

**BUSINESS
FINLAND**

**SOCIAL
RESPONSIBILITY
REPORT
2019**

BUSINESS FINLAND LEADERSHIP TEAM, 10.2.2020
BUSINESS FINLAND BOARD OF DIRECTORS, 25.2.2020
BUSINESS FINLAND OY BOARD OF DIRECTORS, 3.3.2020

Translated from the original Finnish version



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1. REVIEW BY THE DIRECTOR GENERAL

2019 was the second operating year for Business Finland and at the same time, it was the time for stabilizing our operations.

Business Finland's mission is to create sustainable growth. We do this by helping industries to innovate and evolve through technology and innovation, by promoting international networking and by improving the quality of working life. In addition, the aim is to increase the added value, strengthen business growth and international competitiveness, increase exports and foreign investment and venture capital investment, as well as tourism to Finland and, in the longer term, improve productivity and create employment and well-being.

Business Finland's strategy states that Business Finland works for the benefit of Finland and Finnish society, and this goal is the starting point of our operations and is reflected in everything we do.

Social responsibility is a key part of Business Finland's operations, and it is managed as a part of everyday activities. Business Finland is making Finland the world's most attractive and competitive innovation environment, where companies find it easy to grow, innovate, and

succeed. The performance agreement that is prepared with the Ministry of Economic Affairs and Employment every year sets out the more specific targets. The target areas are social impact, operational efficiency, and the management and development of human resources.

Corporate governance and the Code of Conduct guide Business Finland's activities. Business Finland aims to prevent and reduce the harmful environmental impacts of its operations and promote the sustainable use of natural resources.

Business Finland's regional activities promote the accessibility of its services and take into account of its clients' needs and special characteristics, in Finland's regions and around the world.

In its program activities, Business Finland is committed to taking into account the UN's program for Sustainable Development Goals (Sustainable Development Goals, SDG) which pays equal attention to the environment, economy and people. The challenges of sustainable development are socially significant and they offer new business opportunities for Finnish companies.

Low-carbon approach, circular economy and resource



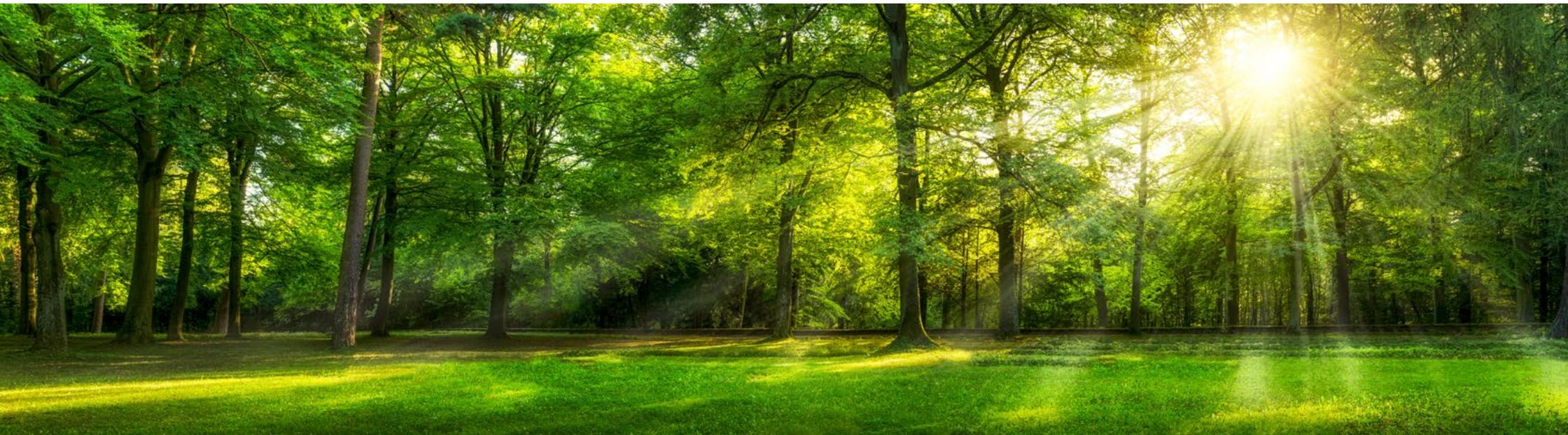
efficiency are the key drivers of growth and drivers of global demand. The capacity of Finnish companies to meet this demand needs to be improved. One of the focus areas of Business Finland's program operations, also called as themes, is bio, circular economy and cleantech. Under this theme, there are a number of programs pursuing the goals of low-carbon, circular economy and resource efficiency.

In order for the tourism industry to be able to respond to the changing demand and continue to grow, the development must be sustainable. To help the tourism industry in Finland to adopt sustainable practices, Visit Finland has developed a program and a label called Sustainable Travel Finland designed for tourism companies and destinations in Finland. The idea of the label Sustainable Travel Finland is to provide companies and destinations with a concrete toolkit for sustainable tourism that makes it easier to adopt sustainable practices and choices in the everyday business. For tourists the label is about the responsibility of the company.

2. MANAGING SOCIAL RESPONSIBILITY AND KEY THEMES AT BUSINESS FINLAND

Business Finland discharges a service duty handed down by the Finnish state and assigned to it by law. For that reason, social responsibility is a key part of Business Finland's operations, and it is managed as a part of everyday activities. Business Finland is making Finland the world's most attractive and competitive innovation environment, where companies find it easy to grow, regenerate, and succeed. Business Finland is working for Finland. The performance agreement made with the

Ministry of Economic Affairs and Employment every year sets out the targets for the forthcoming year, as well as the indicators used to measure performance against the targets. Business Finland reports on the achievement of these targets in the Funding Agency's annual report. The target areas are social impact, operational efficiency, and the management and development of human resources. Same targets direct the social responsibility of Business Finland.



The key themes and main principles of Business Finland's social responsibility have mainly remained the same comparing to last year. The key themes and main principles for social responsibility consist of four main themes, each with related sub-areas. These four themes constitute the core of Business Finland's operations, and they are inextricably linked. None of the themes can be prioritized over the others. Business Finland's strategy states that Business Finland works in the interests of Finland and Finnish society, and this can be considered the starting point for all of Business Finland's activities. Finland also wants to be a responsible actor on the international stage, and operating responsibly in Finland's interests will also advance this goal. Operating in the interests of society requires responsible activities when funding and expert service are offered and in Business Finland's own operations. A good customer experience, meanwhile, is closely connected to a good employee experience. Business Finland realizes its work in the interests of Finnish society through its clients, and it is important that the work involves listening to clients. We also receive valuable feedback from our clients and other external stakeholders in order to develop our operations.

The key themes and main principles are from Business Finland's strategy, and they were found to be important in discussions by the leadership team and the Board of Directors. The key themes and their sub-areas were defined in more detail in 2018 by interviewing the personnel responsible for different functions at Business

Finland. The selection of topics also took into account the feedback received from stakeholders concerning our operations.

The key themes and main principles in Business Finland's social responsibility are listed below.

BUSINESS FINLAND OPERATES AS A RESPONSIBLE FUNDER AND PROVIDER OF SERVICE FUNCTIONS

Business Finland's key client value is trust. Business Finland complies with Finnish and EU legislation, as well as the laws and methods of the countries in which it operates, good governance, and regulations on conflicts of interest. The Code of Conduct guides Business Finland's operations. Business Finland takes the UN's Sustainable Development Goals into consideration in its operations. Business Finland monitors the use of its funding and keeps track of the quality of its operations through regular audits. Business Finland complies with the Act on the Openness of Government Activities, but it restricts access to confidential data through operating instructions and information system solutions.

BUSINESS FINLAND WORKS IN THE INTERESTS OF FINNISH SOCIETY

Business Finland works in Finland's interests. Business Finland creates new growth by helping companies to internationalize, by supporting and funding innovation,

and by attracting foreign investors and visitors to Finland. Business Finland knows its financial responsibilities.

BUSINESS FINLAND OPERATES RESPONSIBLY, AND AIMS TO A POSITIVE EMPLOYEE EXPERIENCE

Corporate governance and the Code of Conduct guide Business Finland's activities. Business Finland aims to prevent and

reduce the harmful environmental impacts of its operations and promote the sustainable use of natural resources. Business Finland aims to make responsible purchases.

Business Finland's regional activities promote the accessibility of its services and take into account of its clients' needs and special characteristics, in Finland's regions and around the world.

Personnel wellbeing and motivation are important to Business Finland. Business Finland's decision-making takes into account the impact on personnel wellbeing. Business Finland values diversity and promotes equal treatment and non-discrimination in recruitment, remuneration, developing the competences of personnel, and career progression. Business Finland does not tolerate harassment, abuse, or bullying of any kind in its working community.

BUSINESS FINLAND OPERATES IN A CLIENT- ORIENTED WAY AND COOPERATES WITH STAKEHOLDERS

Business Finland continuously develops its client service so that it can help its clients in the best possible way. Business Finland regularly monitors client satisfaction and the feedback received from clients. Business Finland works in active co-operation with other stakeholders, listens to the feedback from stakeholders, and makes use of feedback in its operations.



3. BUSINESS FINLAND AS AN **ORGANIZATION**

3.1 OWNERSHIP STRUCTURE AND COMPANY FORM

At the beginning of January 2018, Finpro – which offered internationalization, investment and tourism promotion services and the innovation funding provider Tekes – merged to form Business Finland. 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. Business Finland Oy Group consists of Business Finland Oy, the FinChi Innovation Center Company Ltd operating in Shanghai, China, Business Finland USA Inc. operating in the USA, and Finpro Finland Oy, which is registered in Finland and does not have any active operations. Business Finland Oy is the parent company of the group and other companies are 100 % owned subsidiaries.

The Business Finland entity is also closely related to Business Finland Venture Capital Ltd, which makes capital investments under the guidance of the Funding Agency. The Funding Agency's activities are supervised

and controlled by the Ministry of Economic Affairs and Employment. The Business Finland entity is part of the Team Finland network.

3.2. SIGNIFICANT CHANGES AND EVENTS IN THE ORGANIZATION

In Business Finland's organization, there were several changes during 2019. On January 1, 2019, a business transfer was executed in which 123 persons and duties were transferred from the Funding Agency to the Company. This way, the shift of the focus of personnel and duties to the Company, obliged by The Act concerning Business Finland (1146/2017), was executed. In the beginning of 2019, handling of de minimis –projects was transferred from the Funding Agency to the Company. In the beginning of September, a small organizational change was made to clarify the role of Funding Advisors by establishing two new units in the Funding Agency. At the same time, the job description and duties of the Funding Advisor were clarified and a smooth operation model between the Company and the Funding Agency was ensured. A new Director General of Business Finland, Nina

Kopola, started her work in the beginning of September. Business Finland's global network was expanded during 2019. New offices were opened in five different countries and new advisors were recruited.

The Deputy Parliamentary Ombudsman gave a decision on March 19, 2019 (EOAK/883/2018) regarding the complaint of organizing Business Finland's duties. In the decision The Deputy Parliamentary Ombudsman assessed the arrangement of the Funding Agency, in which some of the Funding Agency's duties are transferred to the Company through a service agreement. The Ministry of Economic Affairs and Employment has given a clarification related to the decision in 2019 and reported that they will further analyze the possible clarifications needed to the Business Finland Act. It is also Business Finland's will, that its operations are clear and lawful. The activities of Business Finland's transformation portfolio and spearhead projects has contributed to the response of Ombudsman's recommendations. For example, the Funding Agency and the Company has clarified the roles and responsibilities of funding operations and customer service during 2019. In this way, any interpretative potentials associated with the operations have been clarified.

