

**BUSINESS
FINLAND**

2023

BUSINESS FINLAND

**SUSTAINABILITY
POLICY**

1	INTRODUCTION	3
1.1	PURPOSE AND SCOPE OF THE SUSTAINABILITY POLICY.....	3
1.2	SUSTAINABILITY AT THE CORE OF BUSINESS FINLAND’S STRATEGY	4
1.2.1	Change Agent for Sustainable Business.....	4
1.3	THEMATIC FOCUS AREAS AND MISSIONS	4
1.4	SDG GOALS FOR SUSTAINABILITY REPORTING	5
1.5	BUSINESS FINLAND’S POSITION AND ROLE IN ADDRESSING SUSTAINABILITY	5
1.6	PARTNERSHIPS AND PUBLIC COMMITMENTS	6
2	DEFINITION OF SUSTAINABILITY.....	7
2.1	ECONOMIC SUSTAINABILITY & RESPONSIBLE GOVERNANCE	7
2.2	ENVIRONMENTAL SUSTAINABILITY	8
2.3	SOCIAL SUSTAINABILITY	8
3	SUSTAINABILITY IN BUSINESS FINLAND’S CUSTOMER-FACING WORK.....	9
3.1	SUSTAINABILITY IN BUSINESS FINLAND’S OFFERING.....	10
3.1.1	Funding services	10
3.1.2	Advice and guidance	11
3.1.3	Network services	11
3.1.4	Finland promotion services	12
3.2	SUSTAINABILITY IN COMMUNICATIONS	13
4	SUSTAINABILITY IN BUSINESS FINLAND’S INTERNAL OPERATIONS.....	13
4.1	GOVERNANCE	13
4.1.1	Responsible governance	13
4.1.2	Risk management in internal operations	14
4.1.3	Data protection	14
4.1.4	Sustainability in procurements.....	15
4.2	ENVIRONMENTAL SUSTAINABILITY	15
4.3	SOCIAL SUSTAINABILITY	16
4.3.1	Equality and non-discrimination	16
4.3.2	Employee wellbeing and competence building	17
4.3.3	Labor rights.....	17
4.4	ASSESSING SUSTAINABILITY IMPACT	17
5	APPROVAL AND REVISIONS	18

1 INTRODUCTION

Business Finland is a Finnish public-sector organization offering innovation funding and internationalization services as well as promoting tourism and investments in Finland. Business Finland generates prosperity and wellbeing for Finland by helping companies operating in Finland to succeed globally, develop sustainable solutions, and renew their business operations boldly.

Business Finland's customers also include research organizations and public organizations that cooperate with companies. Business Finland promotes collaboration between companies and research groups, so that new endeavors can develop into solutions. Business Finland operates under the administration of the Ministry of Economic Affairs and Employment and is part of the Team Finland network.

Sustainability is one of the three cornerstones of Business Finland's strategy and plays a key role in the development of Business Finland's services. Business Finland promotes sustainability as a component of success for its customers and the Finnish economy. With sustainability, Business Finland refers to all three areas of sustainability: economic, environmental, and social sustainability.

1.1 PURPOSE AND SCOPE OF THE SUSTAINABILITY POLICY

Business Finland's Sustainability policy outlines Business Finland's ambition and commitment to promote sustainability and ensure responsible business operations both in its internal and customer-facing operations. The policy considers the interlinked dimensions of sustainability cross-cuttingly in Business Finland's internal and external operations. The objective of the policy is to explain the role of Business Finland in advancing sustainability and describe the scope of sustainability operations.

Chapter 1 outlines Business Finland's strategy, thematic focus areas, and missions that direct sustainability-related activities and policies, describes Business Finland's role in promoting sustainability, summarizes its partnerships and public commitments as well as describes the selected Sustainable Development Goals (SDGs) for sustainability reporting at Business Finland. Chapter 2 describes the definition and key principles of sustainability at Business Finland. Chapter 3 and 4 outline Business Finland's commitments to sustainability in its customer-facing and internal activities. Chapter 5 describes the process of approval and revision for preparing this document.

Business Finland's Sustainability policy outlines Business Finland's ambition and commitment to promote sustainability and ensure responsible business operations both in its internal and customer-facing operations.

