

Business Finland has participated in the work of a parliamentary working group that was tasked to identify ways of committing to increasing public sector R&D funding until the end of the decade. The new Act on Research and Development Funding entered into force on January 1, 2023. This means significant additional investment in research, development, and innovation activities by the State.

**TABLE 3: PROGRESS INDICATORS FOR TARGETS 9.4 JA 9.5.**

KEY PERFORMANCE INDICATOR	2020 OUTCOME	2021 OUTCOME	2022 OUTCOME	2022 ESTIMATE
Funding for solutions promoting low-carbon and circular economy, EUR million.	305	270	392	400
KEY PERFORMANCE INDICATOR	2020 OUTCOME	2021 OUTCOME	2022 OUTCOME	2022 GOAL
Increase in the combined RDI investments of Business Finland's clients (%) <sup>8</sup> .	4,7	2,1	16,7	> 6

<sup>8</sup> The value of the indicator corresponds to the change in RDI inputs of Business Finland's 2019 clients in 2019–2020, which is the most recent set of data available.

### PROGRESS INDICATORS

The achievement of targets 9.4 and 9.5 is measured by the amount of Business Finland's funding is allocated to solutions promoting low-carbon and circular economy, as well as by the combined increase of RDI investments among Business Finland's clients. In both indicators, the previous year's realization was clearly exceeded. The outcomes are analyzed in more detail in chapter 3.2.3 and 3.2.4. of the Funding Agency's annual report.

## CASE EXAMPLE

### **SUSTAINABLE MANUFACTURING FINLAND PROGRAM – HELPING MANUFACTURING IN THE GREEN TRANSITION**

The Sustainable Manufacturing Finland program started at the beginning of 2020 and will end at the end of 2023. The common thread running through the program has been to strengthen the Finnish manufacturing industry with indicators of productivity and environmental sustainability.

During the first two years, more than 150 companies and nearly ten research organizations have participated in the Sustainable Manufacturing Finland program. So far, a total of EUR 70 million in RDI funding has been granted through the program.

Source (in Finnish): Sustainable Manufacturing Finland -program – helping manufacturing industry in the green transition- Business Finland

# 6 A HANDPRINT FOR THE UN SUSTAINABLE DEVELOPMENT GOAL 13

## UN SUSTAINABLE DEVELOPMENT GOAL 13:

Take urgent action to combat climate change and its impacts

### TARGET 13.1:

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

### TARGET 13.3:

Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning

Sustainability is one of the three core areas of Business Finland's strategy, which implies a significant need for development and a broad implementation of the perspective of sustainability in Business Finland's operations and services. In particular, Business Finland focuses on increasing awareness of environmental and social responsibility, new solutions that increase the carbon handprint, and smart business models and solutions based on life cycle thinking.

## 6.1. TARGETS 13.1 AND 13.3.

Business Finland promotes sustainability by raising awareness of sustainability and sustainable business activities and by strengthening its clients' ability to increase their ecological, economic, and social responsibility.

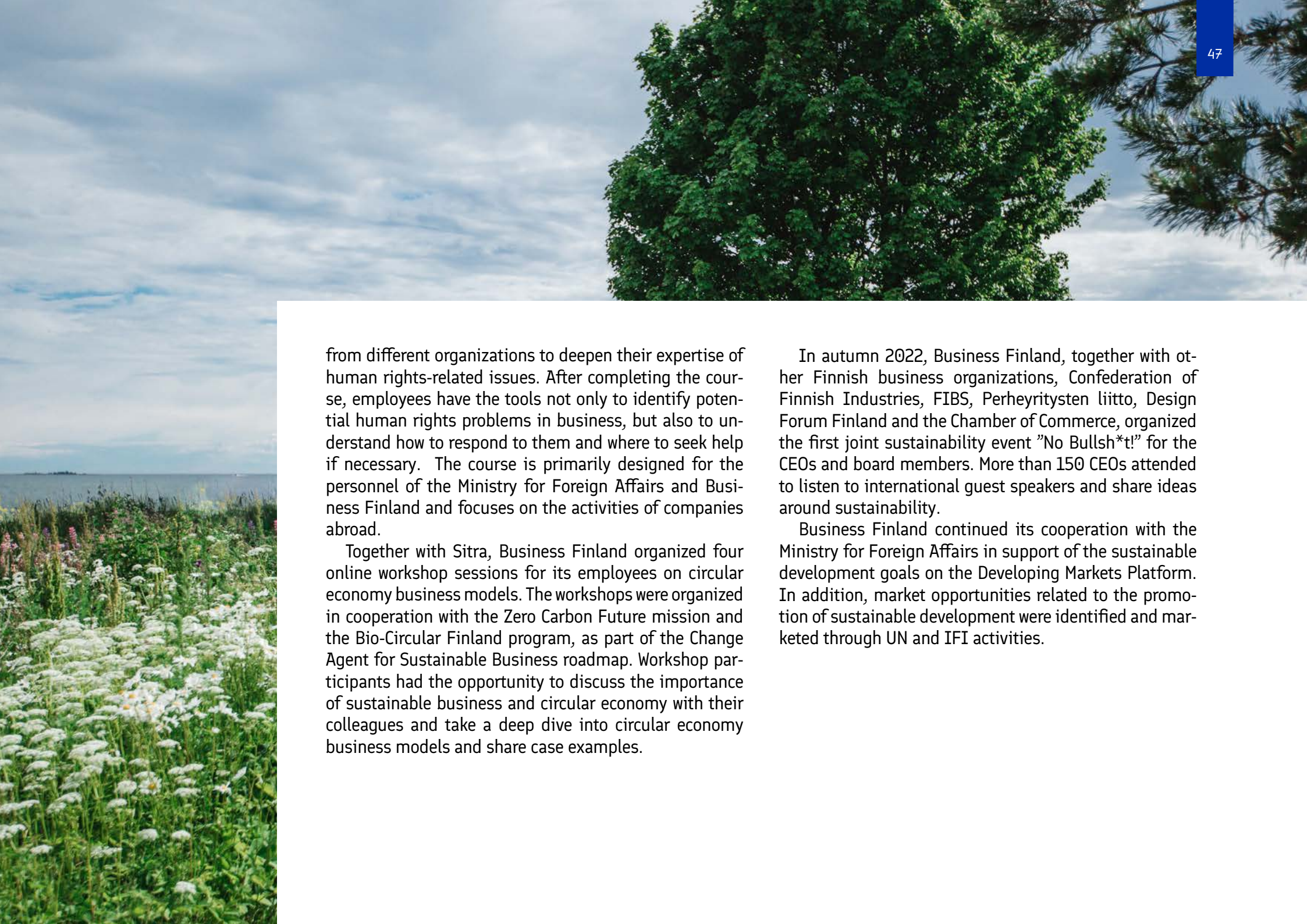
In 2022, Business Finland ordered a broader sustainability assessment<sup>9</sup>, with the aim to map Business Finland's prerequisites for achieving its strategic goals related to sustainability. The evaluation consisted of three parts. The first part assessed how responsibility has been integrated into Business Finland's (also Tekes and Finpro) operations in the past. The second part reviewed the current state of Business Finland and its future role as a promoter of sustainability. In the third part of the evaluation, a plan for the development of operations was drawn up, and Business Finland's sustainability impact model was finalized. According to the evaluation, Business Finland should strengthen the role of sustainability from the perspective of strategic business opportunities as well as expertise in various strategies and policymaking. Therefore, it should be ensured that Business Fin-

land's key stakeholders commit to and invest in sustainability. In addition, strategic openings, such as programs and campaigns that allow companies to make significant competitive leaps generating systemic changes in the long run, would be needed. The assessment is described in more detail in chapter 3.2.3 of the Funding Agency's annual report.