3.3 BUSINESS SECTORS, BRANDS, PRODUCTS, AND SERVICES

Business Finland makes use of its special characteristics as a government agency and a company in order to realize the benefits it is aiming toward. The aim is for the

Company to meet the needs of companies in the client interface. The Funding Agency is the interface towards political advocacy, offering established procedures for ensuring the responsible use of public money.

During 2019, the most significant services were productized and communicated to potential and new customers via sparring, communication campaigns, networking events and other activation operations.

Business Finland provides funding and expert services to companies who aim to bold growth in their operations and renewal in the international markets. Research organizations and public organizations cooperating with the companies, are also Business Finland's clients. Business Finland provides services related to export and internationalization, building ecosystems, funding, programs and promoting tourism.

Business Finland helps Finnish companies to go global via export and internationalization services. Business Finland identifies promising business opportunities in the market and helps to find suitable partners and contacts. Business Finland also offers advice on European Union research and innovation funding and arranges trips by delegations to enable companies to meet potential clients. Business Finland also offers co-operation channels of research and innovation to Europe and the rest of the world especially through EU funded Horizon 2020 –program, co-operation platforms of EUREKA (especially Eurostars and EUREKA-clusters), COST and European Space Agency (ESA).

Business Finland offers funding for research, product



development and various business development needs especially for small and medium-sized enterprises (SMEs). Large companies and research institutions can receive funding for joint projects with small and medium sized enterprises. Additionally, Business Finland helps ecosystems to develop by offering networking, internationalization and funding services. In autumn 2019, Business Finland published a service called Dealflow Finland, which connects global investors with

Finnish companies.

The programs of Business Finland offer the internationalization and innovation funding services of Business Finland as entities, which have been customized in accordance with the goals and target groups of each program. Programs provide networks, which enable the participants to resolve common challenges and learn from their peers. Business Finland is launching programs in areas with significant new market potential for Finnish

companies. The purpose of Business Finland's program activities is to prompt businesses to benefit from market transitions and to increase understanding of themes affecting the future of business. This enables us to increase international business operations and to renew Finnish society.

Talent Boost provides companies with networks to find international experts and a financial incentive to recruit the first international experts.

Visit Finland, a part of Business Finland, is a national expert organization in the travel industry and an active operator responsible for promoting tourism from foreign countries to Finland. Visit Finland helps Finnish travel companies to internationalize, develop, sell and market competitive and high-quality travel products.

Invest in Finland, a part of Business Finland, helps foreign companies to identify business opportunities in Finland, generates information about Finland as an investment target, and develops and coordinates national investment acquisition work by actively networking with regional and international actors.

Business Finland's main brands under the Business Finland umbrella are the foregoing Visit Finland and Invest in Finland. Our most important brands also include Good News from Finland. Good News from Finland is a service that compiles positive and globally interesting news topics related to Finnish business and innovations. Business Finland is also closely related to the Team Finland brand. Team Finland is a network of public entities

that offers internationalization services to companies and coordinates the services offered by different entities into a client-oriented package.

3.4 SIZE OF THE ORGANIZATION

In December 31, 2019, Business Finland had a total of 619 employees (contracts of employment). 125 people were employed by the Funding Agency (2018: 260) and 494 (2018: 335) were employed by the Company. The amount and the structure of personnel is described in greater detail in chapter 6.1.

The Budget 2019 included funding allocated to the Funding Agency of EUR 587 million including appropriations of EUR 124 million carried over from previous years, in total EUR 711 million. In addition to the foregoing funding, the Funding Agency had access to appropriations from Ministry for Foreign Affairs totaling EUR 7,7 million.

Business Finland Oy's operating income in 2019 was approximately EUR 100 million (2018: ca. EUR 71 million), mostly from the sale of services to the Funding Agency. The finances of the Funding Agency and the Company are reported in greater detail in the respective organizations' financial statements.

The amount of funding sought from Business Finland in 2019 amounted to EUR 843,5 million across 6803 applications (2018: EUR 958 million and 6060 applications). A total of EUR 588,7 million of funding was

granted to 4945 projects (2018: EUR 565,2 million, 4040 projects). EUR 45,8 million of funding for 2891 projects were funding decisions made by Business Finland Oy. EUR 477,1 million (2018: EUR 451 million) of funding was granted to companies and EUR 111,7 million (2018: EUR 114 million) was granted for research. The amounts of funding sought and granted include membership fees. In 2019, EUR 17,3 million of the funding granted were membership fees.

Business Finland had a total of 7800 client relationships in 2019 (2018: 7700). This figure includes the Business Finland's corporate clients operating in Finland. Overlapping client details have been eliminated from the figures, which also do not include the clients of Invest in Finland and Visit Finland. In 2019, Business Finland had a total of 34 (2018: 29) research organizations as clients, the majority being universities, higher education institutions, and universities of applied sciences in various parts of Finland. Invest in Finland contacted approximately 1,000 new international clients in 2019 of which almost 100 also visited Finland.

3.5 GOVERNANCE

The Funding Agency has a Board of Directors that steers, monitors, and controls the operations of the Business Finland entity and decides upon general operating policies, taking into consideration the targets set by the Ministry of Economic Affairs and Employment and the

principles and policies of owner steering.

The Director General of the Funding Agency manages, monitors, and develops the Funding Agency and the entity consisting of the Funding Agency and the Company. The Director General is accountable to the Ministry of Economic Affairs and Employment for the profitability of operations and for reaching the targets. The leadership team assists the Director General in managing the Business Finland entity and the Funding Agency.

Business Finland Oy's annual general meeting decides on the matters within the meeting's remit as specified by law and in the articles of association. The Business Finland entity operates as a single functional entity in which Business Finland Oy's Board of Directors primarily ensures that the owner's wishes are realized in the Company.

The Ministry of Economic Affairs and Employment nominates Team Finland's management board, which consists of some of the most influential members of the Team Finland network and stakeholders. Team Finland's management board manages the coordination of Team Finland's network and operations, as well as continuous development.

3.6 REPORTING PRACTICES

Business Finland was established on January 1, 2018. Business Finland's first social responsibility report was made for the financial year from January 1 to December 31,

2018. Information from the previous report is used in this 2019 report as comparable data, when applicable. Part of the information is taken from the financial statements of the Funding Agency and the Company. Comparison data is also available in these entities' financial statements. The most significant matter affecting to the information reported in 2019 is a business transfer executed on January 1, 2019, in which 123 people and duties were transferred from the Funding Agency to the Company. This way, the shift of the focus of personnel and duties to the Company, obliged by The Act concerning Business Finland (1146/2017), was executed. The other matter affecting to the information reported is the transfer of the handling of de minimis –projects from the Funding Agency to the Company, in the beginning of 2019. Those foregoing changes affect mainly to financial figures, which are presented in greater detail in the financial statements of the Funding Agency and the Company. The social responsibility report covers Business Finland as a single entity, differentiating the information for the Funding

Agency from the Company where necessary. Business Finland Venture Capital Ltd prepares its own social responsibility report. This report covers the realization of Business Finland's social responsibility in line with the key themes and main principles specified in section 2 for the financial year from January 1 to December 31, 2019. Business Finland reports on its social responsibility annually. The report aims to follow the core requirements of the GRI standard framework for corporate responsibility reporting. Still, all the reporting criteria of the standards may not be fulfilled. These standards have been marked in GRI content index as "partly reported". The report has not been externally audited. Business Finland has dedicated a separate section for social responsibility as a part of its internal reporting practices. In this section, especially events related to the key themes and main principles of the social responsibility, are reported around the year. Business Finland will endeavor to develop its social responsibility reporting further within its resources.

4. BUSINESS FINLAND'S OPERATIONS AS A RESPONSIBLE FUNDER AND PROVIDER OF SERVICE FUNCTIONS

4.1 CORPORATE RESPONSIBILITY AND GOVERNANCE

Business Finland must operate responsibly in order to meet the targets set for its operations. Business Finland complies with the laws, regulations, operating methods, and good governance in Finland, the EU, and the countries in which it operates.

Business Finland's Code of Conduct brings together the most important principles of responsible operations as described in more detail in the next section. It is important that people are able to trust Business Finland. Trust is upheld by operating responsibly. Business Finland requires every one of its employees to operate in accordance with the ethical guidelines. Business Finland also expects its contractual partners to adhere to these principles in their activities related to the contractual relationship. Business Finland's Board of Directors approved the Code of Conduct at the end of 2018. Work on cascading the policies continued in 2019. An online training course was prepared to help the organization cascade the policies, and all of Business Finland's employees are required to complete it. This online training course is part of the orientation of a new employee.



To avoid conflicts of interest and ensure neutrality, Business Finland complies with the disqualification regulations and internal principles applicable to its operations or the pertinent part thereof. Business Finland does not accept or offer monetary gifts or gifts that might harm Business Finland's reputation or public trust in Business Finland. Business Finland intervenes in the event of malfeasance, and every employee is obliged to report suspicions of malfeasance. A whistleblower channel was introduced on Business Finland's website in the second half of 2018 to enable Business Finland's clients, employees, and other stakeholders to report any unethical or unlawful actions they have observed. Notifications can be submitted anonymously, and all notifications are handled in confidence. Internal Audit is responsible for processing notifications.

Business Finland's policies on affiliations were prepared in 2018, and the Board of Directors approved them at the end of the year. The work on cascading the affiliation policies took place in 2019. According to affiliation policies, personnel's affiliations have been gathered into the personnel information system during 2019. The affiliation policies state the following: As a rule, individuals involved in work with clients and funding activities may not hold board memberships or serve as managing directors or in other positions in for-profit companies. Exceptions to this rule may be possible. In case personnel has had affiliations not permitted in the affiliations policies, they have been obliged to make an abandonment plan by the end on 2019. The affiliations

policies for the Board of Directors were prepared in co-operation with the Ministry of Economic Affairs and Employment and were approved by the Board of Directors in spring 2019.

Business Finland does not tolerate any form of harassment, abuse or bullying in its working community.

Business Finland treats its clients in an unbiased, equal, and appropriate manner. Business Finland knows its clients. Business Finland does not accept money laundering or other unlawful activities in its operations. Business Finland always handles the information received from its clients with the utmost care in accordance with the law and as required to ensure confidentiality. Business Finland runs competitive tendering processes in an appropriate and unbiased manner as required by legislation and by its procurement guidelines. Business Finland aims to use public funds as efficiently and prudently as possible.

Business Finland complies with information security guidelines and rules, and adequate care and caution are applied when processing data and using information systems. Business Finland complies with the applicable laws whenever it processes data, and it ensures that privacy is protected when processing personal data.

Business Finland's internal control aims to ensure that its finances and operations are in accordance with the law, the operations are effective, funds and property under Business Finland's control are safeguarded and the correct and sufficient information is obtained for management and external control purposes. The foundation of internal



control consist of functional control environment, goal orientation and accountability and controls, systems and risk evaluation. Internal control is an inseparable part of all core operations and its management. The support of internal control ensures and supports the internal control

that is executed as part of core operations. Internal audit verifies the effectiveness of internal control. The Funding Agency monitors Company’s operations and can audit Company’s state aid operations to the extent necessary. As a significant user of public funding, Business Finland has emphasized supervisory responsibility for the appropriate use of the funding granted and paid by it.

