

BUSINESS
FINLAND

BUSINESS
FINLAND
– SOCIAL
RESPONSIBILITY
REPORT 2024

Unofficial translation



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1 REVIEW BY THE DIRECTOR GENERAL

Business Finland's strategy is based on three cornerstones: economic growth, competitiveness, and sustainability. We see that in a rapidly changing world, sustainable development is a prerequisite for economic growth and competitiveness.

By sustainable development we mean all three areas of sustainability: ecological, economic, and social sustainability. Business Finland's mission is to promote sustainability in two ways: we want to ensure the ecological, economic, and social sustainability of our own and our customers' operations and mitigate the negative impacts of these operations.

We can influence sustainable development both by promoting the success of our customers and the sustainability and well-being of Finnish society. Our goal is that our customers are developers of sustainable development solutions and that Finland as a society is seen globally as a forerunner in sustainable development.

The three core areas of our strategy served as a basis for reflecting on the UN Sustainable Development Goals and linking them to our own goals. As a public and large-scale organization, we contribute at some level to almost every UN Sustainable Development Goal, but in this report,

we focus on three main goals that are particularly relevant to our activities: promoting sustainable economic growth and employment, building infrastructure, industry, and innovation, and taking action against climate change and its impacts.

In our thematic strategy, we have selected five areas around which we believe that Finnish companies and ecosystems can build successful business in the future. The themes are based on extensive global transformations and challenges that create significant growth opportunities for Finland. We intend to invest EUR 1.5 billion in innovation activities related to these themes by 2025 and thus create both sustainable growth in Finland and promote sustainable development globally.

We tackle these themes through long-term mission activities. Our missions are: Zero Carbon Future, Digital Native Finland and Circular Transition for Zero Waste, Immersive Digital Life and Healthcare Reimagined 2035. All missions promote sustainable development and take advantage of digitalization.

In our missions, related programs, and services, we focus especially on increasing environmental and social sustainability awareness, new solutions that increase the

carbon handprint, and smart business models and solutions based on lifecycle thinking. We promote sustainable development by raising awareness of sustainability and sustainable business transactions and by strengthening our customers' ability to increase their ecological, economic, and social sustainability.

In 2024, we prepared for the sustainability reporting required by the new European legal basis with a separate development project. We created a climate roadmap for Business Finland to define the necessary measures to reduce Business Finland's negative climate impacts. We will continue with these measures in 2025.

In the spring, we carried out a comprehensive personnel survey and supplementary interviews to collect our employees' experiences and views on the realization of equality, diversity and inclusion at Business Finland. The survey respondents felt that gender equality is implemented well or very well in our organization. Based on this work, we drew up an updated equality and non-discrimination plan. We

will continue our development work, especially in the promotion of pay equality and pay transparency.

In 2024, in addition to serving customers and developing services, Business Finland has been preparing for major changes ahead. Within the next two years, Business Finland will undergo significant changes; The global network will be transferred to the Ministry for Foreign Affairs, operating expenses will be cut, and the authorizations to grant research and development funding will increase significantly. We have started to renew our strategy to be able to respond to these changes. With the new strategy, we ensure that Business Finland has excellent opportunities to continue its work to accelerate Finland's sustainable growth and to ensure that we operate responsibly in our own operations.

Lassi Noponen

Director General

2 DESCRIPTION ABOUT THE REPORTING ORGANIZATION



2.1. BUSINESS FINLAND AS AN ORGANIZATION

OWNERSHIP STRUCTURE AND COMPANY FORM

Business Finland consists of two separate organizations: the Innovation Funding Agency Business Finland (the Funding Agency) and Business Finland limited (the Company). The Funding Agency and the Company form a functional entity, and their operations are guided by a common strategy. The performance agreement concerning the Funding Agency for 2024 also applies to the Company. The Business Finland Oy Group consists of Business Finland Oy, FinChi Innovation Center Company Ltd operating in Shanghai, China, Business Finland USA Inc operating in the USA and the inactive Finpro Finland Oy, which is registered in Finland.

The Funding Agency also steers the venture capital company Business Finland Venture Capital Ltd. In accordance with Petteri Orpo's Government Program, Venture Capital Ltd will be integrated into Finnish Industry Investment Ltd in spring 2025.

LOCATIONS

Business Finland operates in 16 locations in Finland. The head office is in Helsinki in shared premises with Finnvera. Business Finland operates abroad in 32 countries and 37 locations.

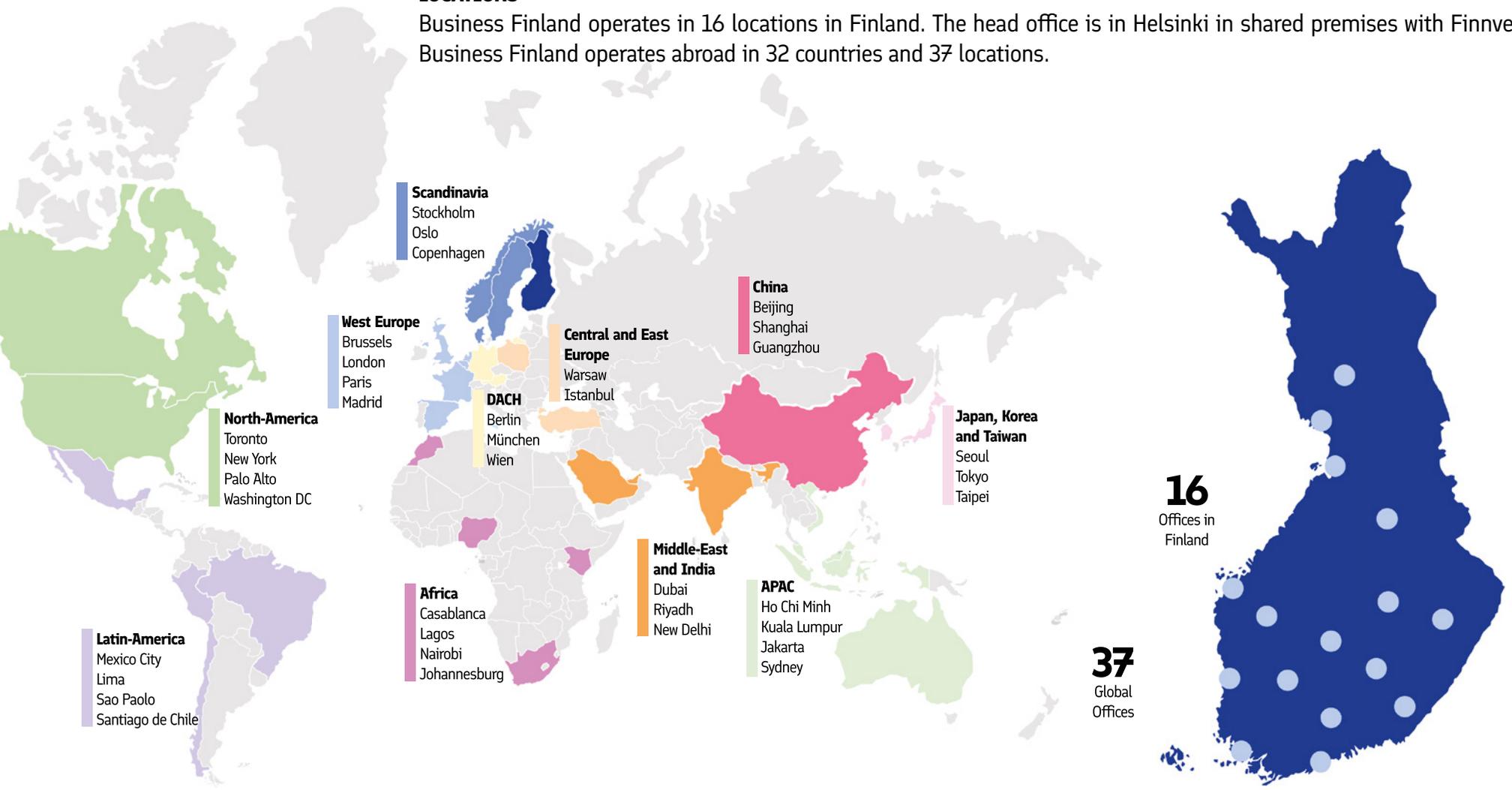


FIGURE 1: BUSINESS FINLAND'S OFFICES IN FINLAND AND ABROAD.

PRODUCTS AND SERVICES

Business Finland serves its customers with funding, expert, networking and information services. The services promote the research and development activities of Finnish companies and research organizations as well as international growth. With Finland Promotion Services, Business Finland promotes foreign investments and venture capital investments in Finland (Invest in Finland), foreign tourism to Finland (Visit Finland), work-based immigration (Work in Finland), major events and promotion platforms around the world, the systemic development of AV production (Film in Finland) and Finland's commercial country image.

Business Finland is part of the Team Finland network. Team Finland is a network of public actors offering internationalization services to companies, in which the services offered by different actors are coordinated in a customer-oriented manner. In the Team Finland network, Business Finland is responsible for the operational organization of Team Finland's (TF) work in cooperation with other Team Finland actors. The steering of the Team Finland network is the responsibility of the Ministry of Economic Affairs and Employment and the Ministry for Foreign Affairs.