1.2 SUSTAINABILITY AT THE CORE OF BUSINESS FINLAND'S STRATEGY

Sustainability is one of the three core areas of Business Finland's strategy, alongside with economic growth and competitiveness. The sustainability core area is defined as follows:

Prosperity cannot be generated without a focus on sustainability as this enables long-term economic growth. The increasing need for sustainable solutions generates new and rapidly growing market opportunities. By sustainability, we refer to all three aspects: economic, ecological, and social.

Business Finland has set two strategic goals for sustainability – one for the customer and one for the societal impact level. On the customer level, Business Finland aims to support its customers to be *Developers of new sustainable solutions and operations*. This is done by especially through increasing environmental and social responsibility awareness, as well as supporting the development of new solutions that increase carbon handprint and smart business models and solutions based on lifecycle-thinking. On the societal impact level, Business Finland contributes to turning Finland into a *Superpower in sustainable development*. This means working for a high sustainability impact globally, decreasing carbon emissions, and decoupling growth from resource use.

1.2.1 Change Agent for Sustainable Business

Business Finland has defined five strategic priority areas (SPAs) to reach its strategic goals. The third strategic priority area (SPA3), **Change agent for sustainable business** (CASB) guides Business Finland's sustainability-related development work and ensures the implementation of sustainability development projects. Needed development actions have been planned for in the form of a five-year roadmap, which is implemented systematically both through specific development projects and as part of Business Finland's employees' daily work.

1.3 THEMATIC FOCUS AREAS AND MISSIONS

Sustainability can be viewed as a cross-cutting strategic choice in Business Finland's operations, forming the base also for Business Finland's thematic focuses. Business Finland has selected five **thematic focus areas** that provide strategic direction to its operations in terms of substance priorities as well as outline themes where Finland can be a driver for global solutions addressing sustainability challenges. The thematic focus areas are: *(1) digitalization-based boost for productivity; (2) comprehensive health and wellbeing; (3) carbon neutral and resilient energy system; (4) zero waste and circular economy; and (5) engaging & immersive experiences*. Thematic focus areas steer especially Business Finland's programmatic activities, such as missions, programs, and campaigns. Half of the innovation funding is allocated according to thematic focus areas.

The Business Finland missions were introduced in 2021, as a new future-oriented way of working and a dimension for strategic steering that aims to speed up systemic change, solve major global

challenges, and provide significant future market opportunities for Finnish companies. Through its missions, Business Finland ensures the allocation of resources to support the selected strategic direction that the five chosen thematic focuses areas provide. The missions are aligned with the thematic focus areas and provide plans for the implementation of the focus areas, steering part of Business Finland's customer activities, such as programs and campaigns. Business Finland's strategic goals in sustainability form the basis of mission development and content. The first two missions launched in 2021 are Zero Carbon Future and Digital Native Finland, both of which include various elements of sustainability. New missions are under preparation.

1.4 SDG GOALS FOR SUSTAINABILITY REPORTING

According to the uniform sustainability reporting of the Finnish Government, Business Finland has selected three **UN Sustainable Development Goals (SDGs)** to annually report on:

- **GOAL 8:** Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.
- **GOAL 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
- **GOAL 13:** Take urgent action to combat climate change and its impacts.

Due to the societal impact driven nature of its activities, Business Finland's operations typically also contribute positively to several other UN Sustainable Development Goals. The impact of Business Finland's operations is measured through separate impact assessments in line with the performance and monitoring indicators set out in its formal performance agreement (i.e., yearly signed agreement between Business Finland and the Ministry for Economic Affairs and Employment).

1.5 BUSINESS FINLAND'S POSITION AND ROLE IN ADDRESSING SUSTAINABILITY

Business Finland's legislative responsibility is to promote the renewal of the Finnish economy and industries. As a Governmental Agency, Business Finland needs to operate responsibly to reach the targets set for its operations by using the public funds granted to it as efficiently, responsibly, and prudently as possible, and evaluating the impact of its operations regularly. Business Finland recognizes its role to promote sustainability as a source of competitiveness as well as its responsibility to ensure equal conditions for future businesses to thrive.