Business Finland’s risk management is carried out in co-operation between the Funding Agency and the Company. Business Finland has common risk management policies approved by the Board of Directors and common risk mappings are carried out. Risk management policies were updated in 2018. Business Finland’s risk management is integrated into operational processes so that risks are identified and management methods are planned in connection with each function.

Risk management measures are focused on the most notable risks. Operational support and assurance policies have been established in key areas of operational decision making. Risks are monitored through planning and reporting. A separate risk management process supports and verifies the realization of risk management. The most notable risks are reported twice a year in Business Finland. Since fall 2019, in addition to the most notable risks, also Business Finland’s notable risks on more operational level have been reported for Business Finland’s internal purposes.

Business Finland’s risk management team supports the coordination, monitoring and reporting of risk management. The team was expanded in 2019 to better represent the sectors of Business Finland’s operational

risks. The risk management team meets four times a year. In the second half of 2019, a self-assessment of risk management was conducted in co-operation with the risk management team, based on the guidance of ISO31000 standard. As a result of the assessment, there emerged some risk management development ideas, which will be prioritized and implemented in 2020, when possible.

When risks are taken, the impacts and returns must be greater than the investments over the long term. In its strategic choices and allocations of funding and other resources, Business Finland is willing to accept greater risks than entities operating on market terms, providing that the potential returns for the national economy and society are estimated to be sufficiently large. Business Finland's existence is founded on the idea of taking such risks and sharing risks related to innovation activities in the Finnish economy.

Business Finland's values steer the way that Business Finland's personnel do their work. They are the cornerstones of Business Finland's culture. Business Finland's values have been integrated into the recruitment and orientation process, as well as into remuneration. Business Finland's values are: with passion, think big, all together and with sisu.



WITH PASSION



THINK BIG



ALL TOGETHER



WITH SISU

FIGURE 1: BUSINESS FINLAND VALUES

Finland is committed to promoting the OECD's Guidelines for Multinational Enterprises, which were updated in 2011. In 2011, the UN published its Guiding Principles on Business and Human Rights. A national program to implement the UN's principles was approved in Finland in 2014. Business Finland also supports these principles in its operations. Business Finland also takes the UN's Sustainable Development Goals into consideration in its operations.

Both the Funding Agency and the Company are involved in several associations and advocacy organizations. European Space Agency (ESA) is an independent organization, common to the Member States. Finland approved the treaty and joined in 1995. The Agency promotes European research and development through

co-operation programs. Business Finland and Ministry of Economic Affairs and Employment fund Finland's ESA membership and participation to ESA programs. Business Finland is responsible for national decision-making for these projects.

EUREKA is one example of the involvement of Business Finland in the operation of international organizations or agreement systems promoting innovation. After the Finnish Presidency in 2018, Business Finland continued to serve on the EUREKA Board. International tasks such as the EU Framework Program for Research and Innovation, ESA, IEA, and 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 in are TAFTIE and ETC (European Trade Commission). The Company is also a member of employers' association Palta.

4.2 FUNDING AND EXPERT SERVICES

Business Finland shares the innovation risks of its corporate clients by providing funding to companies willing and able to grow internationally and accelerating market entry through international growth advisory services.

One of the biggest change projects in 2019 was the transfer of de minimis –funding decisions from the Agency to the Business Finland Oy. It was completed

at the beginning of the year and without interruption in customer service or financial management. Business Finland Oy made a total of 2900 (approximately) funding decisions for EUR ca. 46 million.

The common principles guiding responsibility in funding and expert services:

- In co-operation with the Ministry of Economic Affairs and Employment, operating models of the customer service and funding has been gone through to ensure that Business Finland operates undoubtedly and clearly according to the rules and regulations. This work has served as a foundation to the possible changes and clarifications needed to Business Finland Act. During 2019, in co-operation with the Ministry of Economic Affairs and Employment, possible amendments to Business Finland Act have been researched. This work continues in 2020.
- Business Finland shares the risks of its corporate clients' innovation activities by offering funding to companies willing and able to seek international growth in order to eliminate the bottlenecks hindering growth.
- Business Finland selects the recipients of funding based on predetermined criteria for international growth by evaluating the company and the project as a whole.
- Business Finland evaluates the benefit of the project to society over the long term, taking into account the project's impacts on other organizations and

- its direct impacts on the environment and society.
- Business Finland manages the risks related to funding by means such as productizing its funding into service packages corresponding to the company's capabilities. If necessary, Business Finland first helps companies to develop their internationalization readiness and innovation capabilities to a sufficient standard before encouraging them towards more significant strides with the help of research and development funding.
- Business Finland always assesses clients as entities to ensure that Business Finland's funding is allocated to the right organizations in terms of international growth at the right point in the growth trajectories of these organizations. This enables Business Finland to save its own resources – such as time and money – as well as those of its clients.
- Business Finland publishes details of its funding on its website.
- Business Finland conducts audits into the use of the funding it has granted. The right to conduct audits of the finances and operations of recipients of state aid is based on the Act on Discretionary Government Transfers. The aim of the audit is to ensure that the projects funded by Business Finland are implemented according to the funding decision and its terms and that the project implementation corresponds to the information provided to Business Finland. Business Finland utilizes the audit results to develop and advance its operations.
- Business Finland also conducts audits of the quality of its state aid operations. Quality audits assess the quality of the preparatory work behind funding decisions and the monitoring work throughout the duration of the project.
- Business Finland assesses the risks associated with its funding and expert services. The assessments involve identifying the main risks, evaluating the probabilities and impacts of the risks, and planning the means of managing the risks. The results of risk assessments are utilized to develop operations.
- Business Finland conducts background checks of its clients to avoid supporting money laundering and unlawful or unethical activities.
- Business Finland has taken the sustainability into account when providing program activities. Business Finland's program portfolio has been renewed to support UN's Sustainable Development Goals.
- Visit Finland has shifted the sector's focus toward sustainable tourism and the principles of responsible operation. Visit Finland has developed a program and a label called Sustainable Travel Finland designed for tourism companies and destinations in Finland. This program is described in more detail in section 4.3.



4.3 SUSTAINABLE TRAVEL FINLAND - TOWARDS SUSTAINABLE TOURISM

In order for the tourism industry to respond to the changing demand and continue to grow, the development must be sustainable. Consumers look for even more ethical and responsible products, including travel products. At the same time, demand for sustainable tourism has grown. A research by Visit Finland in 2018 pointed that approximately 70 % of tour operators in Germany and Great Britain believe that their Finland sales would grow, if our supply of sustainable travel products was enhanced.

To help the tourism industry in Finland to adopt sustainable practices, Visit Finland has developed a program and a label called Sustainable Travel Finland, designed for tourism companies and destinations in Finland.

The idea of Sustainable Travel Finland label is to provide companies and destinations with a sustainable development path; a concrete toolkit for sustainable tourism that makes it easier to adopt sustainable practices and choices in the everyday business. Starting the Sustainable Travel Finland –program and applying for the label is free of charge. Companies and destinations that undergo

the entire program are recognized with the Sustainable Travel Finland label and will have access to a continuous development model, the latest information on sustainable tourism development, as well as marketing support and visibility on Visit Finland channels.

SUSTAINABLE TRAVEL FINLAND – A SUSTAINABLE TOURISM DEVELOPMENT PATH

While the Sustainable Travel Finland label as a marketing entity will facilitate the communication of sustainable tourism in Finland, it offers a 7-step path for businesses and travel destinations to developing sustainable tourism. The development path is run on the Sustainable Travel Finland online platform, where compliance with the program criteria is verified. The platform is supported with a Sustainable Travel Finland ‘e-guide’ e-learning environment, which offers a comprehensive basis to sustainable tourism and familiarizes the user with the content of the Sustainable Travel Finland -program. The E-guide is available for all tourism companies and destinations accepted in the Sustainable Travel Finland –program.

In the spring of 2020, the first companies and destinations to complete the STF program are likely to be acknowledged.

5. IMPACT

5.1 THE IMPACT OF OUR OPERATIONS

Business Finland works in Finland's interests. In the short term, Business Finland aims to make a direct impact based on innovation, productivity, companies' structural renewal and growth. Over the long term, the aim is to make

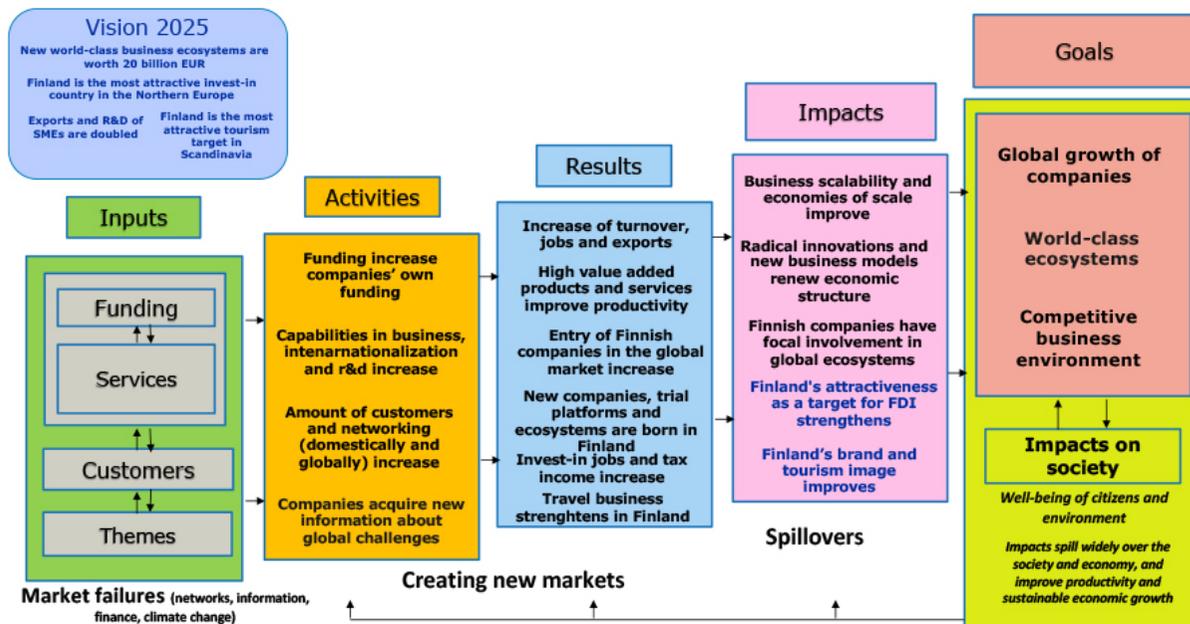


FIGURE 2: BUSINESS FINLAND'S IMPACT MODEL

an extensive impact on the wellbeing of citizens and the environment and sustainable growth of national economy.

The results of the funding Business Finland grants and the expert services it provides manifest themselves in the form of new expertise and innovation. The impacts spread far and wide via networks and innovative companies and they increase productivity and economic growth. The impacts of the innovation activities funded by us are reflected in the wellbeing of citizens and the environment.

Business Finland's impact assessments analyze the impacts of public research and development work and innovation funding, including internationalization services, Visit Finland and Invest in Finland services, on companies, industries, and the economy as a whole. Impact assessments seek to demonstrate that public money has been used as effectively as possible. We also use the results of assessments to develop our operations and allocate funding and services.