BUSINESS FINLAND'S CUSTOMERS

Business Finland's customers include companies operating in Finland that seek bold business growth and renewal in the international market, as well as research organiza-

tions and public organizations cooperating with companies. Business Finland's customers include also regional tourism organizations, as well as international companies and investors.

During 2024, Business Finland had approximately 5 720 customers operating in Finland (in 2023: 6 470, in 2022: 7 850) The figures do not include customers of Invest in Finland or Visit Finland. The majority of Business Finland's funding and expert service customers were microenterprises and small enterprises (approx. 80%). The figure is at the same level as in previous years. Most customers come from Uusimaa province (47,6%), followed by Pirkanmaa (9,8%), Southwest Finland (8,9%) and North Ostrobothnia (6,3%). The order is the same as in previous years. Among the industries of Business Finland's customers, most common were manufacturing (26,7%), information and communication (22,3%) and professional, scientific, and technical activities (18,2%). The top of the industry distribution has remained fairly unchanged in recent years. In all three top industries, their percentage had increased from 2023. Business Finland's clientele included 30 research organizations (government research institute, university of applied sciences or university) (previous years 2023: 30, 2022: 32).

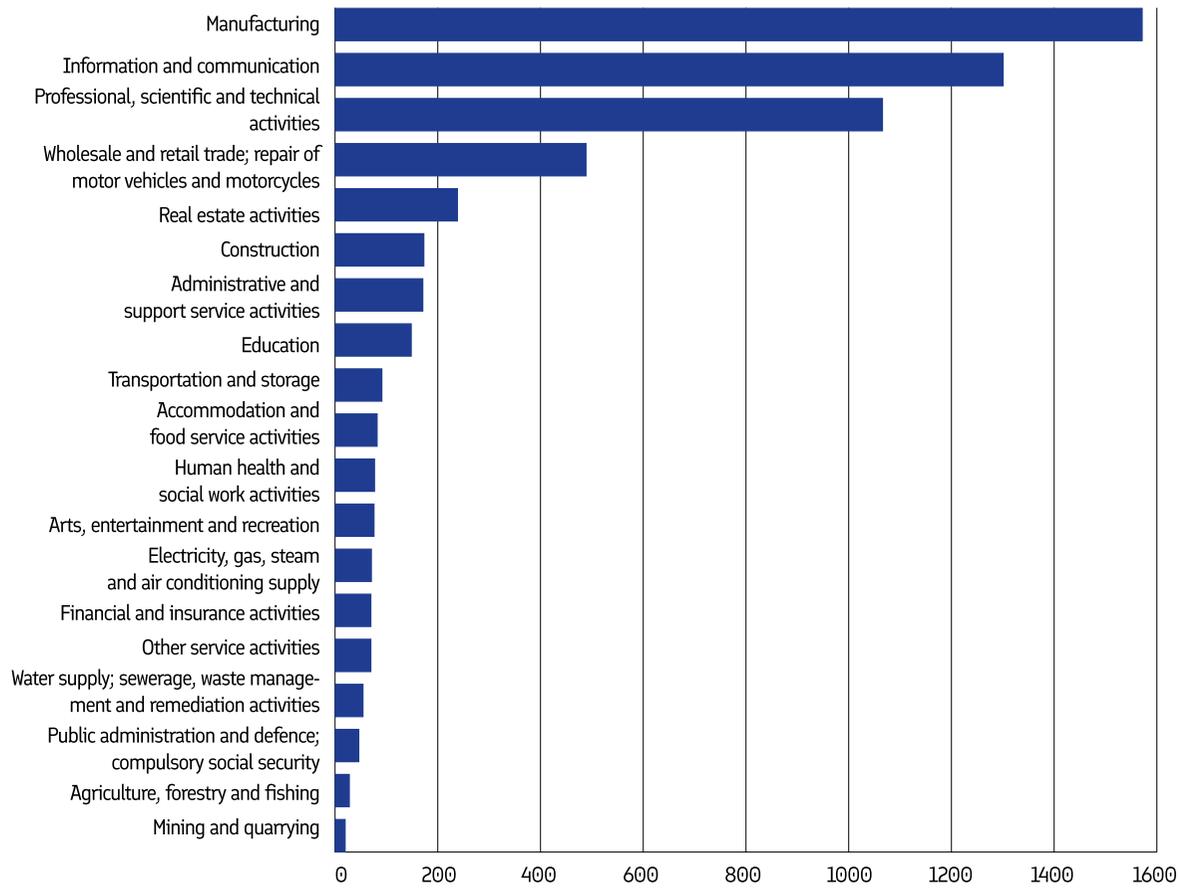


FIGURE 2: BUSINESS FINLAND'S CUSTOMERS OPERATING IN FINLAND BY MAIN INDUSTRY (AMOUNT).

ADMINISTRATION

Business Finland's administration is described in the description of Business Finland's corporate governance model¹. Through the Funding Agency, the Ministry of Economic Affairs and Employment steers and supervises the operations of the Business Finland entity in accordance with the central government's performance management practices and the Ministry's Rules of Procedure. The Ministry steers Business Finland's operations at a strategic level so that the operations are in line with the government's strategies and policies. Innovation Funding Agency Business Finland, reports to the Ministry on the realization of the objectives of the Business Finland entity in accordance with the central government's steering model and guidelines.

Provisions on the Board of Directors of Business Finland are defined in law². Provisions concerning the Board of Directors are also included in Business Finland's general operating principles, which also serve as the Rules of Procedure of the Funding Agency as required by law. The Funding Agency has a Board of Directors that steer, monitor and controls the operations of the Business Finland entity and decides upon its strategy and other general operating principles, taking into consideration the targets set by the Ministry of Economic Affairs and Employment,

and the principles and guidelines of ownership steering. The Board of Directors is Business Finland's highest decision-making body. The Board of Director's specific financial responsibilities are related to the approval of the financial statements of the Innovation Funding Agency Business Finland and the decision-making in administrative appointment and funding matters. The Board of Directors has a supervisory responsibility related to the appropriate organization of monitoring of the achievement of objectives and internal control.

The Government appoints the Board of directors for two years at a time, in accordance with the state's diversity policies. The authority to appoint is based on the Government rules of procedure³. The members of the Board of Directors are appointed based on their expertise, considering the duties and responsibilities of Business Finland. The Board of Directors consists of a minimum of five and a maximum of ten persons familiar with the Funding Agency's field of activity, one of whom represents the Ministry of Economic Affairs and Employment. A person employed by Business Finland cannot be appointed as a member of the Board of Directors. The composition of the Board of Directors, their other duties, the delegation of decision-making authority to the Director General and deci-

¹ [Description of Business Finland's corporate governance model](#) (in Finnish)

² Act (1146/2017) on the Innovation Funding Agency Business Finland and a limited liability Company called Business Finland, and the Government Decree on Innovation Funding Agency Business Finland and the limited liability Company called Business Finland (1147/2017)

³ Section 6(2) of the Government Decree on the appointment of members of the boards of directors of central government agencies and bodies

sion-making may be defined in a Government Decree. The members of the Board of Directors are orientated to their task, e.g., Business Finland's strategy, in which sustainability is a key part.

The persons elected to the Board of Directors do not represent stakeholders but are selected for the Board of Directors based on their personal expertise. Business Finland's legal basis requires that the Board of Directors has extensive and up-to-date expertise in matters related to Business Finland's operations. It is therefore possible that the persons appointed to the Board of Directors will play an important role in society, have several other commitments and are widely involved in the business world. The members of the Board of Directors are subject to separate affiliation policies. When making administrative decisions, the members of the Board of Directors shall ensure that they are not disqualified from the matter in question under the Administrative Procedure Act. They must also consider the procedures related to insider information matters. The members of the Board of Directors must declare their affiliations to Business Finland. The members of the Board of Directors or persons closely associated to them have a total of 55 different affiliations.

The Director General operates as a presenting officer for the Board of Directors. The Director General has the right to attend and speak at the meetings of the Board of Directors. In addition, the personnel, from both the

Funding Agency and the Company, elects representatives from among themselves to the Board of Directors. They have the right to attend and speak at Board meetings, apart from appointment matters. The Board of Directors may also invite experts selected on a case-by-case basis as well as permanent experts for their support.

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

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

The material topics of the Social Responsibility report have been approved by the leadership team, as the topics are based on Business Finland's strategy approved by the Board of Directors. Business Finland's Social Responsibility report is handled by Business Finland's leadership team

During the reporting year, Business Finland's Board of Directors consisted of:

- Chairman **Päivi Marttila**, Board professional
- Vice Chairman - **Mia Hurtta**, Director, EU and International Affairs, Ministry of Economic Affairs and Employment until September 11, 2024
- Vice Chairman **Petri Peltonen**, Under-Secretary of State, Ministry of Economic Affairs and Employment since September 12, 2024
- **Jaakko Aspara**, Professor, Hanken School of Economics, since April 18, 2024
- **Petri Kalliokoski**, CEO, High Metal Oy
- **Taru Keronen**, CEO, Eckerö Line Oy
- **Sami Lampinen**, CEO, Inventure Oy
- **Teppo Rantanen**, Executive Director, City of Tampere
- **Jarno Syrjälä**, Under-Secretary of State, Ministry for Foreign Affairs
- **Tuula Teeri**, CEO, Kungliga Ingenjörsvetenskapsakademien

and the Board of Directors of Business Finland Oy as well as the general meeting of Business Finland Oy, and it is distributed to the Board of Directors for their information. The report is also discussed by the Co-operation Committees of the Funding Agency and the Company. Additionally, the Social Responsibility Report is submitted to the Ministry steering Business Finland for their information and published on Business Finland's website. The report has been compiled in co-operation with the personnel.