Business Finland has four core functions: innovation funding, and promotion of export, tourism, and foreign investment. Business Finland recognizes its central role in integrating sustainability to all these functions. In innovation funding, the role is to encourage companies to research, develop and innovate around sustainability and to gain competitive advantage of new sustainable solutions. In export operations, Business Finland supports companies to operate responsibly in the export target markets, and to find sustainable business opportunities for Finnish companies globally. Invest in Finland's role is to ensure that the foreign investors that are planning to establish their operations in Finland conduct business responsibly and encourage investments that create positive sustainability impact to the Finnish economy. Visit Finland's role is to orchestrate the sustainable travel ecosystem in Finland.

Business Finland takes proactively into account Finland's national strategies and targets (for instance, Finland's carbon neutrality plan), international agreements and goals (for instance, the international human rights convention and the UN SDGs), changing legislation as well as socio-environmental and political changes and megatrends to ensure a prosperous business environment for its customers and the Finnish society in the long-term. Business Finland strives to engage in active and open cooperation and dialogue with Team Finland partners, the Ministry of Economic Affairs and Employment, and other stakeholders to continuously improve its operations and proactively serve its customers and the society better from a sustainability perspective.

Through its offering and actions, Business Finland aims at encouraging sustainability transformation of companies that are in different levels of their sustainability maturity to encourage the renewal of the whole business ecosystem towards sustainability.

1.6 PARTNERSHIPS AND PUBLIC COMMITMENTS

Business Finland is publicly committed to national and international corporate responsibility partnerships and declarations and operates in compliance with the principles, policies and guidelines related to these commitments. In addition, partnerships offer information, tools, support, training, and collaboration opportunities for Business Finland and its customers around sustainability and corporate responsibility. Business Finland is a member of [UN Global Compact Finland](#) and [Finnish Business & Society \(FIBS\)](#). Visit Finland, as part of Business Finland, and 60 Finnish travel companies and regions have signed the [Glasgow Declaration for Climate Action in Tourism](#).

As a Governmental Agency, Business Finland needs to operate responsibly to reach the targets set for its operations by using the public funds granted to it as efficiently, responsibly, and prudently as possible, and evaluating the impact of its operations regularly.

2 DEFINITION OF SUSTAINABILITY

Sustainability is generally defined as operations that meet the needs of the present generation without compromising the needs of future generations. In business context, sustainability focuses on organizations' efforts to contribute positively and holistically to the environment and society at large, also in the long-term.

Business Finland has adopted the holistic approach for sustainability that considers the interlinked aspects of environmental, social, and economic sustainability cross-cuttingly in operations. Business Finland's operations promote sustainability in two ways: (1) advancing the economic, environmental, and social responsibility and positive sustainability impact of its own and its customers' operations and introducing sustainability-related opportunities; and (2) mitigating the negative effects of these operations.

Business Finland has summarized its commitments to sustainability into principles that apply to all employees and guide operations to implement strategy in practice.

- **PRINCIPLE 1:** We ensure responsible business operations
- **PRINCIPLE 2:** We consider environmental impacts
- **PRINCIPLE 3:** We promote human rights, equality, and wellbeing

2.1 ECONOMIC SUSTAINABILITY & RESPONSIBLE GOVERNANCE

PRINCIPLE 1: WE ENSURE RESPONSIBLE BUSINESS OPERATIONS

We are committed to operate responsibly in Finland and abroad – and expect responsible business operations also from our customers and other stakeholders. Together with our customers and stakeholders we comply with applicable national and international laws, regulations, and agreements. We are committed to create sustainable growth to Finland. When both we and our customers develop our actions with sustainability in focus, we ensure the success and continuity of our future operations.

Economic sustainability and responsible governance refer to practices that support long-term economic prosperity without negatively impacting social, environmental, and cultural aspects of society.

At Business Finland, economic sustainability includes activities such as promoting long-term financial planning and the creation of added value (for instance, supporting employment and providing decent work for all), encouraging sustainable investments and innovation as well as the development of compliance, risk management and responsible governance processes and practices. In addition, actions to promote economic sustainability include, for instance, fiscal responsibility, corruption prevention, and transparent financial reporting – in line with national and international legislation. Business Finland encourages its customers to consider sustainability as part of business strategy and business model creation.

Business Finland is an important operator in promoting sustainable economic growth and renewal in Finland for ensuring prosperity and employment in society.