In 2022, an extensive "Sustainability in service offering" project was carried out, in order to understand how Business Finland's services meet the needs of companies with a strong sustainability agenda, how sustainability is embedded in Business Finland's services, and what potential new services are needed to boost companies' sustainability transformation to ensure their future success. The background analysis covered Business Finland's current service offering, stakeholder and international benchmark and client interviews. The material is utilized for future service development.

Business Finland participated in the planning of an e-learning course on Human Rights which is targeted to all state administrative organizations. The e-learning course is open to government employees regardless of their place of employment. The course helps experts

<sup>9</sup> Halme, K. – V. Salminen – U. Roiha – R. Loponen – M. Iweborg – S. Lähteenoja – O. Bremer, Superpower in Sustainable Development – from Ambition to Action, Business Finland Report 2023



from different organizations to deepen their expertise of human rights-related issues. After completing the course, employees have the tools not only to identify potential human rights problems in business, but also to understand how to respond to them and where to seek help if necessary. The course is primarily designed for the personnel of the Ministry for Foreign Affairs and Business Finland and focuses on the activities of companies abroad.

Together with Sitra, Business Finland organized four online workshop sessions for its employees on circular economy business models. The workshops were organized in cooperation with the Zero Carbon Future mission and the Bio-Circular Finland program, as part of the Change Agent for Sustainable Business roadmap. Workshop participants had the opportunity to discuss the importance of sustainable business and circular economy with their colleagues and take a deep dive into circular economy business models and share case examples.

In autumn 2022, Business Finland, together with other Finnish business organizations, Confederation of Finnish Industries, FIBS, Perheyrittysten liitto, Design Forum Finland and the Chamber of Commerce, organized the first joint sustainability event "No Bullsh\*t!" for the CEOs and board members. More than 150 CEOs attended to listen to international guest speakers and share ideas around sustainability.

Business Finland continued its cooperation with the Ministry for Foreign Affairs in support of the sustainable development goals on the Developing Markets Platform. In addition, market opportunities related to the promotion of sustainable development were identified and marketed through UN and IFI activities.

## CASE EXAMPLE

### BUSINESS FINLAND JOINS THE UN GLOBAL COMPACT INITIATIVE ON CORPORATE RESPONSIBILITY

Business Finland is committed to the UN Global Compact. Founded in 2000 by former UN secretary-general Kofi Annan, the UN Global Compact is the world's largest corporate responsibility initiative. It provides companies and organizations with information, support, training, and tools to build a responsible and successful business.

Source (in Finnish): Global compact -corporate responsibility initiative - Business Finland

**TABLE 4: PROGRESS INDICATOR FOR TARGET 13.3.**

KEY PERFORMANCE INDICATOR	2020 OUTCOME	2021 OUTCOME	2022 OUTCOME	2022 GOAL
Share of service events related to the promotion of sustainability (%).	-	17	30,2	> 50

## PROGRESS INDICATORS

The implementation of targets 13.1 and 13.3 is measured by how the theme appears in Business Finland's client interface. The client encounters and customer service events recorded in the customer relationship management system are provided with information whether the promotion of sustainability has been an essential part of the encounter or event. Compared to 2021, the outcome for 2022 is almost double, but still well below the target level. Induction to the documentation of client work has been increased and the documentation guidelines have been specified to make client work related to sustainability more visible.



# 7 FOOTPRINT – IMPACT ON THE OPERATING ENVIRONMENT



## 7.1 BUSINESS FINLAND'S PERSONNEL

### HUMAN RESOURCE MANAGEMENT

A significant matter in 2022 has been that after the Covid restrictions in 2020–2021, there was finally an opportunity for face-to-face encounters and communal events in the work community. The highlight of the year was the World Ideas Week, which took place in August, when personnel from all over the world gathered for three days in Helsinki for a joint event to network and share their thoughts on strategic focus areas. The model of hybrid work was established as a practice valid for the time being, and as part of the establishment of the model, it was discussed how to nurture the experience of communality, even though remote work has remained part of our daily lives.

The long-standing remote work recommendations and the uncertain situation in the world have also reflected on the wellbeing of the personnel. In 2022, the project called Työkyky 2.0 was launched, in which a global work ability management operating model and methods are built, in cooperation with personnel and supervisors. The

aim is, that the focus of Business Finland's work ability management is on proactive activities that support wellbeing at work, taking also into account the individual's own responsibility for the wellbeing. In addition to the project, the challenges of the personnel's wellbeing have also been tackled by other means, for example, by paying attention to the importance of recovery and by strengthening services that support mental wellbeing.

One of Business Finland's strategic priorities is that Business Finland is the best workplace for leading-edge expertise. This requires strengthening the competence and expertise of the personnel. Significant new measures to promote competence development in 2022 included the introduction of a digital learning environment, Campus, and coaching offered to all personnel to promote work community and interaction skills. The Campus can be used to manage competence, wellbeing, and employee experience in a modern way. The Learning Day concept was also established as part of the organization's everyday life. Other measures promoting the strategic priority area of personnel management were, in terms of remuneration, the continuation of the pay equality work that

started in 2021 and the piloting of the one-off reward model.

The impact of Covid on business life was further reflected in the organization's operations and personnel, e.g., through disruption funding started in 2020 and the funding related to European Union's Recovery and Resilience Facility (RRF). Disruption funding and RRF funding continued to occupy the personnel, and those tasks employed over 40 temporary employees.

### **PERSONNEL TARGETS**

In accordance with the performance agreement with the Ministry of Economic Affairs and Employment, Business Finland monitors the development of personnel satisfaction, the management index and personnel turnover, the assessment and implementation of which are reported in Chapter 6 of the annual report of the Funding Agency (Tables 15, 16). Personnel turnover includes Business Finland's internal recruitments and internal job rotation, which involve either a change of unit or a change of working country, as well as job rotation with partner organizations. However, the Covid-19 pandemic continues to affect the plans to promote a full job rotation between Finnish and foreign locations.