The Audit Committee of the Board of Directors consists of minimum of three members, at least one of whom is a full member of the Board of Directors. The remaining members of the Committee may be external experts with a good knowledge of the Audit Committee's field of work. The Board of Directors elects the members of the Audit Committee and the Chairman for a two-year term, which is the same as the Board of Directors' term. The Audit Committee helps the Board of Directors to ensure, regarding the entire Business Finland entity, that accounting is appropriately organized and that internal control, risk management, the compliance function, Internal Audit, and auditing have been arranged in accordance with laws, regulations and the principles confirmed by the Board of Directors. The Audit Committee operates systematically and brings significant findings to the Board of Directors' attention without delay. Business Finland's Audit Committee in 2024 consisted of Sami Lampinen (Chairman), Taru

Nina Kopola served as Business Finland's Director General until 31 August 2024, after which Lassi Nojonen took over as Director General. Additionally, the Business Finland's leadership team in the reporting year, consisted of:

- **Ari Grönroos**, Executive Director, Support & Enablement
- **Johanna Jäkälä**, Executive Director, Finland Promotion Services (employed by the Company)
- **Hannu Kempainen**, Executive Director, Strategic Performance Management
- **Teija Lahti-Nuuttila**, Executive Director, Customers and Networks (employed by the Company)
- **Timo Metsä-Tokila**, Executive Director, Funding Services
- **Sari Nevanlinna**, Executive Director, Experience & Marcom, until January 19, 2024 (employed by the Company)
- **Jenni Santalo**, Executive Director, Experience & MarCom, since May 1, 2024
- **Risto Vuohelainen**, Executive Director, Global Growth (employed by the Company)
- **Laura Ylä-Sulkava**, Executive Director, Renewal & HR

Keronen, Petri Kalliokoski, Jaakko Aspara (since August 30, 2024) and Miia Hurtta (until September 11, 2024). After Miia Hurtta left the Board of Directors, she was replaced by Petri Peltonen.

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

Business Finland Oy's annual general meeting decides on the matters within the meeting's remit specified by law and the articles of association. The Business Finland entity operates as a single functional entity, in which the Business Finland Oy's Board of Directors primarily ensures that the owner's will is realized. The Board of Directors of Business Finland Oy convenes when necessary and decides only on matters that require decision-making by the Board

of Directors according to the law and the articles of association. In 2024 the Board of Directors of Business Finland Oy consisted of:

- Chairman - **Marianne Asikainen**, Senior Director Innovation Funding Agency Business Finland
- **Mirja Huovinen**, Legal Counsel, Business Finland Oy
- **Maiina Turanlahti**, Director Scandinavia (Region Head), Business Finland Oy

When electing the Board of Directors, the objective is that the Board as a whole has sufficient expertise in steering both limited liability company operations and Business Finland as a whole. The company's Board of Directors consists of 1–5 ordinary members. The annual general meeting elects the members of the Board of Directors for one year at a time. The proposal concerning the composition of the Board of Directors is prepared in accordance with the policies of the Director General of the agency that decides on ownership steering. The members of the Board of Directors are elected from persons employed by the Agency or the Company, and a person employed by the Agency is elected as the Chairman of the Board of Directors. When electing the members of the Board of Directors, the equality aspects concerning state-owned companies and, in the case of public officials, disqualification issues are considered.

Business Finland has affiliation guidelines approved by the Board of Directors, which primarily apply to all

Business Finland personnel and the members of the Board of Directors of Business Finland Oy. Everyone is obliged to know the rules concerning affiliations and to keep their information on affiliations and secondary activities up to date. Personnel's affiliations are collected in the HR system and updated in connection with performance appraisals. In their work, everyone must constantly consider situations in which disqualification may arise and refrain from handling these matters. The implementation of the guidelines of affiliations is supported by online training, which is included in the mandatory Code of Conduct online course. In addition, Business Finland's intranet has separate instructions related to affiliations.

The Ministry of Economic Affairs and Employment appoints a Team Finland's leadership team, which consists of influential members in the Team Finland network and stakeholders. The Team Finland leadership team manages the coordination and continuous development of the Team Finland network and operations.

The remuneration of Business Finland's governing bodies is subject to the decisions of the Ministry of Economic Affairs and Employment concerning remuneration and, in the case of special-purpose companies, to the remuneration guidelines issued by the Government's ownership steering. The remuneration of the Board of Directors is paid in accordance with the decision of the Ministry of



Economic Affairs and Employment.⁴ The salaries and remuneration of the Director General are decided by the Ministry of Finance on a proposal from the Ministry of Economic Affairs and Employment. The remuneration of the other directors of the Funding Agency are decided by the Director General. The salaries of the directors of Business Finland Oy's service areas are decided by the Company's Board of Directors after consulting the Director General. Business Finland does not have contribution-based supplementary pension arrangements, clawback clauses or severance pay.

The members of the leadership team of the Company are also covered by the new one-off reward model. The possible remuneration of the Board of Directors of Business Finland Oy is confirmed by the annual general meeting. As a rule, the members of the Board of Directors carry out the duties related to board membership as part of their job description. The remuneration of the members of the Company's Leadership Team is described in more detail in the annual Description of Business Finland Oy's Corporate Governance model. This description can be found on Business Finland's website, in the performance management section, together

⁴ MEAE/311/00.03.05.02/2018.

⁵ [BF Sustainability Policy \(businessfinland.fi\)](#)

with Business Finland's other performance management documents.

MEMBERSHIPS AND COMMITMENTS

According to Business Finland's sustainability policy⁵, Business Finland is publicly committed to national and international corporate responsibility partnerships and declarations and operates in accordance with the principles, policies and guidelines related to these commitments. In addition, the partnerships provide Business Finland and its customers with information, tools, support, training and collaboration opportunities related to sustainability and corporate responsibility. Business Finland is a member of UN Global Compact Finland and the Finnish Business & Society (FIBS). Visit Finland and 60 Finnish tourism companies and regions have signed the global Glasgow Declaration for Climate Action in Tourism.

VALUES

Business Finland's values are reflected in the day-to-day operations of its personnel with its customers, part-



FIGURE 3: BUSINESS FINLAND'S VALUES.

ners, and colleagues. They provide the basis for Business Finland's operations and help Business Finland achieve its strategic goals. They are the cornerstones of Business Finland's culture. These values have been included in the recruitment and induction processes as well as in remuneration. Business Finland's values are: With passion, Think big, All Together and With Sisu.

SIGNIFICANT CHANGES IN THE ORGANIZATION

In June 2024, the ministerial working group on employment and entrepreneurship decided to integrate Business Finland's international operations with the Ministry for Foreign Affairs. The Ministry of Economic Affairs and Employment (MEAE) and the Ministry for Foreign Affairs (MFA) are responsible for implementing the decision. Preparations for the transfer began in 2024, and the implementation of the integration will take place in 2025. The final integration will be completed by 1 January 2026. In 2025, the network's operations will continue as before.

The Director General of Business Finland changed on September 1, 2024, when Lassi Noponen started in his position.

In autumn 2024, Business Finland launched change negotiations concerning Visit Finland. The reason for this was cuts in the state budget, due to which Visit Finland's funding will practically be halved in 2025. With the budget cut, Visit Finland's operations will be significantly reduced.



In the future, the activities will focus on supporting the promotion of international sales and marketing Finland as a tourist destination.

Within the next two years, Business Finland will undergo significant changes; the global network will be transferred to the Ministry for Foreign Affairs, operating expenses will be cut, and the authorizations to grant research and development funding will increase significantly.

REPORTING PRACTICES

No material changes have been made to the reporting for 2024 compared to 2023.

The performance agreement indicators related to the measurement of the UN Sustainable Development Goals and targets selected by Business Finland have been increased. The indicator “Employment rate of foreign investments” has been added to Goal 8, the indicator “Business Finland’s funding for clean energy R&D&I activities” has been added to Goal 9, and the indicator “Share of projects complying with ESG criteria for sustaina-

ble development (%) and share of projects complying with climate and low-carbon targets (%) of all funded projects” has been added to Goal 13.