Business Finland's impact and performance against targets are monitored using goal-oriented impact analyses agreed with the Ministry of Economic Affairs and Employment. Business Finland has three goals: 1) Global growth for companies; 2) World-class ecosystems; 3) A competitive business environment, for which an external evaluation is commissioned to analyze developments toward the goal.

Business Finland's impact model is an aid in developing internal tools such as the assessments used to select projects for funding and to enable more functional management of client relationships and ecosystems. The impact model was developed to describe different client segments and the results and impacts of specific instruments. The impact model is also suited to utilizing impact data by means such as impact paths, which are prepared for various themes (including cleantech, the bioeconomy, digitalization, health). At the same time, the utilization of impact data in Business Finland's strategic decision-making, proactive impacts, and external communications are being reinforced.

More detailed information on impact assessments and the achievement of impact targets is reported in section 3 of the Funding Agency's annual report.

The projects funded by Business Finland and completed last year gave rise to 2400 new or improved processes, services, products, or applications, as well as 1,303 patents or patent applications. Exports by SMEs receiving Business Finland funding increased by 48% from 2015 to 2018, and the revenues of these companies increased by 28% over the same period (SMEs, whose projects were completed during 2011-2015). Our SME clients are expecting to earn revenues of EUR 6.7 billion and make exports worth EUR 5.5 billion thanks to their projects in 2019.

Foreign direct investment is an important part of Finland's economic growth and business. They provide opportunities for domestic companies to integrate with

global value chains and innovation networks, as well as spill-over effects of knowledge diffusion. Experimental platforms and ecosystems attract global actors to Finland.

In 2019, more than EUR 1557 million was invested in Finland from abroad, representing year-on-year growth of over 228% (2018: EUR 478 million). The investments made in Finland by foreign companies will result in the creation of an estimated 921 new jobs, in 2019 with the multiplier effect. These estimates are based on information provided by the companies in the planning phase. During 2019, Business Finland's Invest in Finland made contact with nearly 1,000 new international clients, ca. 100 of whom also visited Finland.

It is estimated that Invest in Finland –services have increased and advanced the placement of new direct investments in Finland. Quantitatively, the most part of foreign direct investments made in Finland, in 2019, were from Sweden, Great Britain and USA. Most of the investments were in ICT, health and well-being sectors.

Finland has still been an attractive destination for foreign tourists in 2019. The registered number of overnight stays by foreign visitors in Finland was 7,039 million, according to preliminary information. Earnings from international tourism continues to grow and the estimated actual (EUR 3166 million) is greater than expected. Statistics Finland will confirm the actual data later in the spring 2020. According to preliminary information, Finland's market share of overnight stays by foreign tourists in relation to other Nordic countries has remained, as in previous years, at the level of 14 %.

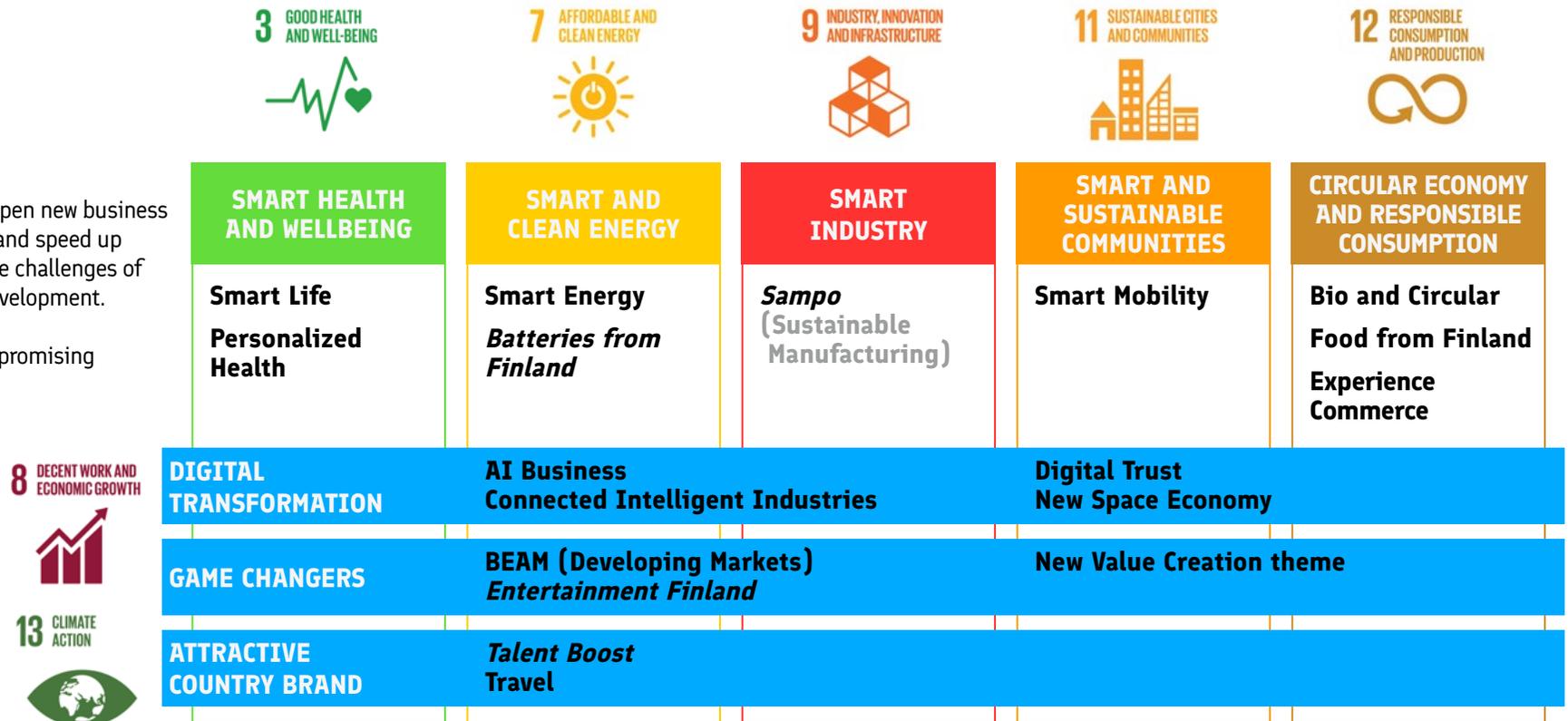
5.2 SUSTAINABLE DEVELOPMENT

Business Finland has taken the UN’s Sustainable Development Goals into consideration in its operations for a long time – society’s commitment to sustainable development is made at an early stage. Business Finland will continue to work to integrate, along with business

impacts, SDGs’ other objectives into its operations in a more comprehensive way, including a clearer consideration of social and environmental impacts. In its program activities, Business Finland is committed to taking into account the UN’s program for Sustainable Development Goals (Sustainable Development Goals, SDG) which pays

BF programs open new business opportunities and speed up solutions to the challenges of sustainable development.

SDGs indicate promising markets.



Legend: Program in progress, Activity in progress, program or activity under planning

FIGURE 3: BUSINESS FINLAND PROGRAMS 2019



equal attention to the environment, economy and people. The challenges of sustainable development are socially significant and they offer new business opportunities for Finnish companies.

The ongoing Business Finland programs are focused on the health sector, clean energy, sustainable manufacturing, smart mobility and circular economy including responsible consumption. In addition to these, program activities also supports the goals for the climate change. Especially, Beam (Business with Impact) was in the core of operations in line with the SDG goals with the basis aiming to economical and developmental impacts. Beam was carried out in co-operation with the Ministry for Foreign Affairs, lasted five years and was completed in 2019. In Beam program, the opportunities of the business made in the context of the SDGs, are taken also to interested companies via education. These activities will continue, also after the Beam program, as a platform which supports other Business Finland programs. Business Finland's program Sustainable Manufacturing Finland helps companies to better understand the business opportunities related to combating climate change and promotes sustainable innovation activities. Visit Finland's program, Sustainable Travel Finland, is introduced in chapter 4.3.

5.3 FINANCES

The funding allocated to the Funding Agency in 2019 was EUR 587.0 million, including appropriations of EUR 124,0 million carried over from previous years, totaling EUR 711, 0 million. There was a decline of 5 % compared to the previous

year. Most of the funding is granted as one year's estimate appropriation and part as 3 year's deferrable appropriation. Due to a long-term nature of the funding, it usually takes a long time from the funding decision to the payment phase. In addition to the foregoing funding, the Funding Agency had access to appropriations from the Ministry for Foreign Affairs totaling EUR 7,7 million (including appropriations of EUR 2,7 million carried over from previous years).

The Funding Agency had access to authorizations for research, development and innovation totaling EUR 572,0 million, an increase of 16 % compared to previous year. The Parliament decided to increase the funding of grants. Instead, the loan authorizations for research, development and innovation decreased a little. Almost 100 % of the authorizations were used, with the exception of the ERDF authorizations and energy aid.

The largest portion of the appropriations for 2019 (EUR 275.5 million) was allocated to supporting research, development, and innovation activities, and EUR 245.0 million (89 %) of this amount was used for grants. Loans for supporting research, development, and innovation activities were allocated for EUR 155 million and this amount was used 100 %. More detailed information on the use of appropriations is reported in section 7.2 of the Funding Agency's financial statements.

In 2019, the Funding Agency had access to a total of EUR 97.5 million in appropriations for operating expenses granted in the 2018 State budget. These appropriations for operating expenses also include the appropriations

awarded for purchasing services from the Company. A total of EUR 16.6 million was available in appropriations for operating expenses carried over from previous years.

Of the available appropriations (EUR 114.1 million) EUR 95.8 million (84%) of the appropriations was used. Deferrable appropriations was left EUR 18.3 million. Deferrable appropriations include, among other things, the expenses of Dubai Expo, which will realize mainly in 2020 and delayed recruits, whose cost impact will not be fully realized until 2020. Also the execution of the IT-projects (for example AI-project) and certain projects related to programs and Business Finland's transformation projects are scheduled for a longer period and they continue in 2020. More detailed information on the finances of the Funding Agency is reported in section 7 (Financial statements analysis) of the Funding Agency's financial statements.

Business Finland Oy is a non-profit entity, who does not, in accordance with its articles of association, distribute its assets in the form of dividends or other distributions. The initial working capital of the Company is transferred from Finpro ry as a donation. Business Finland Oy was established to continue the operation of Finpro ry. Company's funding is based on the annual service agreement made with the Funding Agency. The Company will charge the expenses of its basic operation and the expenses of the program activities from the Funding Agency, based on the cost equivalence. According to the service agreement, if there are no other legal acts or practices agreed between the parties, the Company will

act as an overall producer of the centralized and support services for the Business Finland entity. Additionally, where applicable, the Company will also invoice clients for the expenses caused by a third party. In addition, grants for different projects have been applied from other sources, from TT Foundation and EU, among other things.

In the 2019 financial statements of Business Finland Oy the funding of the basic and program activities, based on the service agreement between the Company and the Funding Agency, was EUR 77.5 million. Additionally, the Company received project-specific grants for growth programs from the Funding Agency for EUR 3.8 million. Other operating income EUR 5.5 million consisted of the costs still charging, grants and for the small part, of the revenue from the Shipping Handbook.