## NUMBER AND STRUCTURE OF PERSONNEL

Business Finland's total number of employees (persons with an employment contract) was 674 on 31 December 2022 (2021: 713 employees). A total of 144 people had an employment contract with the Funding Agency (in 2021: 144) and a total of 530 people with the Company (in 2021: 569). The number of employees decreased by 5.5% compared to 2021, primarily due to the end of the fixed-term resource needs required for disruption funding. In 2022, a total of 65 new employees joined the Company, 18 of them outside Finland. Some of the recruitments abroad were new and others were replacement recruitments. In all, the number of personnel in Business Finland's global network decreased by 17 persons in 2022. The figure does not include trainees and people hired through a third party. In 2022, a total of 8 new employees joined the Funding Agency.

During 2022, the Company had 19 trainees in Finland.

Additionally, at the end of the year, the following people worked at the Company:

- 12 employees at Business Finland USA Inc
- 5 employees in FinChi Innovation Center Company Ltd
- 48 employees outside Finland, employed by a third party, (not having a direct employment relationship with Business Finland, but working for Business Finland)
- 8 employees in temporary agency employment relationships in Finland, hired by a third party.

Of those hired through a third party, 38 are permanent and 18 are temporary employees. They work as experts in Business Finland's global network. In the human resources management system, there is a separate group of employees for these persons, and everyone in that group is included in this number of employees. The number of employees varies depending on how many people are needed in each location of the global network.

Business Finland employs 36 different nationalities. In addition to offices abroad, there are also foreign experts at the Helsinki office. Thanks to their expertise, Business Finland is able to offer services that takes into account the international business environment and culture for all its clients and is able to pay attention to the special needs of international entrepreneurs operating in Finland.

The following tables show the number of employees in an employment relationship with Business Finland on 31 December 2022 (Table 6), the proportion of women among the personnel and in different personnel categories (Table 7) and the proportion of different age groups in personnel categories (Tables 8 and 9). The figures are based on the personnel in an employment relationship with Business Finland (Table 6). Members of the leadership team are considered part of the management. Business Finland does not have people who can be called to work if necessary.

**TABLE 5. PERSONNEL IN AN EMPLOYMENT RELATIONSHIP WITH BUSINESS FINLAND ON DECEMBER 31, 2022.**

	FUNDING AGENCY	COMPANY
<b>Total</b>	<b>144</b>	<b>530</b>
Men	63	235
Women	81	295
<b>By contract type</b>		
Permanent	118	434
Fixed term	26	96
Permanent women	66	242
Permanent men	52	192
<b>By location</b>		
By location		
Helsinki	125	350
Rest of Finland	19	70
Other countries	-	110
<b>By contract type and location</b>		
Permanent Helsinki	100	279
Permanent rest of Finland	18	64
Permanent other countries	-	91
<b>By working hours</b>		
Part-time	6	15
Full-time	138	515
Full-time women	77	284
Full-time men	61	231
<b>Average age</b>		
Male / female	50,3/51,0	50,7/ 45,8

**TABLE 6. PROPORTION OF WOMEN AMONG THE PERSONNEL AND IN DIFFERENT PERSONNEL CATEGORIES ON DECEMBER 31, 2022.**

	FUNDING AGENCY 2022	COMPANY 2022	FUNDING AGENCY 2021	COMPANY 2021
Female employees	56 %	56 %	57 %	55 %
Female experts	55 %	57 %	55 %	56 %
Female supervisors	71 %	44 %	71 %	46 %
Female managers	40 %	50 %	50 %	50 %

**TABLE 7. PROPORTION OF DIFFERENT AGE GROUPS IN THE PERSONNEL CATEGORIES ON DECEMBER 31, 2022, THE COMPANY.**

	<b>UNDER 30 YEARS</b>	<b>30 – 50 YEARS</b>	<b>OVER 50 YEARS</b>
Management and supervisors	0%	29%	71%
Experts	18%	34%	48%
Entire Company	8%	42%	50%

**TABLE 8. PROPORTION OF DIFFERENT AGE GROUPS IN THE PERSONNEL CATEGORIES ON DECEMBER 31, 2022, THE FUNDING AGENCY.**


	<b>UNDER 30 YEARS</b>	<b>30 – 50 YEARS</b>	<b>OVER 50 YEARS</b>
Management and supervisors	0 %	25 %	75 %
Experts	6 %	29 %	65 %
Entire Funding Agency	6%	28 %	66 %

Business Finland's Board of Directors has 8 members, 4 women and 4 men. 2 of them belonged in the age group 30–50 years, and the remaining 6 persons belong to the age group over 50 years.

Information and indicators related to the personnel are also reported in chapter 6 of the annual reports of the Funding Agency and the Company.

**EQUALITY AND NON-DISCRIMINATION PLAN**

Business Finland adheres to an equality and non-discrimination plan, which describes the current situation as well as measures to prevent discrimination and promote equality. The plan also describes the presentation of male and female employees in different positions and the results of the salary survey. The plan was drawn up in 2022, and its updating is topical again in 2024. Business Finland celebrates the diversity of its personnel and prohibits all kinds of discrimination. These principles apply to Business Finland’s operations both in Finland and abroad. The cooperation committees of the Funding Agency and the Company monitor the implementation of

An aerial photograph showing a modern building with a light-colored paved walkway and a green lawn. A body of water is visible on the right side of the image. The building has a curved edge and a red railing along the walkway.

the measures. In 2022, one notification was submitted to the employer asking to find out whether the person had encountered discrimination at work. It has been settled with a person concerned.

In 2022, Business Finland Oy promoted equality especially from the perspective of equal pay. The pay equality work that started in 2021, was continued in 2022 by distributing a new equality pay on Business Finland Oy. In 2022, the review was also extended to the global network, where a special target group consisted of those roles whose content had been clarified in the early part of the year. Based on the salary data, pay differences, that were not directly explained by differences in job difficulty, educational level or work experience were identified. Of the limited group under review, 50 people (12 men, 38 women) were identified, whose salary did not correspond to their skills and experience. They received a separate equal pay raise starting from December 2022. Work on equal pay will continue in the coming years.

The Funding Agency has not identified similar unexplained pay gaps in connection with the salary survey it conducted in connection with its equality plan.

The training package called *Seis sikailulle – Take No Bullshit*, which was organized for the first time in 2021, was reorganized in autumn 2022. The training provided tools for identifying and addressing harassment and discrimination, as well as for supporting a colleague in a harassment situation. Training to promote a good working atmosphere and interaction skills was also organized in connection with World Ideas Week and again later in the autumn. Both trainings were offered to entire personnel in both Finnish and English.

A better balance between work and other aspects of life was supported by the establishment of the hybrid work model as a practice valid for the time being. The hybrid work model enables multi-location work, depending on the person's work duties. Extensive remote work opportunities can be seen, for example, in the personnel's places of residence. There are still applicants from a wider geographical area and, on the other hand, the current personnel have, to some extent, moved back to their hometowns or otherwise closer to their relatives.