The financial statements of the Funding Agency or the Company, Business Finland’s corporate governance model and Business Finland’s sustainability policy have been used or referred to in the reporting. The Social Responsibility Report has been prepared from the Business Finland entity, separating the information of the Funding Agency and the Company to the extent necessary. Business Finland Venture Capital Oy prepares its own social responsibility report. BFVC will report to Business Finland on the achievement of its corporate social responsibility targets and corporate responsibility targets for 2024 at its annual general meeting. The reporting period of the Social Responsibility Report is January 1 – December 31, 2024, which is the same as the financial year of the Innovation Funding Agency and Business Finland Oy Group. Business Finland’s previous Social Responsibility Report was published on April 25, 2024. This report describes how Business Finland’s social



responsibility has been implemented regarding the material topics defined in Chapter 8 and the UN Sustainable Development Goals (SDGs) for the financial year mentioned before. Business Finland's corporate social responsibility is reported annually. The report is prepared with reference to the requirements of the GRI Standards for Corporate Responsibility Reporting Framework. The report has not been externally assured and therefore there is no separate process for external assurance of the report.

2.2 SUSTAINABILITY MANAGEMENT AND ADMINISTRATION

Business Finland discharges a service duty handed down by the Finnish state and assigned to it by law. Therefore, social responsibility is a key part of Business Finland's operations, and it is managed as part of its day-to-day operations. Business Finland has prepared a strategy for the years 2021–2025. Business Finland's strategy is based on three core areas: economic growth, sustainability, and competitiveness. Together, these three themes lay the foundation for the prosperity that Business Finland aims to create for Finland. With sustainability, Business Finland refers to all three areas of sustainability: ecological, economic, and social sustainability. Business Finland's mission is to promote sustainability in two manners: we want to ensure the ecological, economic, and social responsibility of our own

and our customers' operations and to mitigate the negative effects of these operations.

As part of its strategy, Business Finland has defined five strategic priority areas for its operations, which are identified as important development areas for the success of the strategy. One of the priority areas specifically deals with sustainability. In addition to the leadership team-level owner, Business Finland has appointed a project manager for the sustainability priority area, who will take the development forward in addition to her own work in accordance with the roadmap defined for the strategy period. The need for a cross-cutting resource has been on the leadership team's agenda, and Head of Sustainability started on September 1, 2024. The roadmap for sustainable development has been revised for 2024 and 2025, and the measures in accordance with it were promoted in different parts of Business Finland during 2024, focusing on preparations for the new Corporate Sustainability Reporting Directive and the creation of Business Finland's climate roadmap, among other things. The implementation of sustainable development in Business Finland is monitored with the help of various indicators. Sustainable development has also been considered in the annual plans, and the service areas promote related activities independently.

Business Finland has also selected five thematic focus areas that Business Finland should focus on in the future. These 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 5. Engaging immersive experiences. The thematic focus areas are built around sustainability and, in particular, guide programmatic activities such as missions and the programs as well as campaigns that support them. Business Finland's missions are also in line with the thematic focus areas and support either one or more of them. Missions define the more specific objectives and measures with which Business Finland tackles the thematic focus areas. There are five thematic strategic mission choices: Zero Carbon Future, Digital Native Finland, Circular Transition for Zero Waste, Immersive Digital Life and Healthcare Reimagined 2035. All these missions contribute to sustainable development in one way or another, but especially the "Zero Carbon Future" and "Circular transition for Zero Waste" missions.

Business Finland's strategy has been drawn up for 2021–2025. Business Finland monitors changes and uncertainties in the operating environment regularly and systematically and, if necessary, updates its strategy. The strategy will be updated during 2024–2025, considering changes in the operating environment, the objectives of the Government Program and the administrative branch of the Ministry of Economic Affairs and Employment, and the general government spending limits.

Business Finland's organizational structure, operating model and management model are designed to support the implementation of the strategy. Business Finland's plan-

ning process contains a strategic perspective. As part of the annual planning process, the goals for the service areas and units all the way to the personnel level are derived from Business Finland's strategic goals and strategic priority areas. The implementation of the strategy is regularly monitored by the leadership team as well as the strategic priority areas are coordinated at the level of the leadership team. In addition, the implementation of the strategy requires the commitment of every Business Finland employee.

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

2.3 SUSTAINABILITY GOALS

Business Finland's strategy considers the implementation of the key goals, programs, and strategies of the

Government Program, in particular the goals related to growth and competitiveness as well as to business and innovation policy.

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

In its strategy, Business Finland has defined impact targets that concern three areas: economic growth, promotion of sustainability, and the development of competitiveness. Business Finland has set two strategic goals for each core area, one for the customer level and one for the level of society. These goals are presented in figure 4.

The goals for the customer level are based on the value that Business Finland creates for its customers and provide an indication of the impact of Business Finland on the development of its customers and, thus, society. Business Finland assesses its success by measuring the success of its customers. The performance agreement's key performance indicator targets are set for these customer-level goals. The goals at the level of society are closely related to the core mission of Business Finland: creating pros-

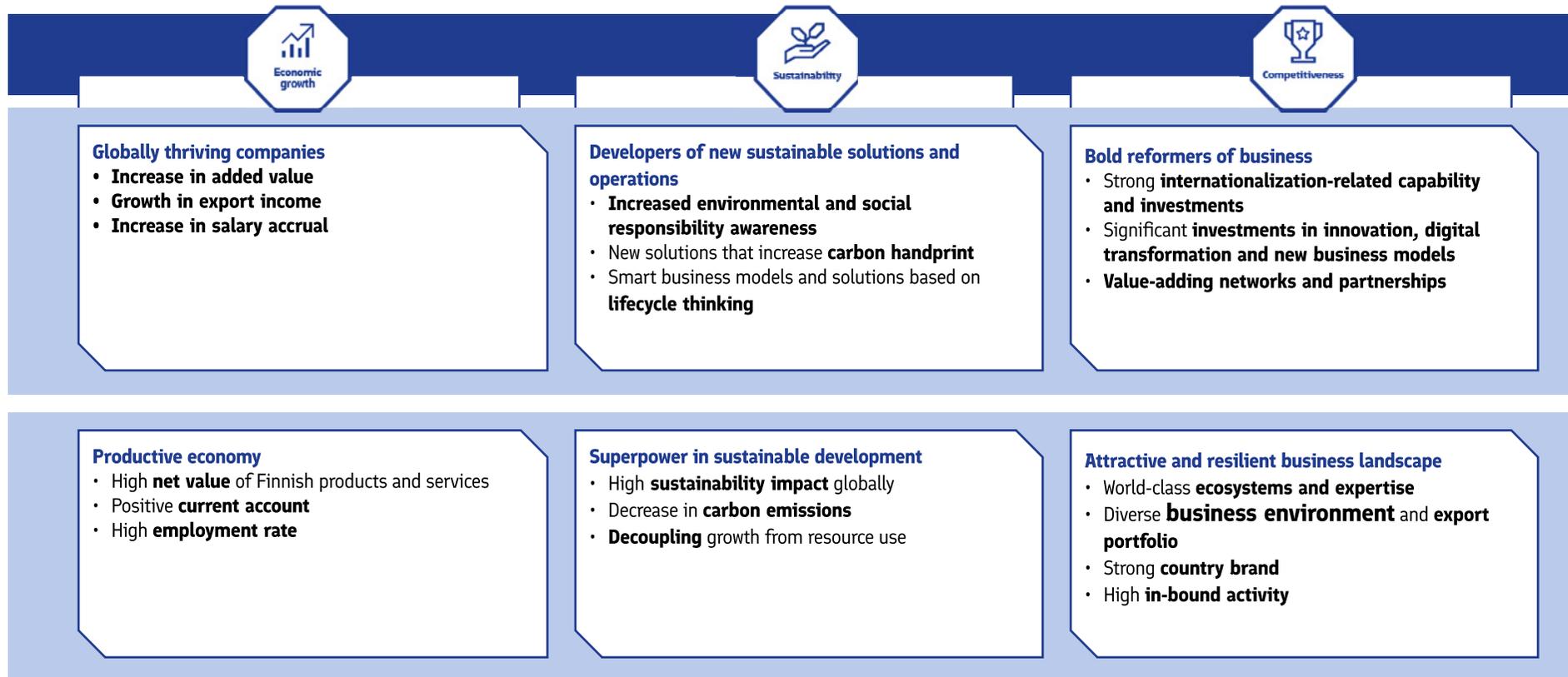


FIGURE 4: BUSINESS FINLAND'S IMPACT TARGETS.

perity for Finland. Business Finland's impact at the level of society cannot be measured directly, as other factors also influence the achievement of the goals. This is why Business Finland assesses its success with these goals through impact assessments.

2.4 RESPONSIBILITY PRINCIPLES

Achieving the goals set for Business Finland's operations requires responsible operations from Business Finland. Business Finland complies with the laws, regulations, and



practices in force both in Finland and the EU and in each country in which it operates as well as with good governance. Business Finland's operations are governed by specific legislation, national and European regulations on state aid, and the Companies Act in the case of company-based operations. In carrying out public administrative tasks, Business Finland complies with general legislation on governance. The core tasks of Business Finland are defined in the law⁶. Business Finland's work is also steered by the performance agreement signed with the Ministry of Economic Affairs and Employment and other guidelines.