Profit for the financial year 2019 was EUR 1.357 thousand. Operating result was a loss of EUR 47 thousand. Earnings of the financial year were reversed by reversal of write-downs on investment assets (EUR 967 thousand) and the 2019 profit shares (EUR 456 thousand) recognized in the 2018 financial statements.

Mandatory provisions were made in the financial statements of Business Finland Oy due to the trial of Business Finland's US-based subsidiary (EUR 178 thousand) and the receivable from the service provider in Germany (EUR 189 thousand). The procedures regarding the allowance of bad debt in the accounts receivable have been made stricter in 2019. The allowance of bad debt in 31 December 2019 was EUR 143 thousand.

Business Finland Oy has three subsidiaries; FinChi

Innovation Center Company Ltd in Shanghai, China, Business Finland Inc. in the USA and Finpro Finland Oy who has no actual operation. All the expenses of Business Finland USA Inc. are charged from the parent company and it is a part of the Business Finland Oy's operational business. 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's result for the financial year 2019 has a positive impact of EUR 39 thousand on the consolidated financial statements.

Business Finland Oy recognized income taxes of EUR 646 for 2019 in its financial statements. Business Finland USA Inc. made zero profit in 2019 and 2018, and no deferred income taxes are recognized for either year in the financial statements. Income taxes of EUR 7.090 were recognized in FinChi's financial statements.

Business Finland Oy's financial statements for 2019 provide a more detailed account of the Company's finances and the finances of the Business Finland Oy Group.

In 2018, Business Finland Oy's subsidiary filed a civil lawsuit in the USA against the former employee of the company based on suspected financial malfeasance of the former employee between 2011 and 2017. The amount of ambiguous expenses in the accounts between 2011 and 2017 is substantial totaling an approximate sum of USD 4.8 million. As the lawsuit has proceeded, the suspicions of the malpractice has become stronger. The case is handled by the district court according to the local laws and processes and the processing is still ongoing.

6. BUSINESS FINLAND'S OWN OPERATIONS

6.1 PERSONNEL

PERSONNEL MANAGEMENT

Business Finland's first year of operation in 2018 was still a time for creating and implementing common policies. In 2019, the new organization, new operating practices and roles were established and further developed and clarified.

Coaching leadership training was organized for the new managers of Business Finland and their performance was evaluated from the perspective of coaching leadership through the Coaching Leadership Pulse (CLP) –survey. The focus of the survey was on enabling and sparring leadership. The results of the survey followed the results of peer organizations. The Leadership Index 77/100 also corresponds to the market value. Two days, called BF Leaders Day, were organized for supervisors to clarify the organization's targets and set up a catechism of common principles and goals for managerial work. The realization of the catechism's issues was measured in December by a staff survey.

The BF info practice, whereby relevant matters are reviewed by the Director General, was put in place during the unification process. The new Director General, Nina

Kopola, who started in the beginning of September, continued with this practice. She also organized a channel for anonymous feedback from personnel and contributed to correcting any ambiguities and shortcomings experienced by personnel.

Business Finland is committed to its responsible personnel policy. During the year, Business Finland continued to unify and modernize its operating methods, including the creation of a common performance appraisal model and rotation principles for the entire organization. The transparency increase of the company's remuneration has been prepared in co-operation with employee representatives. The Company and the Funding Agency have Co-operation Committees, the minutes of which are open to everyone in Business Finland. At the end of the year, the company's personnel elected a steward to represent them.

PERSONNEL TARGETS

The Act concerning Business Finland (1146/2017) obliges Business Finland to shift the focus of its personnel so that the majority of client-facing work is done by the

FIGURE 1: PERSONNEL WITH EMPLOYMENT CONTRACT IN BUSINESS FINLAND IN DECEMBER 31, 2019.

	FUNDING AGENCY	COMPANY
TOTAL	125	494
male	54	225
female	71	269
permanent	120	438
temporary	5	56
permanent female	66	237
permanent male	54	201
BY REGION		
Helsinki	111	305
rest of the Finland	14	74
other countries	-	115
permanent Helsinki	106	281
permanent rest of the Finland	14	73
permanent other countries	-	84
part time	3	10
full time	122	484
full time female	69	261
full time male	53	223
AVERAGE AGE		
male / female	52,7 / 51,1	50,2 / 45,6

Company, as well as the small funding decisions covered by de minimis rules and worth less than EUR 100,000. For this reason, Business Finland conducted its first business transfer from the Funding Agency to the Company on January 1, 2018, resulting in 42 people moving to the Company. A further transfer of 123 people was completed in the fall for execution on January 1, 2019. In line with the policy of the Ministry of Economic Affairs and Employment, the Company has expanded the resources dedicated to Business Finland's international operations through active recruitment.

NUMBER AND STRUCTURE OF EMPLOYEES

In December 31, 2019, Business Finland had a total of 619 employees (contracts of employment) of whom 125 people (2018: 260) worked in the Funding Agency and 494 people (2018: 335) worked at the Company. Additionally, at the end of the year, there were following people working at the Company:

- 8 people in Business Finland USA Inc.
- 5 people in FinChi Innovation Center Ltd.
- 17 people abroad, hired by a third party (not having a direct employment relationship with Business Finland but doing Business Finland work)
- 4 agency-hired personnel in Finland

In 2018, there were a total of 595 employees in Business Finland. The amount of personnel increased approximately for 4 % since 2018.

The Company had 18 interns in Finland and 48 abroad in EDUFI-program in 2019.

The decrease in the number of personnel at the Funding Agency and the corresponding increase in the number of personnel at the Company were due to the business transfer executed on the basis of the Business Finland Act on January 1, 2019, whereby 123 people were transferred to Business Finland Oy. Additionally, recruitments were targeted especially to Company's global network.

When Business Finland was established, one of the goals was a good employee experience. The decision was taken to shift the weighting of human resources in Finland toward permanent employment relationships, enabling us to offer interesting positions and longer-term self-development opportunities and career prospects. In addition, all new recruitments where jobs are not dependent on location, have been opened so that work can be done in multiple offices of Business Finland.

There were no dismissals or furloughs in 2019.

TABLE 2: NUMBER OF FEMALE EMPLOYEES IN DIFFERENT PERSONNEL GROUPS IN DECEMBER 31, 2018

	FUNDING AGENCY 2019	COMPANY 2019	FUNDING AGENCY 2018	COMPANY 2018
Of personnel	56,8 %	54,5%	48,5 %	60,0%
Of experts	56,5 %	55,2%	41,2 %	63,6%
Of superiors	66,7 %	52,8%	77,8 %	48,7%
Of management	50,0 %	14,3%	25,0 %	25,0%

EQUALITY AND NON-DISCRIMINATION PLAN

Business Finland adheres to an equality and non-discrimination plan, which includes measures to prevent discrimination and to promote equality. Diversity among the personnel is celebrated, and discrimination is forbidden in every form. The same principles apply in Business Finland's operations both in Finland and abroad. The co-operation committees of the Funding Agency and the Company monitor the implementation of the measures and update the plan every year.

EMPLOYER IMAGE

In the latest Universum survey, "The Most Attractive Employees in Finland", Business Finland was ranked among the top in three categories among professionals in Finland. Our best ranking was 11 in Business category, which was also the best in the public sector.

In 2019, 77 new employees started working for the Company, 33 of them abroad (the figure does not include interns). In the Funding Agency 9 new employees started in 2019.

REMUNERATION SYSTEM AND PERFORMANCE-RELATED BONUSES

The Company and the Funding Agency have harmonized their remuneration systems during 2019. Hay –system is used for evaluating the demandness of the duties. The



company's job grade descriptions were renewed and the personnel's job classification was revised based on the new roles. Performance appraisal was also harmonized within the Company and the Funding Agency. Both also have a similar one-time reward model that rewards individuals or teams for their performance beyond their annual goals. In 2019, development work was also started to increase pay transparency within the Company, creating and publishing

a payroll table for staff, among other things.

The performance-related bonuses awarded by the Company are determined in accordance with the State's bonus model. In 2018, the performance-related bonus was 3,17%. The percentage-level of the performance-related bonus for 2019 will be confirmed during the spring. The targets track the goals passed down to the Company by the ministry, and the performance-related component only begins to take effect once the performance has surpassed the target.

The bonuses for members of the Leadership Team (regarding those who are employed by the Company) are determined in accordance with the common bonus model applying to all personnel and within the limits applying to State-owned companies.

During the World Ideas Week, an event for the whole organization held in August, four Business Finland's employees were awarded for operating according to Business Finland's values.

PERFORMANCE APPRAISALS

Business Finland has two rounds of performance appraisals every year covering every member of personnel. At the beginning of the year, targets are agreed for next year and the previous year's results are reviewed. In autumn, a new performance appraisal is held where the targets are adjusted, competence development needs are discussed including the longer term career plans. The

performance appraisal process develops the feedback culture of Business Finland and supports the personnel to be active in terms of their own career and direct one's self development to the right direction.

Performance appraisals are documented on the personnel system. The percentage of coverage of performance appraisals was 90 %, calculated of the personnel working for Business Finland at the end of the year. The performance appraisal for new employees had not yet been held.

TRAINING AND COMPETENCE DEVELOPMENT

Business Finland has a global policy for developing personnel competences and professional training. The aim of developing personnel competences is to improve, maintain, and update the know-how and expertise required to implement Business Finland's strategy.

Competence development primarily occurs as a part of each employee's work. In 2019, competence development focused on assimilating common operational models and a shared operating culture. Employees also have opportunities for competence development at the employer's expense. The means of development are specifically agreed during performance appraisals, and they may include training or on-the-job learning.

All personnel from the Finnish and global offices were invited to Helsinki for the World Ideas Week in August. The event focused on creating and developing a common

understanding through external speakers and facilitators as well as internal workshops. During the week, there was also an opportunity to meet colleagues in more informal activities. During the World Ideas Week, the BF Business School concept and the License to Advice training program specifically for the customer interface were launched. Towards the end of the year, the first coaching session with the Ministry for Foreign Affairs was also offered to those in Business Finland's diplomatic career, or for those interested in one. The BF Business School concept includes personnel development packages ranging from coaching to online training and enhancing well-being at work. In 2019, Business Finland also invested in language training for personnel that had begun the previous year, and in the context of World Ideas Week, language trips to England for two employees drew lots.

Regional meetings around the world, where common approaches and forms of co-operation were discussed, also focused on creating a common understanding and strengthening cohesion.

Business Finland has a comprehensive orientation program for new employees. Two induction weeks were arranged for new employees in Helsinki. All new employees from Finnish and global offices were invited to the events. Coaching for retirees from Business Finland was conducted in the spring and autumn of 2019. A departure discussion with all departing is conducted by the supervisor or HR and the issues raised are monitored at the leadership team level.



PERSONNEL SATISFACTION

The Business Finland organization (the Funding Agency and the Company) conducted a Signi -survey with the intention of finding out the matters that are the most meaningful to the personnel and how they are realized at the office. The results showed several development needs, on which the units, service areas and the Leadership Team focused during the year. On a scale from 0 to 100, the result over 80 is considered as good and 60 is considered as poor. Business Finland's overall result was 61. None of the most meaningful matters were realized at a good level according to the survey results. The personnel felt that moderately realized is that they have a nice and fair supervisor, they have a possibility to work regardless of the time and place, they have a balance between work and spare time, they have a possibility to use their competence daily, the organization has an inspiring purpose and objectives and they have meaningful duties. According to personnel, poorly realized were the possibilities to affect one's own work and working environment, the development possibilities equivalent to one's own interests, fair remuneration and fringe benefits and trustworthy and capable management. The response rate was rather high, 75 % of the personnel, which is positive. The personnel clearly wants to influence things at their workplace.