2.2 ENVIRONMENTAL SUSTAINABILITY

PRINCIPLE 2: WE CONSIDER ENVIRONMENTAL IMPACTS IN ALL OPERATIONS

We are committed to operate responsibly in terms of environment and strive towards operations that reduce our own and our customer's negative environmental impacts and generate positive environmental impact. We are committed to reduce the carbon footprint and resource use of our own operations and constantly monitor our environmental impact. We encourage and support our customers to recognize and develop new solutions that minimize the negative effects and increase the positive societal impact of their operations and thus, together contribute to the national and international goals to protect the environment.

Environmental sustainability refers to actions aimed at minimizing the negative environmental effects and maximize positive environmental impact resulting from their internal and customer-facing operations (incl. operations in value chains).

At Business Finland, environmental sustainability means promoting green transition and supporting economic prosperity that is not based on over-exploitation of natural resources and ecosystems, as well as supporting solutions that increase the environmental handprint and protect biodiversity nationally and internationally. Business Finland recognizes that decoupling economic growth from resource use is necessary for ensuring long-term sustainability. Environmental sustainability is promoted, for instance, through the funding process and systematic ecosystem development. In its own operations, Business Finland aims at reducing the carbon footprint related to premises and energy consumption, preferring climate-friendly products and services, and further developing and implementing sustainable travel, remote work, and sustainable event practices.

2.3 SOCIAL SUSTAINABILITY

PRINCIPLE 3: WE PROMOTE HUMAN RIGHTS, EQUALITY AND WELLBEING

We promote human and labor rights as well as equality and personal wellbeing in all our operations. We have a zero-tolerance for any kind of discrimination or inappropriate treatment. We treat our employees, customers, and other stakeholders with respect and draw special attention to principles of equality. We take care of our employees' wellbeing and offer them various possibilities for professional development and training. Together with our customers and stakeholders we comply with applicable national and international laws, regulations and agreements related to human and labor rights.

Social sustainability is about identifying and managing business impacts on people – on employees, customers, stakeholders and parties in operational value chains and societies at large. Social sustainability is closely connected to human rights.

At Business Finland, social sustainability includes activities such as identifying, preventing, and mitigating human and labor right impacts in internal and external operations, promoting inclusion, diversity, and equality, for instance, in procurement, recruitment and salary related practices, and in ensuring a healthy and safe working environment free of any kind of discrimination or harassment of employees. In addition, actions to promote social sustainability include offering comprehensive health care services and various possibilities and initiatives for professional development and training for employees.

3 SUSTAINABILITY IN BUSINESS FINLAND'S CUSTOMER-FACING WORK

Business Finland's strategic goal is to support its customers to be developers of new sustainable solutions and ensure their competitiveness in the rapidly changing market. To obtain this goal, Business Finland helps its customers to future-proof their business operations and find sustainable business opportunities globally.

Business Finland treats its customers and other stakeholders in an unbiased, equal, and appropriate manner. Business Finland does not exclude serving any specific customer or industry due to the impartiality principle defined in **Code of Conduct**. However, Business Finland expects its customers, stakeholders, and collaboration partners to conduct responsible business operations. Comprehensive knowledge of Business Finland's customers and stakeholders is the foundation for its sustainable operations. Business Finland applies **Know your customer (KYC)** practice to all customer-facing activities to ensure its customers are not included in international sanctions lists or engage in dishonest activities. Risk management alongside with other responsibility practices are part of Business Finland's daily operations globally.

Business Finland considers human rights in its operations, and actively prevents and mitigates negative social impacts its customer-facing operations. Business Finland requires its customers and other stakeholders to respect fundamental **human and labor rights** and comply with applicable national and international laws, agreements, regulations, and safeguards – both in their own operations and within their supply chains. International social safeguards include the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, and Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

3.1 SUSTAINABILITY IN BUSINESS FINLAND'S OFFERING

Selected Business Finland's services and platform offerings include elements that help customers increase their competitiveness and maturity in sustainability, avoid risks, and take advantage of opportunities related to addressing societal challenges. As a part of ongoing service portfolio development, Business Finland evaluates the need of integrating sustainability elements to additional services and renewing offerings to meet the growing customer needs related to changes in business environment. Strategy alignment related to sustainability is included in the new service development evaluation framework to ensure sustainability is taken into consideration in all service development activities.