## EMPLOYER IMAGE

In the 2022 employer image survey conducted by Universum, an employer branding specialist, Business Finland was selected as the most attractive employer in the public sector for the fourth year in a row. In the ranking of employers in the commercial sector, Business Finland ranks tenth. This means that for the third year in a row, we are in the top ten employers in the commercial sector. The commercial sector is the largest sector surveyed by Universum.

The results of the Universum survey conducted among students also followed the same line in 2022: Business Finland ranked 9th in the commercial sector and was the most attractive of the public sector organizations.

In 2022, Business Finland was the only public sector operator that ranked in the top ten among employers in the commercial sector in the category of both professionals and students.

In 2022, Business Finland hired 19 trainees for employment relationships of 7–12-months. The trainees were placed in different parts of the organization and worked as junior level colleagues for Business Finland's permanent personnel.

## REMUNERATION SYSTEM AND PERFORMANCE-BASED BONUSES

The remuneration processes of the Company and the Funding Agency have been harmonized as far as possible already during 2019. Job difficulty is assessed with the Hay Job Evaluation system. Business Finland uses an annual salary adjustment process in which each employee's salary is reviewed against performance evaluation criteria. The criteria is common to the Company and the Funding Agency. Annual salary increases are made based on this process. The Company organized personnel training on the remuneration system in 2022.

During 2022, a new one-off reward model was piloted in the Company and the Funding Agency. The new model replaces the bonus model used by the Company. The one-off reward is intended as managing tool for the team supervisor, so the supervisor makes proposals that are approved by the service area manager. Members of the leadership team of the Company are also covered by the new one-off reward model.

Four Business Finland's employees from different parts of the organization were awarded a sum equal to two weeks' salary for operating according to Business Finland's values. The employees participated in the selection of the bonus recipients.

In addition to performance-based remuneration, salaries were raised in the Company in a same way as general increases. The Funding Agency complies with the general increases agreed in the general collective agreements for government (VESTES), which were also implemented in the Company in 2022. In the global network, the index increases followed the index increases of the Ministry for Foreign Affairs. In addition, the Company implemented equality pay increases, for which the working years of the personnel were examined in particular.

## PERFORMANCE APPRAISALS

Business Finland conducts two rounds of performance appraisals annually, and they cover the entire personnel. At the beginning of the year, Business Finland agrees upon the next year's targets and reviews the previous year's performance. In the autumn, an interim performance appraisal was held in which the targets were reviewed, a learning discussion was held, and two-way feedback was given. The performance appraisals are documented in the human resources management system. In 2022, the coverage of the performance appraisals was 96%, the coverage of the interim performance appraisals was 97%.





## TRAINING AND COMPETENCE DEVELOPMENT

Business Finland has a global policy for developing the competence of its employees and offering them professional training. The goal of competence development is to strengthen leading-edge expertise by developing, maintaining, and updating know-how and competence. The changing demands of expert work in a constantly changing operating environment also require anticipation of competence needs to ensure that the development meets future needs and supports the implementation of Business Finland's strategy.

At Business Finland, competence development is based on the "70–20–10" model for continuous learning (learning from job-related experiences – learning from others – formal training). Strengthening awareness of individual development needs, self-determination, and orderliness, which are part of competence development, are supported by, for example, the Uraunelmat (Career Dreams) model and regular coaching discussions.

Business Finland also brings self-determination and flexibility into personal development with the continued Learning Day (LD) concept, which encourages profes-

sional self-development and the adoption of continuous learning routines. In 2022, Business Finland set a target of 4 LD/employee. The realization in 2022 was 3.1 LD/employee. The concept will continue at Business Finland so that each employee can spend 4–8 working days on developing their own skills during the year.

The manners of individual development, which can involve training or learning at work, for example, are agreed upon in regular discussions with the supervisor. It is also possible to develop one's skills at the expense of the employer. There are no special programs for people retiring from Business Finland.

Business Finland's ambition is to be a socially responsible, professional, and sustainable work community. In order to meet the challenges faced by the personnel in client work, Business Finland repeated the coaching launched in the previous year. The training provided tools for identifying and addressing harassment and discrimination, as well as for supporting a colleague in a harassment situation. The recordings of the coaching sessions can be found on the learning platform for the personnel.

Training to promote a good working atmosphere, work community and interaction skills was also organized in



connection with World Ideas Week and again later in the autumn. Both trainings were offered to entire personnel in both Finnish and English.

In 2022, with the new strategy and organization, the development of customer relationship management and customer management processes as well as operating methods has continued. For example, the personnel in the customer interface have been offered information sessions for the stakeholders of the Team Finland service path. An online course package is planned on the topic. A coaching package has been built regarding internationalization services, which has been offered to personnel interactively in 2022. The services have been compiled into self-study material for the learning platform.

Campus is a digital learning environment that Business Finland has introduced to support leadership and development. Campus is used to manage competence, wellbeing, and employee experience in a modern way. The Campus service menu has been categorized according to strategic competences and the services have been compiled to be effortlessly available to everyone. Sharing expertise in the organization, sparring with a colleague and networking internally is also possible by offering

an on-demand service to a colleague. At the end of the year, the Campus had just under 150 different trainings. Through surveys, Campus analyzes data and helps users understand their own strengths and development needs. During the year, a workplace wellbeing survey has been conducted for the personnel as a pilot, and a Pulse survey on the usability of the existing tool (CAT) has been conducted for the experts in the customer interface.

Task and job rotation as part of learning at work is one of our main models for promoting competence development and cooperation skills. Internal relocations were successfully carried out, for example, through temporary employees and recruitments between service areas in Finland and between Finland and foreign offices. Several temporary employees who worked in the project organization for disruption funding also moved to other tasks at Business Finland through rotation. Internal rotation occurred e.g. in the form of 4 employees changing countries. Another example of a successful job rotation is the transfer of two employees to partner organizations (DVV 1 person, MEAE 1 person). In 2022, the internal job rotation at Business Finland amounted to 5.6% of the total number of employees (Funding Agency and Company).

## EMPLOYEE SATISFACTION

In May, Business Finland (Funding Agency and the Company) conducted a Siqni personnel survey to find out what its employees considered most relevant in the workplace and how the circumstances reflected this. The results of the survey are reported on a scale of 0 to 100, with a result over 80 results being good and under 60 poor. The survey response rate was high, 83% of the personnel. This indicates that the employees clearly have a desire to make a difference in the workplace.

According to the survey, the five top things that Business Finland's employees found most relevant were 1) meaningful tasks, 2) freedom to work at any time wherever they wish, 3) a good balance between work and leisure, 4) the ability to use one's expertise daily and 5) fair pay and fringe benefits. Based on the results, the personnel felt that above-mentioned circumstances have improved since 2021 (an improvement of 3–5 percentage points). Overall satisfaction also improved to level 73 (in 2021: 69).