Due to the results of Signi-survey a so-called transformation portfolio was created for development of

operations. Clarifying the work roles was the main target for 2019. Five of the most significant spearhead projects chosen from the transformation portfolio were the development of management model, customer process, service and service delivery process, funding services and systems development.

THE PERSONNEL'S WELLBEING AT WORK AND WORKING CAPACITY

The business transfers and the changes related to the roles and job descriptions of experts have still given rise to uncertainty among the personnel, and not everybody has been pleased with the changes in the working conditions. There were many projects aiming to clarify the roles. This work was still unfinished at the end of the year.

Individual coaching sessions including career coaching were arranged for the personnel and supervisors over the course of the year. The Auntie service was introduced for personal change coaching, and occupational health services were used when necessary.

The working capacity of employees was supported by means such as the ePassi occupational wellbeing benefit, worth EUR 600 in 2019. ePassi is intended for Business Finland's employees in Finland. ePassi can be used for sports, cultural activities, business trips, or lunches. Special attention has been paid to ergonomics in Team Finland's office premises. Every desk is an electric desk that allows the employee to work standing

up. A BreakPro exercise program for break times has also been introduced. Occupational health services have also guided personnel with the ergonomics related matters at the office, when needed.

Business Finland Oy has access to a leisure cottage in the Vierumäki recreational area. The Company's personnel can rent the cottage for a week or weekend for a low price and make use of the extensive sporting facilities in the area.

Business Finland's leisure club, the Huppari club, has arranged summer get-togethers and Christmas parties in Helsinki, as well as events such as sports trials, guided walking tours and theatre visits. Employees have the opportunity to use the gym at the office in Ruoholahti free of charge and to attend exercise classes at low cost. There are also good facilities for commuting by bicycle, among other things.

ACCIDENTS AND OCCUPATIONAL HEALTH AND SAFETY

The Funding Agency registered one and the Company registered six occupational accidents in 2019. Occupational accidents typically occur on business trips or while the employee is commuting to or from work.

Business Finland's occupational health and safety operations are targeted at the physical and psychosocial work environment. The employer is responsible for occupational safety in the workplace and the working environment. In other countries, office security is the responsibility of Ministry for Foreign Affairs or other

landlords, depending on the premises. The Funding Agency and the Company both have occupational health and safety managers and occupational health and safety delegates who can be contacted in the event of any questions about occupational health and safety. The occupational health and safety committees of both Company and the Funding Agency meet every 2–3 months. The key duties of the occupational health and safety committees are to make development proposals to the employer concerning occupational health and safety and monitor the implementation of the occupational health and safety action plan and occupational health service. The occupational health plan is reviewed annually with the occupational health and safety organization. The focus area was supporting mental wellbeing. The Funding Agency's co-operation agreement regarding the occupational health and safety operations was revised in December 2019 and it emphasizes the co-operation with the Company's occupational health and safety operations.

In addition to integrating risk management into everyday management and operations, the risks to factors such as wellbeing at work are analyzed regularly. At the same time, the existing management measures for the most relevant risks are updated, and new management measures are planned. Risk assessments are conducted by the organization's risk management function in co-operation with the HR department and occupational health and safety representatives. The results of risk assessments are communicated to the Leadership Team and the Board

of Directors, as well as to the occupational health and safety representatives. The results of assessments are utilized to develop wellbeing at work and occupational safety. The most recent risk assessment took place at the end of 2018. A separate assessment of travel safety was conducted in 2019. As a result of the assessment, Business Finland's travel safety process and guidelines will be developed during 2020.

ABSENCES DUE TO ILLNESS

The number of absences due to illness among the Company's employees in Finland was 5.3 days per person in 2019. The personnel of the Funding Agency, took an average of 6.3 working days of sick leave per person-year of work in 2019. The number of absences due to illness was smaller than in the organizations used for comparison.

The number of absences due to illness in Business Finland decreased by nearly 1000 days during 2019. The number of absences due to illness regarding mental health, which momentarily increased in 2018, were significantly decreased in 2019. This was surely affected by more stable roles and processes after the transformation and the active offering of different means for transformation security (Auntie services and occupational health services). Supervisors have also invested in openness and increasing opportunities for discussions in the units.

OCCUPATIONAL HEALTH

Business Finland offers its personnel comprehensive occupational health care services with Mehiläinen. Occupational health services were tendered out during 2019 and the co-operation with Mehiläinen continued. The services are available to employees working in Finland and employees sent abroad from Finland. For personnel who work abroad and were recruited locally, occupational health care is arranged either through insurance policies or via the local health care or social security system.

Occupational health care services can be divided into preventive measures, medical care, and separately agreed additional services. The occupational health care services aim to support well-being at work while considering the nature of the working duties, such as mental strain and ergonomics, and special requirements regarding employees sent abroad. The common goals of Business Finland and Mehiläinen include promoting wellbeing at work and productivity, managing absences due to illness, and reducing the health and safety risks associated with work. Business Finland has occupational health care service guidelines, which are available to everyone in Finnish and English.

APPLICATION OF COLLECTIVE AGREEMENTS

The collective agreements for State employees and civil servants apply in the Funding Agency. Business Finland Oy is a member of Palta, the representative association

for service sector businesses and organizations, but no collective agreement applies. Instead, the terms of employment are determined in an employment manual, which was locally agreed.

6.2 PROCUREMENT

The annual value of the procurements in both of Business Finland's organizations is approximately 45-50 million euros. Purchases are budgeted, planned and scheduled on an annual cycle.

The procurement function is guided by the procurement implementation principles and the Procurement Policy. This chapter presents the main points of the principles for procurement implementation and for the responsibility of procurements in Business Finland.

INTRODUCTION TO THE PROCUREMENT IMPLEMENTATION PRINCIPLES

The procurement implementation principles define how Business Finland is developing its procurement function and purchases and how they are implemented. The grounds for the principles come from the Business Finland's strategic priorities. They also implement the obligations and objectives set out in the government's procurement strategy. The strategic targets are **productivity and efficiency, expertise and innovativeness, cooperation and partnership, responsibility and sustainable development.**



A constant development of the procurement function is important to advance the efficient use of the public funds, to make purchases that support the quality, responsibility and sustainable development and to make savings. Procurement function that is proactive and oriented towards development supports Business Finland's efforts to develop and guarantees the operating conditions of Business Finland. Open and constructive co-operation with government procurement agencies, other contracting entities and companies also supports the development of procurement.

With the procurement implementation principles, Business Finland is aiming to more strategic and systematic grasp to its purchase and control of the supplier market. Another objective is to strengthen the control of the entirety of purchases, clarify the leadership and organization of the procurement function and to improve the quality and cost efficiency of the actions.

THE AIM AND MISSION OF THE PROCUREMENT IMPLEMENTATION PRINCIPLES

To achieve the targets set in the procurement implementation principles it is required to develop the procurement function to be more coordinated and more united. The measures of developing the procurement function are grouping the purchases into categories, emerging the procurement management and the organization model and expanding the practical procurement process and the expertise.

The procurement implementation principles are intended to ensure the coordination of the procurement process as

a whole, to clarify the management and organization of the procurement and to improve the quality and cost-effectiveness of the operations. The aim is to develop the procurement so that it is efficiently managed, organized and resourced. The key elements of the change include investing in procurement expertise and reallocating the resources. It is essential to pay more attention to the planning and preparation of the procurement as well as to the contractual guidance of the supplier.

LEGALITY, ACCOUNTABILITY AND SUSTAINABLE DEVELOPMENT

Business Finland follows the procurement law and the principles of good administration in all its purchases. The implementation of the procurements is also governed by legal praxis, other legislation and official regulations (principles and instructions issued by the Ministry of Finance, Ministry of Economic Affairs and Employment, Ministry of the Environment and Motiva) and Business Finland's own Procurement Policy.

The goal of responsible and sustainable development means that Business Finland recognizes and takes into account the social impact of procurement when implementing the purchases. Making acquisitions Business Finland strives to promote social justice and accountability. In its procurement function Business Finland considers the environmental aspects and the principles of sustainable development which are guided by government decisions and the action plan called Kestävät

julkiset hankinnat – Sustainable Public Procurement.

Business Finland ensures the contractual operation by actively monitoring the delivery of the service provider or the supplier. Business Finland pays special attention to contractual cooperation and, if necessary, makes a complaint. Collaboration with the supplier during the contract period has a crucial impact to the success of the result.

The aim is that as a supplier, Business Finland is fair and impartial and strives to promote healthy competition through its operations. Whenever possible, purchases will be divided so that the smaller companies can also participate in tenders. Business Finland ascertains that the contracting parties have fulfilled their social obligations in accordance with the requirements of the procurement law, the contractor's liability law and other legislation.

As the majority of Business Finland's procurements are purchases of expert services, Business Finland rarely has the opportunity to verify the supplier's supply chains. Goods, such as office supplies and furniture, are purchased under framework agreements made by Hansel Oy, central purchasing body for central and local governments in Finland. Hansel Oy monitors the corporate responsibility of suppliers with framework agreements.

In accordance with the service agreement concluded between the Funding Agency and the Company, the Company will be the overall provider for centralized and support services to the Business Finland entity, unless otherwise provided by law or otherwise agreed upon by

both parties. Primarily the Company purchases joint services, bears the costs of purchases and charges the Funding Agency for its share of the total costs. According to this, Business Finland Oy acquires mainly ICT and communications services and charges the Funding Agency for its share by the service agreement.

EXPERTISE AND INNOVATIVENESS

Expertise and innovation in procurement means promoting and enabling innovative solutions in the supplier market through competitive tendering as well as open-minded development of one's own operations and procedures. Prior to the competitive bidding process, the aim is to get to know the development of supplier market and meet the parties operating in the field. The requirements of the invitation to tender will be set based on the results received during the phase of the preliminary assessment so that the requirements also allow innovative solutions to be considered in the tendering process.

Promoting creative and innovative procurement solutions requires a thorough phase of preliminary assessment, excellent knowledge of procurement procedures and active collaboration with the supplier during the contract period. The acquisition requires a sufficient amount of time. Business Finland's goal is to have an innovative element at least in 10 % of its purchases.

6.3 REGIONAL OPERATIONS IN FINLAND AND ABROAD

The extensive domestic network improves the accessibility of the services and strengthens Business Finland's ability to take into account the special features of different regions of Finland and local strengths that improve the conditions for growth of international business. Business Finland has 16 locations in Finland. On the same premises as ELY Centers there are 12 offices (Joensuu, Jyväskylä, Kajaani, Kuopio, Lahti, Lappeenranta, Mikkeli, Oulu, Rovaniemi, Seinäjoki, Turku, Vaasa). The premises are leased from KEHA Center (Senaatti). On the same premises as Finnvera, there are three offices: in Helsinki the premises have been leased from Ilmarinen and in Pori including Tampere from Technopolis Oyj. In Kemi, we operate in a same property with Digipolis, (the development company of the town). This arrangement makes it more convenient for client companies to access the services most suitable for them. Since 2016, Business Finland (then known as Tekes and Finpro) has had headquarters in Helsinki in the same office building as Finnvera and Finnish Industry Investment, which has created a hub for the Uusimaa region, making client service more efficient and facilitating contact between service providers.