3.1.1 Funding services

Business Finland funding integrates sustainability in the funding process in several ways. These include, for instance, risk management practices, project screening and evaluation, and sustainability-focused funding instruments and platforms.

When funding decisions are prepared, internal and external risks related to the corporate customer and stakeholders in the project are carefully mapped, identified, and analyzed by using customer profiling and analysis, CRM information and other corporate data from officially acknowledged service providers. Business Finland has a comprehensive **Know your customer** process that ensures not only that customers are not on international sanctions lists but also examines other risks such as money laundering, terrorist financing as well as other criminal or dishonest activities. In addition, from 2023 onwards additional ESG-data, deriving from external service providers and thematic questionnaires, is used to assess the level of sustainability of customers applying for funding.

Business Finland has also specific funding instruments that promote certain aspects of sustainability and that have their own assessment practices. For example, **RRF-funding** (European Union's recovery facility, granted through Business Finland's Sustainable Growth Program for Finland in 2021-2021) is allocated to projects aiming to develop innovative solutions for promoting the green transition, competitiveness, and exports (and digitalization) for the international market. RRF-funding projects are assessed in accordance with European Commission's DNSH (Do No Significant Harm) principles.

Developing Markets Platform (DevPlat) is allocating funding to companies making their entry to new developing markets. A more detailed ESG-assessment is applied currently for the DevPlat funding to identify potential sustainability-related risks and impact opportunities in the project proposals before making funding decisions. The projects are required to contribute towards the SDGs and Finnish development policy objectives. During the application process, the applicants are required to answer a ESG questionnaire, including questions related to biodiversity, climate, equality, and human rights, as well as specify potential ESG risks connected with the project.

ESG-assessment is also applied in Business Finland's **International Business Innovations (IBI)** team's projects. The team facilitates large-scale ecosystem projects that require tight collaboration between companies and different public and private stakeholders and that are targeted to address various societal needs and support sustainability goals (including UN SDGs). The IBI team is

currently developing a new ESG screening tool, including responsibility assessment according to DNSH-principle and impact assessment, to assess possible ESG-related risks and impacts in advance and during their projects.

ESG-related criteria are included, for example, in the following funding services:

- **Material audit funding** is intended for industrial companies that want to assess the waste generated in their operations and identify ways to reduce it. The funding criteria includes economic and environmental evaluation criteria.
- **Energy aid** promotes the development of innovative solutions for replacing the energy system with low-carbon alternatives in the long-term. The funding criteria includes economic and environmental evaluation criteria.
- **Research to business** is intended for public research organizations for commercializing their research results. The project's impact on society is included as one of the evaluation criteria in the funding application.
- **Production incentive for the audiovisual industry** requires applicants to submit a sustainability survey as an appendix in the funding application.

3.1.2 Advice and guidance

Business Finland has a wide range of coaching and advice services in Finland and on the international markets. All these services embed elements of sustainability and are continuously developed to meet customer and societal needs more effectively. Business Finland supports Finnish companies' international export operations through providing advice and market information, identifying potential market opportunities, and connecting to the local network. Sustainability is integrated to these services, though, for instance, supporting customers in identifying sustainability-related business opportunities, providing market-specific information (related to, for instance, regulations and risks) of the target market, helping to raise awareness of environmental and social sustainability, and ensuring value chain compliance in network services.

Business Finland does not introduce companies to third parties that do not conduct responsible business operation, for instance, violate human or labor rights – such child or forced labor and discrimination in the workplace, and employees' freedom of association. In challenging environments, including post-conflict countries and areas, specific attention is given to vulnerable and marginalized groups.

3.1.3 Network services

Business Finland's network services, such as programs and campaigns serve as a central tool in the implementation Business Finland's strategy. They offer funding, advice services and networks to support internationalization, business growth, and renewal. Programs and campaigns are platforms where customized services are offered to implement Business Finland's missions.

Thematic focus areas (see Chapter 1.3.) steer especially Business Finland's programmatic activities, such as missions, programs, and campaigns. Thematic focus areas are built around different dimensions of sustainability, which, in turn, affect the programmatic activities. Business Finland

has defined sustainability goals for each program, which direct implementation to increase their emphasis on sustainability. Many programs are thematically built around topics related to environmental and economic sustainability.