In the open comments, the need to improve cooperation between teams and service areas emerged. This was raised as a common development theme for the entire organization for 2022. Several measures have been taken to improve cooperation, including:

- World Ideas Week brought together the entire Business Finland community to network and exchange ideas.
- Under the Business Finland exchange program, personnel were able to familiarize themselves with the operation of another service area for two days.
- In the autumn, the supervisors of the entire organization gathered to plan future activities.
- Many cross-cutting development projects have provided an opportunity to deepen cooperation.

In addition to the common development theme, the service areas and teams have made action plans that reflect their own results.



### **EMPLOYEES' WORK CAPACITY AND WELLBEING AT WORK**

Personnel benefits were offered to the employees through ePassi. ePassi is intended for Business Finland's employees working in Finland, and in 2022 it can be used to pay for services such as sports, culture, commuting, and lunch.

Special attention has been paid to ergonomics in Team Finland's office premises. All desks are electric and allow standing while working. Occupational health care has also provided ergonomic guidance to employees at the office when necessary. The employees can also use the gym at the main office at Ruoholahti

As remote work continues to be the most popular form of work, measures to support wellbeing at work must also have been targeted at remote work. The BreakPro program for exercise during breaks is still in use. In addition, the Campus contains many self-study materials related to wellbeing at work. During the spring, Business Finland's leisure club, the Huppari club, has offered weekly 30-minute sessions of virtual pilates and virtual body care for the personnel.

The personnel's coping challenges have been responded to by making working hours and annual leave matters subject to intensive monitoring. In addition, the

project called Työkyky 2.0, which started in early 2022, aims to improve work ability management by creating, for example, a new early support model and coaching supervisors and the entire work community for using it during 2023. In autumn 2022, the piloting of a direct appointment with an occupational psychologist in Finland has also begun. Thus, an employee can, without a referral from an occupational health physician, go directly to an occupational psychologist if he or she has, for example, challenges related to wellbeing at work. The employees still have access to the low-threshold Auntie service, which offers psychological discussion support.

Business Finland has also provided guidelines for meeting practices, break times, and the planning and prioritization of work to relieve the stress caused by attending many Teams meetings in a row. A Handbook for Hybrid Work has been prepared for supervisors to support hybrid work management. Each working day has a so-called Meeting Free hour, and Fridays involve a Meeting Free Afternoon during which no internal meetings are held. The duration of meetings is scheduled so that there is a break between meetings before the beginning of the next meeting.



### **ACCIDENTS AND OCCUPATIONAL HEALTH AND SAFETY**

Business Finland's occupational safety and health activities focus mainly on the physical and psychosocial work environment.

The occupational safety and health committees of the Funding Agency and the Company met on a quarterly basis in 2022. In 2022, the focus of occupational safety and health activities was particularly on themes related to psychosocial stress as part of the Työkyky 2.0 project. Occupational safety and health organizations played an active role in both the new early support model and the assessment of the effectiveness of occupational health care. Additionally, themes related to hybrid work, such as the rules regarding hybrid work and issues related to office solutions, have been of interest to occupational safety and health.

Risk management is integrated into day-to-day management and operations, and occupational wellbeing risks are surveyed regularly. A risk assessment related to the occupational safety risks of the COVID-19 epidemic was

carried out in 2020 and a risk assessment for returning to the workplace after the epidemic in autumn 2021. A separate risk assessment on travel safety has also been conducted. As a result of the risk assessment, Business Finland has further developed its travel safety process and guidelines during 2022. Business Finland's first travel safety instructions were published in 2022. The instructions guide the passenger and the party booking the trip and clarifies the general safety practices related to travelling.

One occupational accident notification was submitted at the Funding Agency and six occupational accident notifications at the Company during 2022. Due to the transition to working mostly remotely, group accident insurance was taken out in spring 2020 for the Company's personnel, which compensates employees for accidents that occur during the remote workday beyond the statutory insurance coverage. The accident protection of the Funding Agency's personnel when working remotely has been improved during 2022 through a legislative amendment.

## **OCCUPATIONAL HEALTH**

In 2022, the number of absences due to illness among the Company's employees in Finland was 7.9 days per person. At the Funding Agency, the number of absences due to illness was 6 working days per person-year.

In 2022, 35 employees had a total of 980 days of sick leave recorded due to mental health reasons (F-diagnosis). The number of days of sick leave due to mental health reasons was significantly lower in 2022 than in 2021, when the corresponding number was 1729 days.

Business Finland offers its personnel comprehensive occupational health care services through Mehiläinen. The services cover the employees working in Finland and the employees posted abroad from Finland. For the employees who work abroad and were recruited locally, occupational health care is arranged either through insurance policies or the local health care or social security system.

The occupational health care services cover preventive services, medical care, and any additional services agreed upon separately. Changes have been made to the occupational health care agreement during 2022 as part of the Työkyky 2.0 project. The aim of the changes has primarily been to increase the effectiveness of occupational health care, which is why the agreement has focused on services with the greatest impact on ability to work and, on the other hand, abandoned some services with a lower impact. The goal of the occupational health care

services is to support occupational wellbeing by taking into account the nature and ergonomics of the work conducted and to cover the specific requirements of posted employees. The occupational health care services sought to promote wellbeing at work and productivity, manage absences due to illness, and reduce the health and safety risks associated with work. Guidelines for the occupational health care services are available to the personnel in Finnish and English.

## **APPLICATION OF COLLECTIVE AGREEMENTS AND COLLECTIVE BARGAINING**

The collective agreements for state employees and civil servants apply to all of the employees of the Funding Agency. In addition, the Funding Agency has its own local collective bargaining agreement concerning remuneration. Business Finland Oy is a member of Palta, the representative association for service sector businesses and organizations, but its employees are not covered by a collective agreement. Instead, the terms of employment are determined in the employment contract and the employment relationship guide.


## 7.2 DIRECT ENVIRONMENTAL IMPACTS

Due to the nature of Business Finland's operations, the direct environmental impacts are mainly related to offices, energy consumption and travel.

Business Finland has offices in 16 locations in Finland. The head office is located in Ruoholahti, Helsinki, in a property owned by Ilmarinen Mutual Pension Insurance Company (Kiinteistö Oy Helsingin Lepakko). The property has the largest building-specific solar power plant in Helsinki, which produces part of the building's electricity (its production corresponds to the electricity consumption of approximately 80 apartments). In addition, the property has a LEED EB Gold rating awarded in 2018, and it was certified and renewed in 2022. The certificate is used to control the operations and environmental impact of the property and its tenants, in terms of, for example, energy efficiency, waste management and recycling. In addition, efforts are being made to minimize of various environmental impacts in cooperation with the lessor in different ways.