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

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

Business Finland's Code of Conduct compiles the main principles of responsible operations. Business Finland requires that all its employees adhere to the Code of Conduct. Business Finland also expects its contractual partners to comply with these principles in their operations related to the contractual relationship. The Code of Conduct has been published on Business Finland's website. The implementation of the Code of Conduct is supported by online training, which all employees are required to take. The personnel have also been informed who to turn to in

⁶ Act on Business Finland and a limited liability company called Business Finland (1146/2017)

unclear situations. The Code of Conduct contains the principles concerning bribery and anti-corruption, as well as hospitality. In addition, Business Finland's internal guidelines on representation and hospitality are followed.

Business Finland's Sustainability policy outlines Business Finland's ambition and commitment to promoting sustainability and ensuring responsible business operations in both internal and customer-facing operations. The Sustainability policy has been approved by Business Finland's leadership team, and it has been published on Business Finland's website.

The Sustainability Handbook for personnel aims to harmonize and increase understanding of what sustainability means in the context of Business Finland. The handbook compiles Business Finland-level policies and guidelines related to sustainability as well as current practices in different service areas. Business Finland has also published a Sustainable events guide.

Operational equality has been promoted in Business Finland in a variety of ways. In 2023, the realization of operational equality was assessed more extensively, and at the end of 2024, a self-assessment was carried out on how operational equality has been further promoted. Business Finland recognizes the importance of promoting diversity and inclusion in all its operations and continues to develop

best practices. The operational equality plan complements Business Finland's existing equality planning. The operational equality plan maps the current state of operations regarding Business Finland's operations selected from equality perspectives and records measures aimed at further promoting the realization of equality without forgetting the monitoring responsibilities. In particular, operational equality had been promoted in 2024 with regard to the accessibility of digital funding services, and equality and inclusion have also been made an even clearer part of Visit Finland's operations.

Business Finland conducts background checks on its customers to prevent money laundering and support for illegal or unethical activities, as well as to prevent malfeasance in general, for example. Business Finland also considers the imposed sanctions in its operations and carries out inspections related to the sanctions. Among the customers applying for funding, Business Finland establishes the owners of all the funded customers, their financial situation, and all their existing business activities. If the customer company is also funded by other funders, the names of other funders must always be disclosed to Business Finland in addition to the amount of funding. Each customer's business activities are investigated when evaluating a project for which funding has been applied for.



In addition, it is verified that neither the funded customers nor their beneficiaries are on sanctions lists. Projects funded under the Sustainable Growth Program for Finland are always assessed in accordance with the DNSH (Do No Significant Harm) principles. In the Sustainable Growth Program for Finland, Business Finland does not fund projects that do not meet the DNSH criteria. Information of the actual beneficiaries of the funding is collected. Chapter 10 of the annual report of the Funding Agency summarizes the malfeasance detected each year.

The Funding Agency monitors the Company's activities, and it can audit the Company's state aid activities to the extent necessary. As a significant user of public funding, Business Finland has a strong supervisory responsibility for the proper use of the funding it grants and remits. Business Finland monitors its state aid operations through quality audits and audits concerning the supervision of funded customers. Quality audits assess the quality of the preparatory work for funding decisions and the monitoring performed during the duration of the project. The purpose of the audits conducted by Business Finland is to ensure that the projects it funds comply with the funding decision and its terms and conditions, and that the implementation of the project corresponds to the information provided to Business Finland. To maintain openness and transparency, public funding information is published on the website. The funding information is reported to the European Commission.

Business Finland complies with data security guidelines and rules and exercises sufficient care and diligence when processing data and using information systems. During 2024, there were a total of 10 reported information security incidents in the Funding Agency and the Company (in 2023: 7, in 2022: 10, 2021: 5). No customer information, trade secrets or confidential information has been found to fall into the wrong hands. During 2024, there have been a total of six data protection non-conformances in the Funding Agency and the Company (in 2023 5, in 2022 2, in 2021 5). The deviations did not result in a high risk to the rights or freedoms of the data subject. No abuses of data protection were detected. Business Finland has trained its personnel to avoid similar deviations in the future.

Business Finland's website has a whistleblower feedback channel through which Business Finland's customers, employees and the representatives of other stakeholders may report any unethical or non-compliant actions they observe. In 2024, the notifications were processed by a group representing Legal, HR, Internal Audit and Compliance function. Non-group members don't have access to notifications.

The Innovation Funding Agency Business Finland is responsible for the appropriate organization of internal control at the Innovation Funding Agency Business Finland and steers its organization at Business Finland Oy. Provisions on internal control are laid down in both

the State Budget Act (423/1988) and the Budget Decree (1243/1992). In accordance with section 24 b of the State Budget Act, the agency must ensure that internal control is appropriately organized in its own operations and in the operations for which the agency or institution is responsible.

The purpose of Business Finland's internal control is to ensure that the finances and operations comply with the law, the operations are effective, the funds and property under Business Finland's control are safeguarded and correct and sufficient information is obtained for management and external steering. The internal control is based on a functioning control environment, a target-oriented approach and accountability, as well as controls, systems, and risk assessment. Internal control is an integral part of all core activities and their management. Support for internal control ensures and supports internal control as part of the core activities. The internal audit function verifies the effectiveness of the internal control function. The status of internal control is assessed, for example, through internal risk assessments and reports, various surveys, and discussions with the personnel, as well as external evaluations of Business Finland's operations. The internal audit function also issues an annual assessment and statement of assurance on the state of internal control. The assessment and statement of assurance is set out in Chapter 8 of the annual report of the Funding Agency.



Risk management is carried out in cooperation between the Funding Agency and the Company. Business Finland has adopted common risk management principles approved by the Board of Directors and conducts joint risk assessments. Business Finland's risk management is integrated into operation processes so that identifying risks and planning management methods are carried out in connection with each operation. Risk management procedures are targeted at the most notable risks. The monitoring of risks is based on planning and reporting. A separate risk management process ensures and supports the implementation of risk management. Business Finland has a risk management team that supports the coordination, monitoring, and reporting of risk management. In 2024, the monitoring of the implementation of risk management measures was developed. Of the separate operational risk assessments carried out annually, risk management work related to the EU's Recovery and Resilience Facility (RRF) was continued, and risks related to e.g. the increasing R&D authorizations were mapped. In addition, separate risk assessments were also carried out on a few other areas of activity.

Risk analysis is part of operational decision-making at all levels of the organization. A separate, standardized risk review is related to, for example, the preparation of funding decisions, procurement, international cooperation and development projects. In its strategic choices and in the allocation of financial and other resources, Business

Finland is prepared to accept greater risks than market-based operators when the potential for economic and social returns is estimated to be sufficiently high. Taking such risks and sharing the risks of innovation activities in the Finnish economy is linked to the basis of Business Finland's existence. At Business Finland, taking risks must support the achievement of strategic and operational goals, and risks must not jeopardize Business Finland's operations.

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

2.5 IMPACT ASSESSMENT

Business Finland regularly evaluates the success of its task through impact assessments and studies and strives to develop methods for this. Business Finland utilizes new ways of communicating results and, together with other

actors, develops statistics describing innovation activity and international comparative data for the benefit of society. The impact assessment is based on research and evaluation results and reliable statistical sources. The aim is to convey as objective a view as possible of the subjects of the assessment.

The impact of Business Finland and the development of its objectives are monitored through goal-specific (economic growth, sustainable development, competitiveness) impact analyses agreed with the Ministry of Economic Affairs and Employment. In addition, other assessments are conducted in accordance with the assessment plan agreed upon with the ministry. Separate impact studies are carried out annually for different goals, so that every goal will be assessed at least once between 2021 and 2024. Impact studies and their results are described in the chapters 3 and 9 of the Funding Agency's annual report. In addition, a summary of the results and impacts (a report called Results and impact) as well as an impact report titled "Competitiveness and sustainable growth from innovations – Business Finland's results and impacts" are published annually on Business Finland's website.

Business Finland's impact studies are based on an impact model. It is used to develop Business Finland's internal tools, such as evaluation to select companies to be served and funded, as well as more effective management of customers and ecosystems. The impact model has also been developed to describe various customer segments

and instrument-specific results and impacts as well as to meet all the needs of service areas. Impact communication has been further developed using visualization, customer segmentation, case analyses, and impact reviews. In addition, various methods related to artificial intelligence are used both in evaluations and in the communication of results.

2.6. STAKEHOLDER ENGAGEMENT

Customers are a key stakeholder group of Business Finland. Business Finland regularly and systematically collects feedback from its customers on their use of its services. For example, a feedback survey on funding services, internationalization services, Invest in Finland and Visit Finland services, as well as visits by business delegations, will be sent to customers after the service event has ended. In addition, the customer experience of numerous other services is measured with feedback surveys a few times a year. Business Finland also sends a customer satisfaction survey annually to its Focus customers to receive feedback on its operations not only at the service level but also at the customer level. The utilization of customer experience data has been one of Business Finland's focus areas since 2023.

The quality of Business Finland's services was mainly at an excellent level in 2024. Business Finland's most important commensurate customer experience indicators are



general satisfaction with Business Finland's services (rating scale 1–5, where 1=Very dissatisfied and 5=Very satisfied) and willingness to recommend services, NPS (result scale -100 - +100). In early 2025, Business Finland's online services and telephone service will test the Customer Effort Score (CES), which measures the ease of use of the service, as the third customer experience indicator. The willingness to recommend Business Finland's services as well as general satisfaction were at a very good level in 2024 (+71 and 4.4), and the NPS even rose slightly from 2023 (+68 and 4.4). The indicators and indicator realizations related to the quality of services are described more extensively in chapter 5.2 of the Funding Agency's Annual Report.