Business Finland's global network was expanded in 2019. New offices were opened in five different countries (Paris, Berlin, Casablanca, Toronto and Sydney) and 33 new advisors started their work. This helps Business Finland to serve Finnish companies better globally. The



challenge is to operate in a same way in all countries of operation.

In 2019, Business Finland had 42 offices in 35 countries outside Finland. These offices are in Belgium, Spain, Austria, Norway, Poland, France, Sweden, Germany, Denmark, Turkey, 2 offices in Russia, Great Britain, Brazil, Canada, Chile, Mexico, Peru, 3 offices in USA, Australia, South-Korea, Indonesia, India, Japan, Kazakhstan, 4 offices in China, Malesia, Myanmar, Taiwan, Vietnam, South Africa, Kenia, Morocco, Nigeria, Saudi Arabia and United Arab Emirates.

Business Finland's personnel includes people with 33 different nationalities. There are international experts in the Helsinki office in addition to the offices abroad. Thanks to their expertise, Business Finland is able to provide all of its clients with services that take account of international business environments and cultures, while paying attention to the special requirements of international entrepreneurs working in Finland.

The services of Business Finland's global network bring new opportunities and growth for Finnish companies in the global market, which promotes the growth of Finnish trade. At the same time, the work of Business Finland, together with Team Finland, promotes Finland's country image in the countries where Business Finland operates. The work done by Business Finland affects people and end-customers globally and encourages the use of carbon-neutral materials and energy-efficient solutions, which in turn contributes to the fight against climate change.

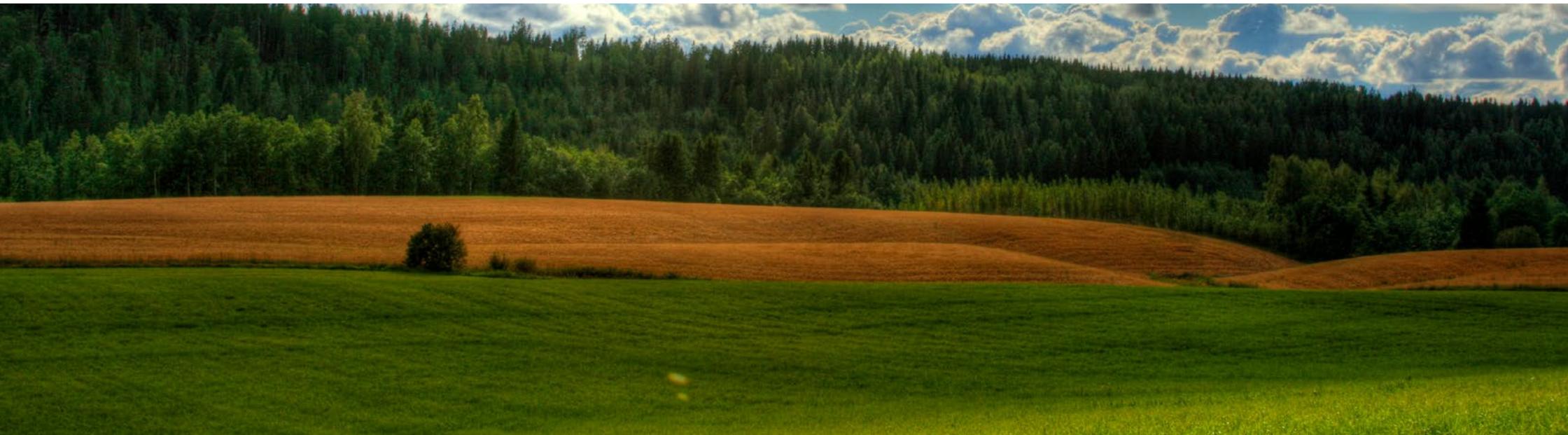
6.4 DIRECT ENVIRONMENTAL IMPACT OF OUR OPERATIONS

Due to the nature of Business Finland's operations, the direct environmental impact is mainly related to premises, travel and energy consumption.

Business Finland's headquarters are located in Ruoholahti, Helsinki, where we are the tenant of a property owned by Ilmarinen Mutual Pension Insurance Company (Kiinteistö Oy Helsingin Lepakko). The premises are shared with Finnvera plc. This solution implemented in the working environment substantially reduces the carbon footprint and energy consumption of the premises used by these organizations. There is also LED lighting in the shared premises.

The property has the largest property-specific solar power plant in Helsinki, producing part of the office's electricity (the production corresponds to the electricity consumption of about 80 apartment blocks). The property also has a LEED certification (2018) that guides the environmental impact of the property and its tenants, for example in terms of energy efficiency, waste management and recycling. In addition, various efforts are made to minimize the various environmental impacts in co-operation with the Landlord.

Video meetings and other digital communication solutions eliminate some of the need for work-related travel. A flexible remote work policy, which enables two days of remote work per week, contributes to reducing the amount of commuting required of the personnel.



7. CLIENTS AND OTHER STAKEHOLDERS

7.1 CLIENTS

Business Finland offers funding and expert services to companies and research organizations with operations in Finland. The clients using expert services may also be from other countries. For example, the clients of Visit Finland and Invest in Finland are mainly companies registered in countries other than Finland. Our client selection policy emphasizes the company's willingness and ability to grow, a good team with wide-ranging expertise, a business idea with an international competitive advantage, and sufficient in-house resources and financing. We want to see evidence of courage to renew the business. Our full range of services is not immediately available to clients: the range expands as the company makes progress toward the targets on its international growth trajectory.

The quality of Business Finland's services was mainly on an excellent level. Business Finland's funding clients' grade awarded for the quality of services in 2019 was 4.1 on a scale of 1 to 5, where 1 = poor and 5 = excellent. The feedback continued to be good (2018: 4.3). Especially the customer service attitude, availability, fairness and transparency including fluency of operations of Business Finland's advisors were evaluated as excellent by clients.

Informing of the services of other Team Finland actors has, according to the feedback from the funding clients, remained more or less on a same level compared to previous year (2019: 3.2 and 2018: 3.3) but improved since 2017 and 2016. This is still the area that needs to be improved the most. The clients who received a negative funding decision, were all in all significantly more dissatisfied than those receiving the positive funding decision. They gave an average of 2.9 (2018: 3.3) for the quality of service and for the net promoter score (NPS) at -19 (2018: +4). More about the NPS later in this chapter.

The feedback given by clients of approximately 300 program activities (Digi, Bio & Cleantech, Consumer, and Health) implemented under ecosystem services was on a good level; average of 4.2 on a scale from 1 to 5 (2018: the feedback varied between 4.2 and 4.3). The NPS have been asked in only some of the feedback surveys of the events and with slightly different scale. For that reason, the NPS data is not comparable enough for reporting.

The overall feedback score for corporate delegation visits arranged by Business Finland was a good 4.2 (2018: 4.1, on a scale from 1 to 5), and the NPS was a good +51 (on a scale from -100 to +100). The average client



feedback received for Team Finland visits was also good at 4.3 (2018: 4.1 on a scale from 1 to 5). The overall client feedback for service transactions with Business Finland's international network was also good at 4.1 (on a scale from 1 to 5) and NPS was excellent at +65 (on a scale from -100 to +100).

The net promoter score (NPS) of Business Finland's clients was in 2019 on an excellent level at +67 and improved slightly from 2018 (+66). The figure consists of the willingness of Business Finland's clients to recommend services provided by Business Finland. The figure includes the clients of Invest in Finland, Visit Finland, delegations, global network and funding. The feedback from the funding clients have been gathered both in the application phase (accepted and rejected funding applications) and in the

end of the funded project. When analyzing only the clients who received a negative funding decision, they were not particularly willing to recommend Business Finland (NPS 2019: -19 vs. 2018: +4).

The NPS is calculated by taking the percentage proportion of promoters (the respondents giving a grade of 9 or 10 when asked "How likely is it that you would recommend our service?" (on a scale of 0 to 10) and subtracting the percentage proportion of critical respondents (giving a grade from 0 to 6). The NPS falls on a scale from -100 to +100. In general, a score above +40 is considered good and a score above +50 is considered excellent.

Business Finland strives to continuously improve the client insight to ensure that Business Finland has the most up-to-date understanding of our clients' needs and how Business Finland can rectify any market shortfalls related to meeting these needs. Our funding services enable our clients to buy assistance for their needs related to growth and internationalization on the market.

It is difficult to completely separate Business Finland's clients into the Company's and Funding Agency's clients because the client relationship management model is common on Business Finland level. Roughly divided, that the Funding Agency offers funding for research and development and the Company offers de minimis funding including expert services. Often the same clients use both funding and expert services. Business Finland had a total of 7,800 client relationships in 2019 (2018: 7,700). This figure includes Business Finland's corporate clients

operating in Finland. The figures exclude overlapping client details. The figures do not include the clients of Invest in Finland or Visit Finland. The majority of clients are micro and small enterprises (approximately 80%). The main business sectors (on top level) represented by clients are manufacturing (1,800 companies), information and communication (1,700 companies), and

professional, scientific and technical activities (1,500 companies). The industrial classification was done on a more detailed level in the previous report and differs from this year's classification. The industrial classification in 2019's report has been done on a top level, which gives a clearer image of the sector breakdown. Regarding the regions, the majority of the clients are from Uusimaa.