In the end of each program, Business Finland makes a comprehensive assessment of the long-term societal impact of the program. The impact on different Sustainable Development Goals (SDGs) is also measured in some programs.

3.1.4 Finland promotion services

Business Finland promotes Finland as a responsible and sustainability-driven location for tourism, investments, and employment.

Business Finland activities related to travel promotion advocate Finland's international appeal as a sustainable and desirable destination and help businesses, enterprise groups, and travel regions grow sustainably on the global marketplace. To support this goal, Business Finland has launched The Sustainable Travel Finland (STF) program for tourism companies and regions, which has strongly guided the transformation of the entire tourism industry towards the common goal of making Finland a destination for sustainable tourism. Amongst other actions, Business Finland has launched the [CO₂ emission calculator](#) for travel businesses, developed [the national sustainable travel indicators](#) as well as updated [the national principles of sustainable travel](#) with various stakeholders.

Business Finland promotes the value of cultural diversity and equal working life in the society by supporting companies in conducting ethical and reliable international recruitment and building their capabilities in leading culturally diverse teams and workplaces. In addition, it provides leadership mentoring to promote diversity and internal internationalization. From the beginning of 2023, Business Finland is providing funding that supports companies' diversity and enables companies to improve internationalization capabilities of their personnel.

Business Finland aims at making Finland a world leading location for sustainable investments. The companies and the investment opportunities that are attracted to Finland are carefully checked, monitored, and classified before and during the investment process. Innovation policy guidelines aim to affect the long-term sustainability of the Finnish business environment.

Business Finland advocates Finland's international appeal as a responsible and sustainability-driven destination and location for tourism, investments, and employment. To support this goal, Business Finland engages in concrete actions for promoting environmental, social, cultural, and environmental sustainability in Finland and abroad.

3.2 SUSTAINABILITY IN COMMUNICATIONS

Business Finland actively promotes sustainability-related topics, cases and projects in its communications and public relations work both in Finland and abroad. Business Finland's concept for **Sustainable communications** define the roles and dimensions for sustainable communications and ensure that Business Finland's communications is based on openness, transparency, and publicity. New **Openness and transparency policy** (published in 2023) complements the sustainable communications principles and guides the public relations and public affairs practices at Business Finland.

4 SUSTAINABILITY IN BUSINESS FINLAND'S INTERNAL OPERATIONS

Business Finland is committed to operate in a responsible manner and take sustainability into consideration in its internal operations in Finland and abroad. This chapter outlines how sustainability is currently is considered and managed in Business Finland's internal operations as a part of its day-to-day operations.

4.1 GOVERNANCE

4.1.1 Responsible governance

Business Finland is committed to use public funds as efficiently and prudently as possible and to ensure it fulfills the highest business ethics standards in its operations.

Business Finland complies with the laws, regulations, and practices in force both in Finland and the EU and in each country in which it operates as well as with good governance. Business Finland's operations are governed by specific legislation, national and European regulations on state aid, and the Companies Act in the case of company-based operations. In carrying out public administrative tasks, Business Finland complies with general legislation, guidelines, and principles regarding state-owned companies as applicable. The core tasks of Business Finland are defined in the law (the Act on Innovation Funding Agency Business Finland and a limited liability Company called Business Finland 1146/2017 and Government Decree on the Innovation Funding Centre Business Finland and the Limited Liability Company Called Business Finland (1147/2017)). Business Finland's work is also steered by the performance agreement signed with the Ministry of Economic Affairs and Employment.

In addition, Business Finland has a general set of rules and guidelines that govern the way it acts in relation to the customers, employees, and partners in all its operations. **The Corporate Governance**

Model outlines a general description of Business Finland's corporate governance model and serves as a basis for the company's yearly reporting. The Business Finland **Code of Conduct** compiles the main principles of responsible operations, including e.g., principles, policies and guidelines for good funding and generally worthwhile operations, openness and confidentiality of operations, healthy work culture, as well as disqualification and malpractice.

Business Finland's internal controls and quality audits concerning the supervision of funded customers ensure that the finances and operations comply with the law, the operations are effective, the funds and property under Business Finland's control are safeguarded and correct and sufficient information is obtained for management and external steering.