In 2024, Business Finland has actively utilized a customer relationship management model based on impact and customer needs (tier and segmentation) in the targeting and development of communications and services. Business Finland has continued to develop digital customer paths (My Business Finland), AI-based data models to support customer guidance, and utilized the new opportunities provided by digitalization for customer-oriented and multi-channel marketing and communications, as well as for the development of digital services. The service portfolio has been clarified, and both standardized customer feedback and customers (customer clubs) have been extensively utilized in the development of services. Investments have been made in knowledge-based management by developing customer data sources and reporting.



The entire staff has been trained and instructed to use the Team Finland service paths as part of advising customers.

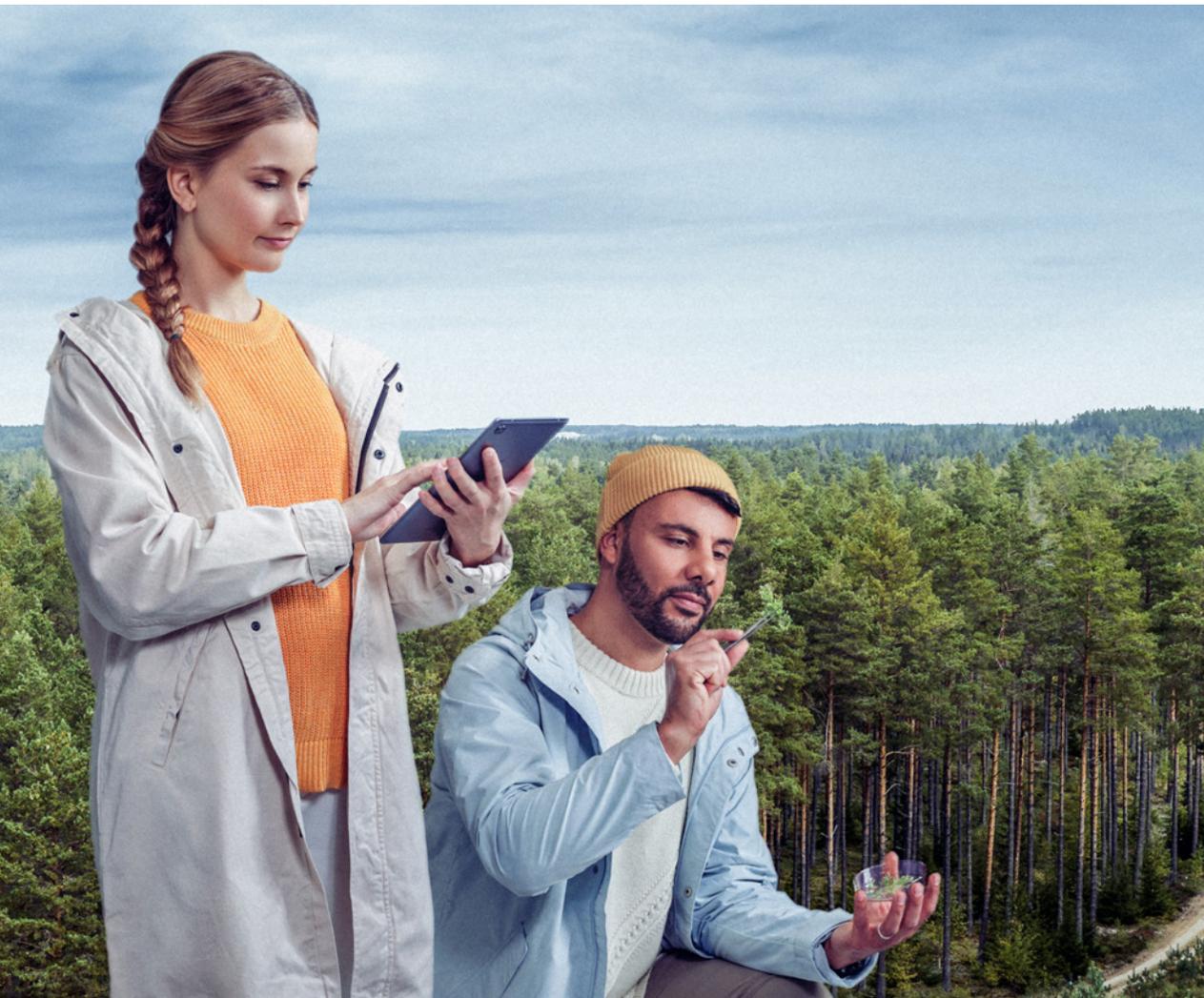
Business Finland's strategic goal is to be a strong and proactive social actor. Business Finland cooperates on a daily basis with the Ministry of Economic Affairs and Employment and the organizations in its administrative branch, as well as with the Ministry for Foreign Affairs. In addition to the above, the key stakeholders in terms of promoting Business Finland's objectives include the actors in the Team Finland network, VTT, the Academy of Finland, Sitra and interest groups in Finnish business life. The role of the Research and Innovation Council (TIN) in steering research and innovation policy has grown significantly, and Business Finland acts as an active expert member and partner in it. Business Finland also cooperates with the bodies of the European Union. Business Finland's global network works in close cooperation with both Finnish embassies and significant regional actors. Examples of Business Finland's stakeholder cooperation are described in chapters 4–6 of this report.

Business Finland regularly evaluates its operations by using an EFQM framework. In 2024, an external supplier

was used in the assessment. According to the evaluation, Business Finland's key strengths were an inspiring and meaningful mission, a strong customer focus, an experienced, motivated and competent expert organization, as well as a strong stakeholder network and local expertise both in Finland and abroad. The key areas for improvement were related to the management system, knowledge-based management of goal-oriented operations and continuous improvement, the organization's knowledge sharing and internal cooperation, the ability to change, and the cross-cutting implementation of sustainable development themes.

The performance agreement for 2024 between Business Finland and the Ministry of Economic Affairs and Employment contains two monitoring indicators related to stakeholder satisfaction; Visit Finland's stakeholder satisfaction and stakeholder satisfaction with Business Finland's Work in Finland activities. The performance of these indicators is reported in more detail in chapter 5.2 (table 16) of the annual report of the Funding Agency.

3 UN SUSTAINABLE DEVELOPMENT GOALS SELECTED BY BUSINESS FINLAND



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

The selected goals are described in the table below. The table also contain the indicators proposed in the UN indicator list for measuring the progress of the targets, as well as the indicators selected by Business Finland for each target. As described in Chapter 2.3, the annual performance agree-

TABLE 1: UN SUSTAINABLE DEVELOPMENT GOALS AND INDICATORS SELECTED BY BUSINESS FINLAND.⁷

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

⁷ Goals: <https://www.globalgoals.org/goals/>
Indicators: <https://unstats.un.org/sdgs/indicators/indicators-list/>



ment with the Ministry of Economic Affairs and Employment defines Business Finland's goals and the indicators measuring the achievement of these goals. The indicators in the performance agreement measure the progress of Business Finland's work. The UN has included appropriate indicators for each target in its list of indicators. However, the indicators included in the UN indicator list are not suitable for measuring the work Business Finland carries out to promote each UN target, and they are not fully suitable for Business Finland's reporting either. This is why Business Finland measures the progress of its goals with the performance and monitoring indicators set out in its performance agreement. The descriptions and calculation method of the performance and monitoring indicators are described in Appendix 5 to the performance agreement 2024–2027. The performance agreements can be found on Business Finland's website under "Performance management" (in Finnish).

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

4 A HANDPRINT FOR THE UN SUSTAINABLE DEVELOPMENT GOAL 8

UN SUSTAINABLE DEVELOPMENT GOAL 8:

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

Target 8.2:

Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high value added and labor-intensive sectors.

Target 8.3:

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

Target 8.4:

Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.

Target 8.9:

By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

Business Finland supports economic growth by promoting the development of its customers into highly successful companies globally. By supporting the growth of its customers' export earnings, Business Finland contributes to a positive current account at the national level. By increasing the salary accrual of its customers, Business Finland promotes the development of the employment rate in Finland. In the long term, Business Finland aims to increase sustainability as a prerequisite for economic growth and competitiveness.

4.1 TARGETS 8.2, 8.3, 8.4 AND 8.9

Business Finland's research, development and innovation funding encourages organizations to engage in research, development and innovation activities and joint programs aimed at accelerating development, increasing value added and productivity, as well as promoting the development of working life. Business Finland assesses the long-term social benefits of each project, considers the project's

impact on other organizations and its direct impacts on the environment and society. In 2024, the aim has been to direct funding to the most impactful projects. The development of knowledge-based management and the piloting of new solutions enabled customer selection and service renewal that support economic growth in the customer service areas more appropriately than before. The results of the impact assessments were also widely utilized in the renewal of the offering portfolio to make it even more impactful.