The premises of the head office are used jointly by Business Finland and Finnvera plc, which significantly reduces the need for space, the carbon footprint and energy consumption due to the premises. In the provinces outside Helsinki, Business Finland mainly operates in shared premises with its other partners (e.g. ELY Centers, shared premises of the state), which also reduces the necessary premises and the resulting carbon footprint. Business Finland has drawn up an implementation plan for the central government's premises strategy.

Business Finland is developing its operations with the help of new ways of working (e.g., model pilot of hybrid work, promotion of multi-location work) and supporting working environment solutions towards a more sustainable future. Based on the updated working environment concept, e.g., premise solutions after the end of the head office's lease agreement, have been investigated, with the aim of further minimizing the need for premises and reduce the carbon footprint caused by the premises. With the new lease agreement, the office space used by Business Finland was reduced by about half compared to the previous one. In the provinces, the aim is to rely even more on central government's or other shared premise



solutions that take sustainability into account. Business Finland participates, for example, in the government's shared working environment solutions (Senate Properties), which create working environments in the provinces that are suitable for new ways of working and take sustainability into account.

Business Finland's operations are generally paperless as they rely on electronic transactions and the digitalization of services and administrative tasks. Business Finland's virtual meeting and other digital communication solutions reduce commuting, and flexible remote work policy also reduces commuting between home and the office.

Business Finland investigated its carbon footprint for the first time with the help of an external partner. The calculation of the carbon footprint for 2022 was carried out in accordance with the standards of the most internationally known and used greenhouse gas emissions protocol (Greenhouse Gas Protocol). The calculation examined Business Finland's offices in Finland and the most significant operations. Business Finland's direct emissions (scope 1 and 2) included the fuel consumption of the vehicle owned by the organization and the emissions cau-

sed by purchased electricity, heating, and cooling. Of the indirect emissions (scope 3), emissions caused by waste, business trips, employees' commuting, remote working, and purchased products and services were considered.

Business Finland's total carbon footprint in 2022 was estimated at 6109 tons of carbon dioxide equivalent (t CO<sub>2</sub>e). The largest emissions were caused by the indirect emissions from Scope 3, which accounted for about 98% of total emissions. The most significant source of emissions was purchased products and services. The carbon footprint per employee was estimated to be about 12 t CO<sub>2</sub>e. Since the calculation of the carbon footprint was done for the first time, there were some limitations in the initial data and their accuracy. However, the calculation is planned to be repeated annually, while trying to improve the availability and accuracy of the data.





### **7.3 PROCUREMENT**

Business Finland is committed to promoting the objectives of the national procurement strategy in terms of its procurement activities and has compiled an action plan for public procurement. As part of the implementation of these, Business Finland has implemented a procurement partner model, launched License to buy -online training for personnel, held targeted procurement trainings, as well as introduced the software called Hankintasalkku in the autumn to support the systematic implementation, monitoring and reporting of procurements.

The annual value of procurement in both Business Finland organizations is approximately EUR 41 million (The Company EUR 37 million and the Funding Agency approximately EUR 4 million). In general, procurements are divided as follows: administrative services, ICT purchases, expert and office services, maintenance of buildings and areas, personnel services, materials, supplies and goods, educational and cultural services, accommodation and food services, travel and transport services, construction, and machinery, equipment, and transport equipment. In 2022, Business Finland made purchases from a total of 1544 suppliers. The figure includes both domestic and foreign suppliers. Business Finland operates in 38 different locations abroad and makes plenty of small purchases from local suppliers.

Procurements are budgeted, planned, and scheduled annually. Procurement at Business Finland's is governed by the Procurement Act and Directive as well as Business Finland's procurement policies and rules. In all its procurements, Business Finland adheres to the Procurement Act and the principles of good governance. In addition to the Hankintasalkku, the implementation of procurements is governed by legal praxis, other legislation, and official regulations (principles and instructions issued by the Ministry of Finance, the Ministry of Economic Affairs and Employment, the Ministry of the Environment and Motiva).

The goal of responsibility and sustainability means that Business Finland recognizes and takes into account the social impact of its procurements. When implementing procurements, Business Finland also aims to promote the social, economic, and ecological justice and the consideration of sustainability matters. Business Finland takes environmental matters and the principles of sustainability into account in its procurements.

Business Finland ensures that the procurements are in conformity with the contract by monitoring the delive-

ry of the service provider or supplier. Business Finland pays special attention to cooperation during the contract period and makes complaints when necessary. Collaboration with the supplier during the contract has a crucial impact on the outcome.

The aim is that Business Finland is fair and impartial in its procurement and strives to promote healthy competition through its operations. As far as possible, Business Finland strives to divide procurements so that smaller companies can also participate in tendering. Business Finland ensures that the contracting parties fulfill their social obligations in accordance with the procurement legislation, the contractor's liability law, and other legislation. Goods, such as office supplies and furniture, are purchased under framework agreements made by Hansel Oy, the central purchasing body for central and local governments in Finland, and/or the dynamic purchasing system (DPS). Hansel Oy monitors the corporate responsibility of the suppliers subject to the above-mentioned framework agreements.

## 7.4. FINANCES

Business Finland aims to use public funds as efficiently and prudently as possible. Most of the funds available to the Funding Agency comes from the budget. The Company's funding is based on an annual service agreement concluded with the Funding Agency, as described in chapter 7.4.1 below.

In addition to laws and regulations, financial management at Business Finland is guided by several internal guidelines, the most importantly the Financial Rules. The responsibility principles set out in chapter 2.4 also guide Business Finland's operations in the area of economic governance. The sustainability of procurement is described in chapter 7.3.

A few key figures on the finances of both the Funding Agency and the Company are presented below. In other respects, the finances of the Funding Agency and the Company are described in the financial statements and annual reports of both organizations.

In 2018, a subsidiary of Business Finland Oy filed a civil suit against a former employee of a subsidiary in the United States based on suspected financial abuse by the former employee from 2011 to 2017. The amount of ambiguous expenses in the accounts for 2011–2017 is significant, approximately USD 4.8 million in total. As the case has proceeded, the suspicions regarding the abuse have been reinforced. The case will be handled by the District Court in accordance with local laws and processes. During 2020, the process resulted in positive interim decisions and interlocutory judgments, but by the end of 2022, the case is still pending.