Business Finland does not tolerate any illegal activities such as malpractice, bribery, or corruption in its operations and all suspicions about non-compliant actions are processed. To ensure impartiality and avoid conflicts of interest, Business Finland complies with the **disqualification regulations** and **principles of opposing bribery and corruption** in all its operations and duties. Additionally, Business Finland has an online **whistleblower channel** to report any detected non-compliant actions in the Business Finland' or the customers' operations.

Business Finland publishes the **Corporate social responsibility (CSR) report** yearly according to the Finnish central government's uniform sustainability reporting and the State Treasury guidelines (from 2021). In its reporting, Business Finland complies with the **GRI Standards for Corporate Responsibility Reporting Framework**.

4.1.2 Risk management in internal operations

Business Finland has **principles of risk management** approved by the Board of Directors. Risk management is integrated into operation processes and targeted at the most notable risks. A separate risk management process ensures and supports implementation of risk management. The effectiveness of the risk management system is assessed as part of operational monitoring and, for example, as a self-assessment in accordance with the ISO31000 assessment framework.

4.1.3 Data protection

All information and data related to customers and stakeholders is managed responsibly to maintain trust. Business Finland complies with applicable laws and regulations especially with EU's General Data Protection Regulation (GDPR) and Business Finland's **data protection policy** when processing information, personal data or using information systems. Business Finland's **data protection policy** defines the responsibilities and principles for processing the personal data of customers, partners, and other stakeholders as well as employees and job seekers. The data protection policy has been updated in 2022.

Information received from the customers is always treated as strictly confidential. Business Finland does not use, or trade insider information obtained in violation of laws, regulations, and Business Finland's **insider information guidelines**. Additionally, insider information is not disclosed to external parties until the information is public.

4.1.4 Sustainability in procurements

Business Finland considers the impacts of its procurements on the environment and society at large.

Business Finland favors environmentally friendly products and services in its procurements, in compliance with the relevant government resolution (8 Apr 2009). The government resolution sets goals for the use of public funds and determines actions to be taken to reduce greenhouse gas emissions, waste generation and the chemical load on the environment, and to promote sustainable use of natural resources and environmentally friendly innovations.

Business Finland operates fairly and impartially in its procurement and strives to promote healthy competition. All requirements on public procurements must comply with the legal principles of the European Union and all procurements must be equal, non-discriminatory, transparent, proportional, and reciprocal.

Procurements are implemented in a planned manner involving an assessment of their benefits, costs, and related risks. Risk management in the procurements involves supplier assessment and audit (e.g., tax inspection and criminal record check) to ensure that suppliers operate responsibly and fulfill their social obligations in accordance with the applicable legislation (e.g., procurement legislation, the contractor's liability law). This can include ensuring that the products and services supplied are consistent with the fundamental human rights and rights of working life, for example.

Procurement at Business Finland is governed by the Procurement Act and Directive as well as Business Finland's procurement policies and rules. Business Finland adheres to the Procurement Act and the principles of good governance in all its procurements. The implementation of the procurements is also governed by legal praxis as well as 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).

4.2 ENVIRONMENTAL SUSTAINABILITY

Business Finland's direct environmental impacts are mainly related to offices, energy consumption, and travel. The carbon footprint of Business Finland's operations (Scope 1, 2 and partially 3) was calculated for the first time in 2022. Business Finland aims at reducing the carbon footprint and resource use of its own operations by paying attention to electricity consumption and waste generation. According to current legislation, Business Finland is not able to compensate its emissions and therefore focuses on the reduction of emissions.

Business Finland's **office premises** in Finland are shared with other institutions. The head office located in Ruoholahti, is jointly used by Business Finland and Finnvera. The building has the largest building-specific solar power plant in Helsinki, which produces part of the building's electricity. In addition, the property has an LEED certificate (2018) for controlling the environmental impact of the property and its tenants. During the head office's renovation in 2023, a special attention is paid to environmental sustainability, for instance, by reducing the office's premises to minimize emissions, considering lighting and water consumption when updating sanitary facilities, and utilizing existing furniture and equipment as far as it's possible.

Business Finland's IT equipment is leased. Business Finland's operations are generally paperless, as rely on electronic transactions and the digitalization of services and administrative tasks.