In 2024, Business Finland funded five new leading company (Veturi) and challenger projects. In total, 24 leading company projects have been launched and funded between 2020 and 2024. These leading companies have committed to RDI investment increases of more than EUR 2 billion. As a continuation of the leading company competition that began in 2020, the 5th round of leading company and challenger competition was opened in 2024, with the focus on encouraging the private sector to increase its R&D investments and, on the other hand, to build international-level networks and ecosystems in Finland. In the 5th round, 16 high-level initiatives were received, of which we have continued discussions with the 8 best applicants in order to achieve effective leading projects. The decision on the new leading companies will be made in early 2025.

Export increased by 45% in 2020–2023 in SMEs funded by Business Finland, and their turnover increased by

31% during the same period (companies whose projects ended in 2017–2020, a total of 3326 companies). Export accounted for 45% of turnover in 2023. The value added of SME customer companies increased by 20% between 2020 and 2023. The number of jobs in SME customer companies increased by 19%, or 11,039 people, in 2020–2023, and the value added generated by exports to Finland in 2023 was EUR 2.4 billion. The figures are actual figures for 2023, as actual data for 2024 were not available at the time of reporting. Business Finland's funding services and the volume of funding are described in chapter 5.1.1 of the Funding Agency's annual report.

Besides funding, Business Finland helps Finnish companies to enter the international markets and advises companies at all stages of internationalization. Business Finland's global network helps Business Finland's customers identify promising business opportunities and find suitable partners and contacts in the global market. The global network promotes the export of Finnish companies through information services, building networks, mediating business contacts and providing advice. For example, global network organizes export projects for groups of companies to solve market opportunities found around the world, in which SMEs are represented together with large companies. Business Finland's global network promotes Finnish technology solutions that contribute to solving the problems of the target country and bring employment and economic

growth both in Finland and in the target country. In June 2024, the ministerial working group on employment and entrepreneurship decided to integrate Business Finland's international operations with the Ministry for Foreign Affairs. Preparations for the transfer began in 2024 and will proceed in stages. The implementation of the change will be carried out in cooperation with the Team Finland network and the business community, among others.

An impact assessment of economic growth was commissioned in 2024. The impact assessment focused on start-ups and scaleups in 2010–2021⁸. The main result of the evaluation was that R&D funding has a positive and statistically significant impact on employment and turnover in SMEs and micro-enterprises. The evaluation results show that the funding received from Business Finland correlates with the company's ability to grow into a scaleup company within three years. In particular, research and development funding and Tempo funding are linked to the rapid growth of SMEs. In addition, Business Finland's funding seems to support the growth of start-ups, especially in terms of turnover and employment. The Young Innovative Company (NIY) funding has enabled international growth by supporting the company's market expansion, building global sales networks and attracting investors. The assessment

is described in more detail in chapter 3.2.2 of the Funding Agency's annual report.

Through its sales and marketing work, Invest in Finland function identifies foreign companies that could have the potential to make investments that strengthen Finland's economic environment. Foreign investments create jobs, generate tax euros, and increase sustainable economic activity in Finland. The impact of investments is measured, for example, through the new jobs created. Invest in Finland will bring cleantech, bioeconomy and circular economy investments to Finland, accelerating the green transition in Finland. Cleantech Invest-in customer projects in clean energy production, the battery value chain, the hydrogen economy and low-carbon industry create new expertise, employment and economic growth in Finland already in the development phase. During the long-term development of projects, project management, plant and equipment design, consulting, training and financing expertise are formed.

Visit Finland globally creates an image of Finland as a desirable travel destination and supports companies and business groups in the field nationwide in the development and marketing of tourism services intended for the international market. Visit Finland invested heavily in promoting

⁸ Oosi, O. et al. Owal Group Oy ja Pellervon taloustutkimus PTT (2024): Impact Study of Economic Growth: Startups, Scaleups and Funding for Internationalization Planning Report 1/2024. https://www.businessfinland.fi/48dce8/globalassets/julkaisut/business-finland/vaikuttavuus/impact_study_of_economic_growth-1_2024.pdf



the sustainability of tourism, for example, by producing a report on Finland's accessibility by means of transport other than air. As a signatory of the Glasgow Declaration, the tourism industry's climate declaration, Visit Finland has also published its own climate plan, an updated version of which was published in late 2024. Visit Finland has also produced a comprehensive training package for tourism companies and destinations to promote sustainable tourism. In 2024, new training modules were updated and produced, e.g. on regenerative tourism, inclusive tourism, as well as responsibility obligations and changes in sustainability reporting. Visit Finland's Sustainable Travel Finland (STF) program promotes, monitors and reports on the social, cultural and economic sustainability of tourism companies. A comprehensive indicator system has also been developed for the STF program, which enables the monitoring of the measurability and development of the environmental impacts of the tourism industry. The carbon footprint calculator previously developed for the tourism industry was utilized by integrating it into Visit Finland's Sustainable Travel Finland program. The program's digital platform, STF-Hub, was developed during the year, when the Hiilikuri calculator (a carbon footprint calculator for tourism industry) became part of the digital service.

Due to cuts in the state budget, change negotiations had to be launched in the Visit Finland organization in August. As a result of budget cuts, Visit Finland's funding will practically be halved in 2025. As a result of the negotiations, the employment contracts of 11 employees were terminated. Support to promote employment have been offered for those whose employments contracts have been terminated. With the budget cut, Visit Finland's operations will be significantly reduced. In the future, the activities will focus on supporting the promotion of international sales and marketing Finland as a tourist destination.

Decoupling economic growth from the use of resources is necessary to ensure long-term sustainable growth. This means that, as a society, we need to find sustainable solutions that enable economic growth without consuming more resources. Sustainability also offers significant market potential for our customers and the Finnish economy as a whole: solving the great challenges facing humanity offers viable and significant business opportunities. Business Finland's efforts to promote target 8.4 are very similar in content to target 9.4. The work carried out for target 9.4 is described in chapter 5.1.

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

KEY PERFORMANCE INDICATOR	2022 OUTCOME	2023 OUTCOME	2024 OUTCOME	2024 ESTIMATE
Export growth of SME clients (incl. midcap), EUR million and %.	EUR 1150 million 11 %	EUR 30 million 0,4 %	EUR 700 million 10 % (forecast)	EUR 500 million 8 %
Number of jobs created by RDI funding (estimated number of jobs in the target year of the project).	32 610	24 840	31 131	24 000
Finland's market share of overnight stays by foreign tourists in relation to other Nordic countries (%).	13	11	11,5 (estimate) ⁹	11
International tourism income (tourism balance), EUR million ¹⁰ .	3 258	3 759	3 500 (estimate) ¹¹	≥3 000
KEY PERFORMANCE INDICATOR	2022 OUTCOME	2023 OUTCOME	2024 OUTCOME	2024 GOAL
Registered foreign overnight stays, 1,000 days ¹² .	5 000	5 742	6 366	≥ 7 100
Employment rate of foreign investments (number of jobs, estimate).	735	721	905	≥ 600

⁹ The final results of the indicators will be available in spring 2025.

¹⁰ Income from foreign tourism treated as export (excluding transport income). The indicator realizations for 2022 and 2023 have been updated after Statistics Finland corrected the Tourism Balance figures retrospectively.

¹¹ The final results of the indicators will be available in spring 2025 from Statistics Finland.

¹² Visit Finland's measures contribute to these only in part.

PROGRESS INDICATORS

The progress of targets 8.2 and 8.3 is measured by the indicators “Export growth of SME clients”, “Number of jobs created by RDI funding” as well as “Employment rate of foreign investments”, which has been an indicator of the performance agreement before, but this is the first time this has been included in this report. There is no specific

indicator for target 8.4, but its progress is measured by the same indicators as target 9.4. The progress of target 8.9 is measured by the number of “Registered foreign overnight stays”, “Finland’s market share of foreign tourists’ overnight stays in relation to other Nordic countries”, and “International tourism income”. The outcomes are analyzed in chapters 3.2.2 and 3.2.3 of the Funding Agency’s annual report.

CASE EXAMPLE

5 ADVICE FOR THE GREEN TRANSITION OF COMPANIES

The green transition and sustainable development offer a huge opportunity for Finnish SMEs to grab large market shares in the international market. But it also puts Finnish companies to the test in different ways. Our experts give tips on how to take advantage of the opportunities of the green transition.

Read the whole article: [Green transition of companies: 5 advices for the green growth - Business Finland](#) (available in Finnish only)

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

UN SUSTAINABLE DEVELOPMENT GOAL 9:

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

Target 9.4:

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

Target 9.5:

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

Business Finland strengthens competitiveness and strives to support its customers so that they would develop into bold reformers of business. Business Finland promotes the sustainable and bold renewal of its customers and the Finnish economy, and thus productivity growth. In particular, Business Finland supports increasing the capabilities and investments related to the internationalization of its customers, the formation of value-creating networks and partnerships, and significant investments in innovations, clean and digital transitions and new business models. Business Finland also strengthens competitiveness by promoting the work-based immigration of experts.