**TABLE 9: BUSINESS FINLAND'S KEY FIGURES.**

	2022	2021	2020
Total number of employees: Funding Agency and Company (persons with an employment contract with Business Finland)	674	713	680
Authorizations exercised by the Funding Agency	EUR 946 million	EUR 909 million	EUR 1,920 million
Operating expenditure of the Funding Agency (incl. operating expenditure carried over from previous years) *)	EUR 152,8 million	EUR 139,9 million	EUR 130,6 million
Operating income of Business Finland Oy and its subsidiaries (without the de minimis appropriation)	EUR 101,3 million	EUR 93,9 million	EUR 88,6 million
Group's balance sheet total (Business Finland Oy and its subsidiaries)	EUR 44,6 million	EUR 46,3 million	EUR 48,4 million
Funding applied for from Business Finland (Funding Agency and Company)	EUR 1190 million (share of RRF contribution EUR 158 million)	EUR 1 359 million (incl. disruption funding EUR 64,4 million, share of RRF contribution EUR 363,1 million)	EUR 2 722 million (incl. disruption funding EUR 1,668 million)
Number of funding applications (Funding Agency and Company)	7 035 (incl. 393 RRF applications)	6 077 (incl. 197 applications for disruption funding and 347 RRF applications)	35 027 (incl. 29,287 applications for disruption funding)
Total funding granted	EUR 882 million (incl. RRF funding EUR 273 million) **) ***)	EUR 707 million (incl. EUR 51.8 million in disruption funding, EUR 74 million in RRF funding)	EUR 1 734 million (incl. disruption funding EUR 1,053 million)
Funding for companies	EUR 702,1 million (incl. RRF funding EUR 252,3 million)	EUR 561 million (incl. disruption funding EUR 52 million, EUR 66,1 million in RRF funding)	EUR 1612 million (incl. disruption funding EUR 1,053 million)
Funding for research	EUR 179,4 million (incl. RRF funding EUR 20,2 million)	EUR 146 million (incl. RRF funding EUR 7,9 million)	EUR 123 million

\*) In 2021 and 2022, the operational expenditure also includes the operating expenditure appropriations allocated to RRF activities.

\*\*) Of the funding granted, EUR 29 million, 2,304 pcs, are made by Business Finland Oy. Of this, innovation funding amounts to EUR 16.5 million, and business funding to EUR 12.6 million. Of these, RRF funding amounts to EUR 2.2 million, which is all innovation funding.

\*\*\*) The amounts of funding applied for and granted include membership fees. Of the funding granted in 2022, membership fees amounted to EUR 55.1 million.

#### **7.4.1 BUSINESS FINLAND OY'S TAX FOOTPRINT**

Business Finland Oy is a non-profit entity fully owned by the State of Finland that does not, in accordance with its articles of association, distribute its assets in the form of dividends or any other distributions. The funding of the limited liability company is primarily based on a service agreement signed with the Funding Agency, according to which Business Finland Oy invoices the costs of both basic operations and programs from the Funding Agency based on cost equivalence. Where applicable, the Company also invoices its clients for the expenses caused by third parties. Some of the projects have received funding from other sources, such as the EU.

Business Finland Oy has not had operations subject to income tax in Finland since 2019. In 2019, activities governed by the Business Income Tax Act in Finland consisted of the sales of a shipping manual. However, the shipping manual has been provided free of charge since the beginning of 2020. The Company has offices abroad that do not constitute independent foreign branches engaged in business activities. Business Finland Oy does

not conduct activities subject to income tax in its offices abroad

Business Finland Oy has three subsidiaries: Business Finland USA Inc., FinChi Innovation Center Company Ltd, and Finpro Finland Oy. Finpro Finland Oy does not have any active operations. Business Finland USA Inc is part of Business Finland Oy's operational activities, and all its expenses are invoiced from the parent company. Business Finland USA Inc does not have any taxable income. FinChi Innovation Center Company Ltd in China leases premises and sells different supporting services to Finnish companies looking for a place for establishment in China. FinChi Innovation Center Company Ltd pays income tax locally in China. According to its financial statements for 2022, the income tax amounted to EUR 1000 and the impact of FinChi on the Group earnings was EUR 50 000 (2021: EUR 257,000).

The taxes paid by Business Finland Oy mostly consist of value added tax and employer contributions. Business Finland Group does not practice any transfer pricing or tax planning related to the transfer of income. Taxes are paid locally where the operations are carried out. Tax matters and taxation decisions are managed at the

Group level. If necessary, tax experts are used, and the Tax Administration may be consulted to clarify taxation practices.

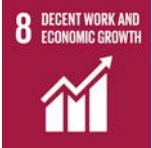


The tax footprint is reported in Business Finland Oy's annual report and the social responsibility report of the Business Finland organization. The information in the tax footprint report is based on figures collected from the Group's accounting systems. Taxes and fees are classified by tax type. In terms of the geographical breakdown, the tax footprint reporting complies with the materiality principle. In 2022, no single country met the 10% share of the Group's operating income, which is considered the materiality limit. Hence, the geographical breakdown in 2022 is Finland and other countries. In this 2022 report, the number of employees was changed by dividing Finland / other countries to correspond to where employer contributions and withholding tax are paid. Previously, employees were divided according to their target country. This report was also updated with the number of employees regarding 2021.



<b>BUSINESS FINLAND TAX FOOTPRINT</b>	<b>FINANCIAL YEAR 2022</b>			<b>FINANCIAL YEAR 2021</b>		
	<b>Taxes paid in the financial year, €</b>	<b>Finland</b>	<b>Other Countries</b>	<b>TOTAL</b>	<b>Finland</b>	<b>Other Countries</b>
Corporate Income Tax	-	21 123	21 123	-	18 039	18 039
Other Taxes	23 104	132	23 236	9 484	6 988	16 472
Social Security payments	1 381 726	1 406 562	2 788 288	1 415 208	1 263 749	2 678 957
<b>Accrued taxes</b>						
Corporate Income Tax	-	1328	1328	-	20 802	20 802
<b>Indirect and other collected taxes, €</b>						
VAT, sales	25 380 767	-	25 380 767	22 640 818	-	22 640 818
VAT purchases	9 058 673	31 657	9 058 673	7 830 475	20 650	7 830 475
Withholding taxes	9 128 970	775 332	9 904 302	8 978 985	758 718	9 737 703
Other taxes	-	-	-	-	-	-
<b>Number of employees (FTE) 31.12.</b>	441	106	547	469	118	587

# 8 PRINCIPLES APPLIED IN PREPARING THE REPORT

**TABLE 10: THE CORE AREAS OF THE BUSINESS FINLAND STRATEGY AND THE UN SUSTAINABLE DEVELOPMENT GOALS .<sup>10</sup>**

CORE AREA OF STRATEGY	SDG	BUSINESS FINLAND'S ROLE IN PROMOTING EACH SDG	ACTIVITIES FOR PROMOTING THE SDGS
<b>Economic growth</b>		Business Finland promotes economic growth in Finland.	<ul style="list-style-type: none"> <li>• Increasing added value, export income and salary accrual</li> <li>• RDI-funding, which creates new businesses, jobs and economic growth</li> <li>• Supporting the growth of customers' export income</li> <li>• Investments in Finland</li> <li>• Promoting tourism</li> </ul>
<b>Sustainability</b>		<p>Business Finland promotes sustainability:</p> <ol style="list-style-type: none"> <li>1. ensuring ecological, economic, and social responsibility in our own operations, but also our customers' operations and</li> <li>2. mitigating possible negative forms of impact</li> </ol>	<ul style="list-style-type: none"> <li>• Increasing customers' environmental and social responsibility awareness</li> <li>• Supporting customers in developing solutions that have a positive impact on sustainability</li> <li>• Business Finland operating sustainably in its own operations (responsibility, positive employee experience, procurement, business premises)</li> </ul>
<b>Competitiveness</b>		Business Finland strives to support its clients so that they would develop into bold reformers of business.	<ul style="list-style-type: none"> <li>• Supporting customers to develop and commercialize new sustainable solutions and functions and thus create positive development impacts</li> <li>• Supporting investments, in particular in innovation and new business models in support of sustainable development</li> <li>• Missions: Zero Carbon Future and Digital Native Finland</li> <li>• Programmatic activities</li> </ul>