Business Finland's **Travel Policy** encourages to use other means than aviation at distances of less than 500 km. Business Finland reduces the volume of travel by adapting new technologies, such as virtual meetings, other digital communication solutions and flexible remote work policies that reduce the need for commuting. Business Finland encourages its employees to prefer public transport. Business Finland has a policy for supporting hybrid work, and is investigating ways to support remote work in its locations abroad.

New sustainable **Event Guidelines** are being prepared to guide Business Finland employees to reduce the environmental impact of Business Finland's events through careful planning, waste reduction, and circularity as well as increase their positive impact through, for instance, impactful content creation.

4.3 SOCIAL SUSTAINABILITY

4.3.1 Equality and non-discrimination

Business Finland does not accept any kind of discrimination, inappropriate treatment, or harassment in its operations. It values diversity and is committed to equal treatment of all employees. Business Finland follows an **equality and non-discrimination plan**, which contains measures to promote equality and non-discrimination. In addition, the plan includes analysis of representation of genders in different positions as well as the salary survey – to ensure that there are no unjustified salary differences between genders. Business Finland acknowledges the importance promoting diversity and inclusion in all its operations and is in the process of developing related practices further.

Business Finland strives to relieve all unequal structures and procedures, offer equal working conditions and opportunities for all employees and ensure a working environment free of any kind of inappropriate treatment. If inappropriate treatment does occur, Business Finland addresses it appropriately according to the **Policy for inappropriate behavior and its management**.

4.3.2 Employee wellbeing and competence building

Business Finland is committed to maintain a healthy and safe working environment where everyone can feel appreciated and supported in doing their work.

Business Finland supports its employee's health and wellbeing in Finland and abroad with **health care services**. Business Finland monitors its employees' occupational wellbeing and the development of personnel satisfaction through regular surveys.

Business Finland has a **global policy for developing the competence of its employees** and offering them professional training. The goal of competence development is to strengthen expertise by developing, maintaining, and updating know-how and competence. Training activities include, for example, Learning day – an initiative for boosting culture of self-development, self-determination, and continuous learning. As part of the initiative, all employees are admitted using eight working days per year for competence development.

4.3.3 Labor rights

Business Finland complies with fair employment practices and respects internationally agreed laws and agreements concerning employees' rights and working life, for example, concerning freedom of association, personnel representation, working times, salary payment and non-discrimination.

In addition, Business Finland complies with national and international social safeguards in its operations: the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, and Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Business Finland's management is based on openness and trust guided by Business Finland's Management Principles. The organization is committed to operate according to the jointly agreed instructions, regulations, and principles, and building Business Finland's ethical operating culture. During 2021, Business Finland prepared **ethical guidelines** for guiding its operations.

4.4 ASSESSING SUSTAINABILITY IMPACT

The impact of Business Finland and the development of its core areas are monitored by means of impact studies for each core area (economic growth, sustainability, competitiveness) agreed upon with the Ministry of Economic Affairs and Employment. Business Finland has a key performance indicator for sustainability that is monitored and reported to the ministry. In addition, other assessments are conducted in accordance with the assessment plan agreed upon with the Ministry of Economic Affairs and Employment. An impact study on the sustainability core area is conducted every three years. Separate impact studies are carried out annually for reflecting different objectives. Sustainability is included as a cross-cutting theme in all separate impact studies.

Business Finland's internal controls and quality audits concerning the supervision of funded customers ensure that the finances and operations comply with the law, the operations are effective,

the funds and property under Business Finland's control are safeguarded. In addition, they ensure that correct and sufficient information is obtained for management and external steering.

Impact assessment in customer-facing work is outlined in chapter 3. Business Finland recognizes the importance of impact assessment on an operational and societal level and is continuously developing its practices further.

5 APPROVAL AND REVISIONS

Business Finland's sustainability policy has been prepared in collaboration with Business Finland's employees, Leadership team, as well as with sustainability experts, private sector delegates, and strategic partners.

Business Finland is committed to continuously reviewing and revising the Sustainability policy in question as well as related policies, guidelines, and procedures according to stakeholder cooperation and changing operational environment due to, for instance, changing international and national legislation and standards and socio-political changes.

Business Finland's Sustainability policy was approved by the Leadership team in February 2023, and it applies to all Business Finland operations thereafter.