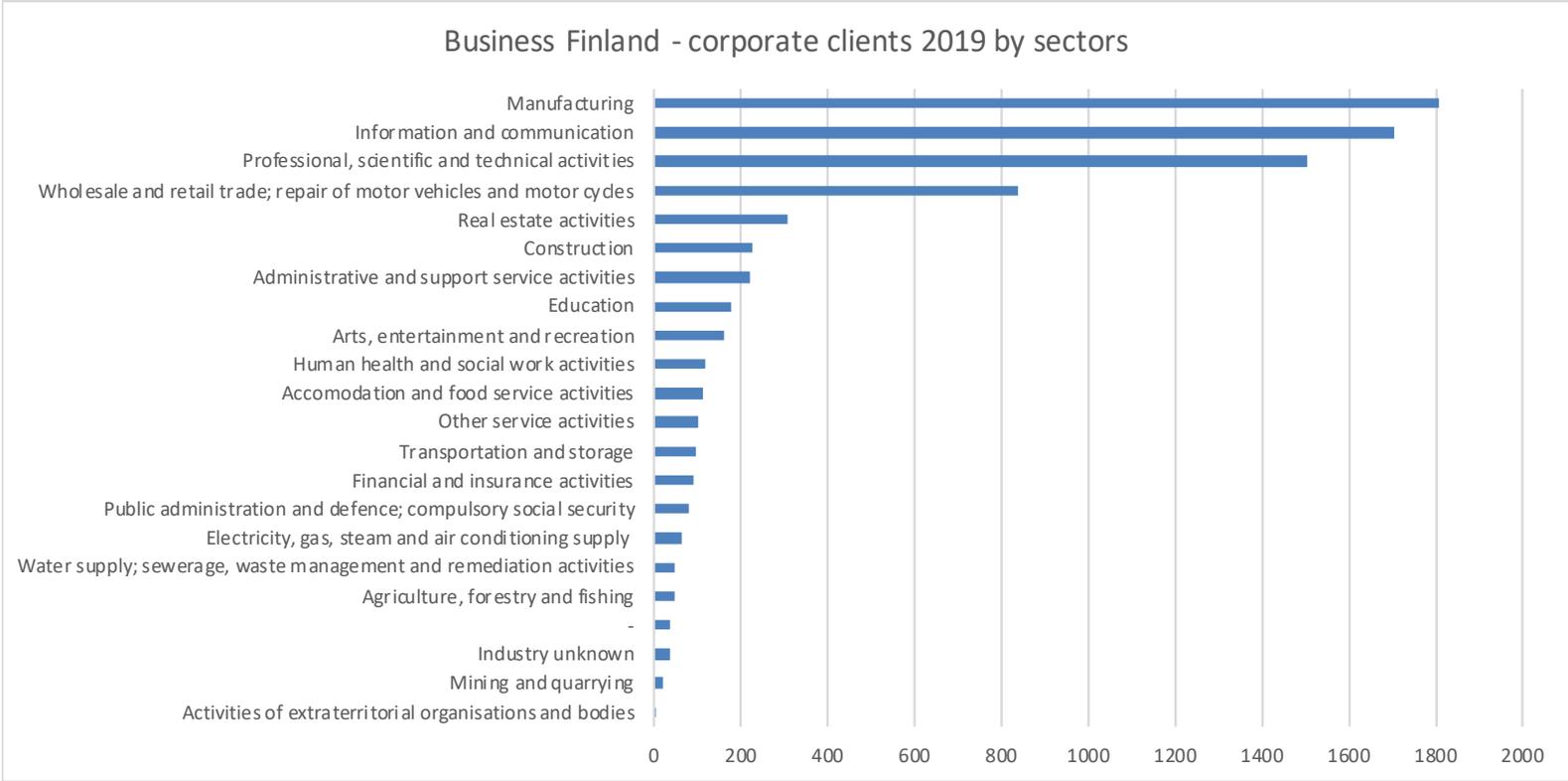


FIGURE 4: THE DISTRIBUTION OF BUSINESS FINLAND'S CORPORATE CLIENTS OPERATING IN FINLAND BY SECTORS



FIGURE 5: THE DISTRIBUTION OF BUSINESS FINLAND’S CORPORATE CLIENTS OPERATING IN FINLAND BY FINNISH REGION

Business Finland’s clients also include research organizations. In 2019, Business Finland had a total of 34 (2018: 29) research organizations as clients, the majority being universities, higher education institutions, and universities of applied sciences in various parts of Finland.

Invest in Finland has helped foreign companies to

identify business opportunities in Finland, generated information about Finland as an investment target, and developed and coordinated national investment acquisition work by actively networking with regional and international actors. Invest in Finland contacted approximately 1,000 new international clients in 2019 of which almost 100 also visited Finland.

7.2 OTHER STAKEHOLDERS

One of the key goals of developing public services for companies in recent years has been to provide easier access to suitable services. The efficiency of information exchange between service organizations has been boosted with the aim of ensuring that the information provided by a client company to one service organization does not need to be re-sent to other entities. The organizations serving internationalizing companies work together in the Team Finland network. The Ministry of Economic Affairs and Employment has tasked Business Finland with coordinating the network's activities on national level.

The stakeholder policies are a part of Business Finland's strategy, which Business Finland is implementing along with its most important stakeholders. A key aspect of the policies is to evaluate the strategic relevance, impact, and client value of co-operation.

Business Finland's strategic targets form the basis for defining stakeholders: 1) promoting the international growth of companies; and 2) creating world-class ecosystems and a competitive business environment for companies. These targets have been used as the basis for assessing whether co-operation with a certain organization is strategic and/or whether it has a significant societal impact or whether the co-operation promotes the achievement of Business Finland's targets.

Co-operation with Business Finland's stakeholders and partners is guided by Business Finland's strategy. Business Finland engages in particularly close co-operation with

the Ministry of Economic Affairs and Employment and the organizations under its administration, as well as with the Ministry for Foreign Affairs. The Ministry of Economic Affairs and Employment is Business Finland's owner and performance manager. In addition to the foregoing, the key strategic stakeholders include Finnvera, VTT, the Academy of Finland, and Sitra. Business Finland is an active operator in the Research and Innovation Council, which guides and coordinates research and innovation policy. Business Finland also engages in close cooperation with ELY Centers and other regional actors, as well as with EU entities. Business Finland's international network is extensive and still expanding. The network engages in close co-operation with Finnish Embassies, as well as significant regional actors. Business Finland's stakeholder policies were approved in the beginning of 2019. Stakeholder co-operation has also been reported to the Business Finland's Board of Directors in Director General's reviews as needed.

Visit Finland's stakeholder satisfaction was 4.4 in 2019 (2018: 4.2). The satisfaction remained high and is above the target level. Events in the target markets have been popular and many have been sold out. Special praise have been given for well-planned and organized events and for a professional and friendly attitude. In addition, in creating new business opportunities and contacts including networking, Visit Finland's events have been appreciated by both domestic businesses (travel service providers) and foreign buyers.

Stakeholder satisfaction in Business Finland's Talent Boost activities exceeded the target level (3.5) and was 3.9 in 2019. The survey was done in November 2019 and it broadly covered Business Finland's customers and stakeholders who used Talent Boost services. At the same time the referral intent (NPS) in this survey was +28, which is a very good value, especially given the novelty of the activities.

Business Finland maintains a constant dialog with its clients as its largest stakeholder group, as well as with other interest groups representing client organizations. Discussions with these parties have led to the question of whether, within the foreseeable terms of reference, Business Finland is able to deliver on the expectations placed on it when it was established in terms of safeguarding and improving the service level. Above all, stakeholders are concerned about the division and weighting of resources between different functions. For example, stakeholders representing the export trade are concerned about the resources allocated to export promotion services. There is a further question over the position that Business Finland will be able to occupy within the innovation and business service system.

The targets of the Finnish Government's program are 75% of employment rate, the 4% of GDP for R&D and innovation funding, and Finland's carbon neutrality by 2035 are the central strategic objectives of the administrative sectors of Ministry of Employment and the Economy. Business Finland has a significant role to play as a driving force of these objectives and thus

high expectations are placed on Business Finland. The objectives of the Government Program have been taken into account in Business Finland's performance agreement for 2020. In addition, Business Finland is considering with what changes in operating methods and specific investments it could support in achieving the targets.

In spring 2019, Business Finland began extensive scenario work in anticipation of further strategy work. The scenario work looked at how alternative global evolution affect the competitiveness of Finnish companies, how they should be addressed and what is the role of a public operator such as Business Finland in maintaining and increasing competitiveness. The scenario work was done with the broad involvement of stakeholders and can also be used by partners in their own strategy work.

In autumn 2019, with the decision of the Director General began the preparation of a strategy update for Business Finland. After two years of operation as Business Finland, it is an excellent moment to evaluate whether the current strategy is adequate in achieving the targets set and maximizing impact, and whether the synergies sought in organizational integration have begun to generate new value.

In the second half of 2019, an update of the service strategy was initiated to further specify which services Business Finland will need to achieve its strategic goals. A large number of representatives from different service areas participated in the work and the results were documented in a common customer handbook.

8. GRI CONTENT INDEX

NUMBER OF THE STANDARD	STANDARD'S NAME	LOCATION IN THE REPORT	COMMENTS
GRI 102 General disclosures 2016			
Organizational profile			
102-1	Name of the organization	Chapter 3.1	
102-2	Activities, brands, products, and services	Chapter 3.3, sectors: chapter 7.1	
102-3	Location of headquarters		Porkkalankatu 1, Helsinki
102-4	Location of operations	Chapter 6.3	
102-5	Ownership and legal form	Chapter 3.1	
102-6	Markets served	Chapters 6.3, 7.1	
102-7	Scale of the organization	Chapters 3.2, 3.4, 5.3, 6.1, 7.1, Financial statements of the Funding Agency, Financial statements of the Company	
102-8	Information on employees and other workers	Chapter 6.1	
102-9	Supply chain	Chapter 6.2	Partly reported
102-10	Significant changes to the organization and its supply chain	Chapters 3.2, 4.2, 6.1, 6.3	
102-11	Precautionary Principle or approach	Chapters 2, 4.1	
102-12	External initiatives	Chapter 4.1	
102-13	Membership of associations	Chapter 4.1	

Strategy			
102-14	Statement from senior decision-maker	Chapter 1	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Chapter 4.1	
102-17	Mechanisms for advice and concerns about ethics	Chapter 4.1	
Governance			
102-18	Governance structure	Chapter 3.5, Financial statements of the Company chapter 6	
Stakeholder engagement			
102-40	List of stakeholder groups	Chapters 7.1, 7.2	
102-41	Collective bargaining agreements	Chapter 6.1	
102-42	Identifying and selecting stakeholders	Chapters 7.1, 7.2	
102-43	Approach to stakeholder engagement	Chapters 2, 7.1, 7.2	Partly reported
102-44	Key topics and concerns raised	Chapters 7.1, 7.2	
Reporting practice			
102-45	Entities included in the consolidated financial statements	Chapters 3.1 and 3.6	
102-46	Defining report content and topic Boundaries	Chapter 2 and 3.6	
102-47	List of material topics	Chapter 2	
102-48	Restatements of information	Chapters 3.2, 3.6, 6.1	
102-49	Changes in reporting	Chapters 3.2, 3.6	
102-50	Reporting period	1.1.2019 - 31.12.2019	
102-51	Date of most recent report	Chapter 3.6	
102-52	Reporting cycle	Chapter 3.6	
102-53	Contact point for questions regarding the report	GRI content index	Sari Turja, sari.turja@businessfinland.fi

102-54	Claims of reporting in accordance with the GRI Standards	GRI content index	This material references to the Global Reporting Initiative, GRI-standards. The report aims to follow the core requirements of the GRI standard framework for corporate responsibility reporting. Still, all the reporting criteria of the standards may not be fulfilled. These standards have been marked in GRI content index as “partly reported”.
102-55	GRI content index	GRI content index	
102-56	External assurance	GRI content index	No external assurance
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its Boundary	Chapters 2, 4,5,6,7	Boundary: Business Finland / Innovation Funding Center Business Finland / Business Finland Oy
103-2	The management approach and its components	Chapters 2, 4, 5, 6, 7	Partly reported
103-3	Evaluation of the management approach	Chapters 2, 4, 5, 6, 7, The Financial Statements of the Funding Agency	Partly reported
Economics			
GRI 201 Economic Performance 2016			
201-1	Direct economic value generated and distributed	Chapters 3.4, 5.3, Financial statements of the Funding Agency chapters 4-5, 7, 11-14, Financial statements of the Company chapter 3	
GRI 203 Indirect Economic Impacts 2016			
203-2	Significant indirect economic impacts	Chapter 5.1, Financial statements of the Funding Agency chapter 3	

Social			
GRI 403: Occupational Health and Safety 2018			
403-2	Hazard identification, risk assessment, and incident investigation	Chapter 6.1	Partly reported
403-3	Occupational health services	Chapter 6.1	
403-6	Promotion of worker health	Chapter 6.1	Partly reported
GRI 404: Training and Education 2016			
404-2	Programs for upgrading employee skills and transition assistance programs	Chapter 6.1	
404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 6.1	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 4	no complaints or breaches recognized
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Chapter 5.3	

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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