As a basis for uniform sustainability reporting of the Finnish central government, Business Finland has selected 3–5 UN Sustainable Development Goals (SDGs) most significant for its operations. Business Finland's strategy and its three core areas serve as the basis for the Business Finland's selection of the UN SDG goals. Business Finland selected goals 8,9, and 13 as its UN's Sustainable Development Goals (SDGs). This report describes the UN's Sustainable Development Goals which particularly concern Business Finland's operations, although its operations are also linked to other goals. Of the targets, the most suitable for Business Finland's operations have been selected, also taking into account the measures defined for the implementation of Business Finland's strategy, which are in line with the measures in Business Finland's performance agreement. The leadership team approved the UN Sustainable Development Goals (SDGs) and targets selected.

The table below describes the core areas of Business Finland's strategy, the UN Sustainable Development Goals in line with them, and the role and activities of Business Finland in promoting the goal. These core areas also form the material topics of social responsibility.

<sup>10</sup> SDG images: <https://www.globalgoals.org/resources/#icons-for-the-goals>



# 9 GRI CONTENT INDEX

Statement of use	Business Finland has reported the information cited in this GRI content index for the period 1 January – 31 December 2022 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
Applicable GRI Sector Standards	N/A		
NUMBER OF THE STANDARD	NAME OF THE STANDARD	LOCATION IN THE REPORT	COMMENTS
<b>GRI 2 General disclosures 2021</b>			
<b>Organization and reporting principles</b>			
2-1	Organizational details	Chapter 2.1	Location of headquarters: Porkkalankatu 1, Helsinki
2-2	Entities included in the organization's sustainability reporting	Chapters 2.1 and 7.4.1	Innovation Funding Agency Business Finland and Business Finland Oy Group
2-3	Reporting period, frequency and contact point	Chapter 2.1	Reporting period: 1 January – 31 December 2022 Contact point: Sari Turja: sari.turja@businessfinland.fi
2-4	Restatements of information	Chapter 2.1, (Financial statements of the Funding Agency and the Company)	
2-5	External assurance	Chapter 2.1	No external assurance
<b>Activities and workers</b>			
2-6	Activities, value chain and other business relationships	Chapters 2.1, 2.6 and 7.3	
2-7	Employees	Chapter 7.1	
2-8	Workers who are not employees	Chapter 7.1	

<b>Governance</b>			
2-9	Governance structure and composition	Chapter 2.1 <a href="#">Description of Business Finland's corporate governance model (in Finnish)</a>	Partly reported
2-10	Nomination and selection of the highest governance body	Chapter 2.1 <a href="#">Description of Business Finland's corporate governance model (in Finnish)</a>	
2-11	Chair of the highest governance body	Chapter 2.1	
2-12	Role of the highest governance body in overseeing the management of impacts	Chapters 2.1 and 2.2	
2-13	Delegation of responsibility for managing impacts	Chapter 2.1 <a href="#">Description of Business Finland's corporate governance model (in Finnish)</a>	
2-14	Role of the highest governance body in sustainability reporting	Chapters 2.1 and 8	Partly reported
2-15	Conflicts of interest	Chapter 2.1	
2-16	Communication of critical concerns	Chapter 2.1	Partly reported
2-17	Collective knowledge of the highest governance body	Chapter 2.1	
2-18	Evaluation of the performance of the highest governance body	Chapter 2.1	
2-19	Remuneration policies	Chapter 2.1 <a href="#">Description of Business Finland's corporate governance model (in Finnish)</a>	Partly reported
2-20	Process to determine remuneration	Chapters 2.1 and 7.1	
<b>Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	Chapter 1	Review by the Director General
2-23	Policy commitments	Chapters 2.1, 2.4, 6.1 and 7.1 <a href="#">Business Finland Code-of-Conduct (in Finnish)</a> <a href="#">Key regulations governing Business Finland's operations (in Finnish)</a> <a href="#">Description of Business Finland's corporate governance model (in Finnish)</a>	Partly reported
2-24	Embedding policy commitments	Chapters 2.1, 2.4, 6.1 and 7.1	Partly reported

2-25	Processes to remediate negative impacts	Chapters 2.2, 2.4 and 7.1 <a href="#">Whistleblower -channel</a>	Partly reported
2-26	Mechanisms for seeking advice and raising concerns	Chapters 2.4 and 7.1 <a href="#">Whistleblower -channel</a>	
2-27	Compliance with laws and regulations	Chapters 2.4 ja 7.4	
2-28	Membership associations	Chapter 2.1	
<b>Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	Chapters 2.4, 2.6 and 4–6	
2-30	Collective bargaining agreements	Chapter 7.1	
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	Chapters 2.2–2.3 and 8	Partly reported
3-2	List of material topics	Chapter 8	
3-3	Management of material topics	Chapters 2.1 – 2.6 and 4-8	Partly reported
<b>Economics</b>			
<b>GRI 201 Economic Performance 2016</b>			
201–1	Direct economic value generated and distributed	Chapter 7.4, Financial statements of the Funding Agency chapters 4–5, 7, 11–14, Financial statements of the Company.	
<b>GRI 203 Indirect Economic Impacts 2016</b>			
203–2	Significant indirect economic impacts	Chapters 2.5, 4–6, Financial statements of the Funding Agency chapters 2–3 and 5	A report on the results of Business Finland’s operations is published annually on Business Finland’s website. Latest ”Results and Effects 2022”

<b>Social</b>			
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-2	Hazard identification, risk assessment, and incident investigation	Chapter 7.1	Partly reported
403-3	Occupational health services	Chapter 7.1	
403-6	Promotion of worker health	Chapter 7.1	
<b>GRI 404: Training and Education 2016</b>			
404-2	Programs for upgrading employee skills and transition assistance programs	Chapter 7.1	
404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 7.1	
<b>GRI 405: Diversity and equal opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	Chapter 7.1	
<b>GRI 406: Non-discrimination 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	Chapter 7.1	Partly reported
<b>GRI 418: Customer Privacy 2016</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 2.4	

# BUSINESS FINLAND

Business Finland is an accelerator of global growth. We create new growth by helping businesses go global and by supporting and funding innovations. Our top experts and the latest research data enable companies to seize market opportunities and turn them into success stories.

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