5.1. TARGETS 9.4 AND 9.5

Business Finland started the renewal of its strategy in 2024. The main theme of the strategy reform that has begun was (based on research data) the central role of innovative renewal of livelihoods as a background factor for economic growth and well-being. Business Finland has

also participated in the preparation of national strategies to promote sustainable industry. In 2024, the Industrial Policy Strategy and the Mineral Strategy were completed.

Business Finland's missions respond to global challenges that require long-term and extensive work at the societal level, while also helping Finnish companies to take advantage of new market opportunities created as a result of systemic changes. Business Finland has launched five strategy-based missions, under which long-term programmatic and other measures have been defined to promote economic growth and competitiveness while taking sustainable development into account: Zero Carbon Future, Digital Native Finland, Circular Transition for Zero Waste, Immersive Digital Life and Healthcare Reimagined 2035.

The leading companies' (Veturi) ecosystems funded by Business Finland build sustainable industry. Many of the leading companies' projects are developing energy-efficient solutions, as well as the circular economy and carbon handprint. Based on the mid-term evaluation of leading companies' ecosystems¹³, it can be said that ecosystems have succeeded in mobilizing significant resources for research and innovation and are well on their way to achieving their main objectives, despite significant challenges in the operating environment. The program has had a positive impact on the Finnish economy and society, and it has promoted sus-

tainable development and new initiatives across ecosystem boundaries. The assessment is described in more detail in chapter 3.2.2 of the Funding Agency's annual report.

For its part, Business Finland has contributed to the implementation of Finland's Sustainable Growth Program and Finland's national recovery and resilience plan funded by the EU's Recovery and Resilience Facility (RRF). In 2024, the activities have progressed to the monitoring phase, and Business Finland has carried out audits, follow-up and reporting of RRF projects, thus ensuring the effectiveness and legality of the implementation of the program. In 2024, Business Finland commissioned a mid-term review of Business Finland's progress in achieving its Recovery and Resilience Plan (RRP) targets, and what the most important expected results are¹⁴. The evaluation is described in more detail in chapter 3.2.4 of the Funding Agency's annual report, but the results of the evaluation can be summarized as follows: The tight schedule has made the RDI work progress efficiently, but investment projects are facing delays. Business Finland's RRF funding has been successful in increasing RDI investments. However, the effects on the renewal of companies in the green transition and digitalization vary. In the future, attention should be paid to the growth of exports and the attraction of investments in the green transition. Recovery after

¹³ VTT ja MDI (2024): Mid-Term Evaluation of the Leading Company Initiative (LCI) partnerships. Will be published in 2025.

¹⁴ Hjelt, M. et al Sweco Finland and Sweco Sweden (2024) Mid-Term Evaluation of Business Finland's RRP, coming 2/2025

TABLE 3: PROGRESS INDICATORS FOR TARGETS 9.4 AND 9.5.

KEY PERFORMANCE INDICATOR	2022 OUTCOME	2023 OUTCOME	2024 OUTCOME	2024 ESTIMATE
Funding for solutions promoting low-carbon and circular economy, EUR million.	392	345	374	330
Business Finland's funding for clean energy R&D&I activities, EUR million.	103	50	96,6	55
KEY PERFORMANCE INDICATOR	2022 OUTCOME	2023 OUTCOME	2024 OUTCOME	2024 GOAL
Increase in the combined RDI investments of Business Finland's clients (%).	16,7	16,4	5,9	>7

the pandemic was the goal set for Business Finland's RRF funding. In terms of this goal, RRF funding has not been so successful. Despite time pressures, many goals and new funding instruments, Business Finland succeeded well in implementing the funding package.

The availability of skilled foreign labor is a significant competitive factor for Finnish companies. Business Finland's Work in Finland unit promotes the talent attraction and work-based immigration and strengthens the growth and internationalization of companies with the help of international experts. Business Finland supports companies' international recruitment expertise through Work in Finland's leadership mentoring, the Work in Finland website and Talent funding. In 2024, the Work in Finland unit strengthened its partner country activities with the Talent

Manager service and by developing a model for identifying reliable partners in international recruitment.

PROGRESS INDICATORS

The achievement of target 9.4 is measured with the performance agreement's indicator "Funding for low-carbon and circular economy solutions". As a new indicator for the report is Business Finland's funding for clean energy R&D&I activities, which has already been used as an indicator for the performance agreement. The achievement of target 9.5, on the other hand, is measured by the indicator "Increase in the combined RDI investments of Business Finland's clients" in the performance agreement. The indicator realizations have been analyzed in Chapters 3.2.2 and 3.2.4 of the Funding Agency's annual report.



CASE EXAMPLE

IN ADDITION TO NOKIA, A WIDE RANGE OF COMPANIES BENEFITED FROM LEADING COMPANY FUNDING – COMPANIES RECEIVING THE MOST RDI FUNDING ARE ACTIVE IN PATENT APPLICATIONS

The leading company funding project of EUR 20 million granted to Nokia in 2021 ended last summer. Business Finland commissioned an external impact assessment of Nokia's leading company funding to examine the results and impacts of leading company funding. The evaluation shows that the cooperation of 120 companies gave rise to new innovations and business starts. Over the past four years, leading company funding has been granted to a total of 23 companies, of which Nokia's project is the first that has ended. Leading company projects solve extensive social problems that require changes in the entire operating environment.

Read the whole article: [**In addition to Nokia, a wide range of companies benefited from leading company funding – companies receiving the most RDI funding are active in patent applications - Business Finland**](#) (available in Finnish only)

6 A HANDPRINT FOR THE UN SUSTAINABLE DEVELOPMENT GOAL 13



UN SUSTAINABLE DEVELOPMENT GOAL 13: Take urgent action to combat climate change and its impacts

Target 13.1:

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

Target 13.3:

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

Business Finland promotes sustainable development by raising awareness of sustainability and sustainable business transactions and by strengthening its customers' ability to increase their ecological, economic and social responsibility. In particular, Business Finland allocates its funding and other measures in minimizing adverse climate impacts, solutions that support a clean transition and reduce the global carbon footprint and increase the carbon handprint, as well as solutions and smart business models based on life cycle thinking. The impacts arise as a natural consequence of sustainable business and include job creation, climate change mitigation, promotion of gender equality and the export of new technologies to target markets.

6.1. TARGETS 13.1 AND 13.3.

The theme of sustainable development is present in Business Finland's funding activities. Business Finland uses the sustainability reports produced by Suomen Asiakastieto in the preparation of funding. Business Finland uses ESG ratings to monitor how many projects funded by Business

Finland contribute to sustainable development. Slightly more than 90% of the market opportunities sought around the world are related to sustainable development.

Business Finland has developed a tool (Sustainable Advice Tool) to support the discussion on sustainability with Business Finland's customers. The tool provides a comprehensive picture of the key sustainability themes in an easy-to-understand and easily approachable format. The tool has been piloted in real customer contexts. The tool was considered useful especially in identifying potential sustainability-related risks and opportunities for Finnish SMEs that do not have their own sustainability expertise. More mature companies also recognized its value in facilitating the communication of sustainability aspects in their management programs and across value chains. The implementation of the tool as part of daily work in the customer interface is planned.

The Developing Markets Platform (DevPlat) is a cooperation platform of Business Finland and the Ministry for Foreign Affairs that helps Finnish companies, and their partners promote business and innovations in accordance with the UN's sustainable development in emerging markets. The funding provided by DevPlat for co-innovation in emerging markets enabled companies to co-develop sustainable innovations with local partners in emerging markets. The compatibility of the projects with sustainable

development, the expected development impacts and the potential risks formed part of the assessment of the funding applications. In International Business Innovations (IBI)-projects (billion-euro export projects), a comprehensive ESG analysis is carried out in the third phase of the process, which also confirms the official start of the project.

The missions "Zero Carbon Future" and "Circular transition for Zero Waste" promote the creation of solutions for mitigating climate change. Under these missions, the programs "Decarbonized Cities" and "Hydrogen and Batteries" have been launched, and most recently, the "Flexible Energy Systems" program, which was launched in 2024. In addition, a campaign under the mission "Circular transition for zero waste" is currently being prepared. The programs activate new initiatives and, on the other hand, help Finnish operators find partners and customers in selected markets. The program activities are carried out in a mission-driven manner, which promotes companies to renew themselves and take advantage of new market opportunities that arise as a result of systemic changes.

In 2024, Business Finland carried out an evaluation of three sustainability-themed programs¹⁴, which provided an overview of three programs that, in terms of their content, supported Business Finland's strategic impact objective of promoting sustainable development solutions and operations. These programs were "Sustainable Manufacturing",

15 Susanna Sepponen, Mari Hjelt, Tommy Jansson and Julia Virtanen, Sweco (2024), Evaluation of Business Finland Programmes Bio and Circular Finland, Sustainable Manufacturing, and Smart Energy

TABLE 4: PROGRESS INDICATOR FOR TARGETS 13.1 AND 13.3.

KEY PERFORMANCE INDICATOR	2022 OUTCOME	2023 OUTCOME	2024 OUTCOME	2024 ESTIMATE
Share of service events related to the promotion of sustainability (%).	30,2	59	50	> 55
Share of projects complying with ESG criteria for sustainable development (%) and share of projects complying with climate and low-carbon targets (%) of all funded projects	-	59	75	60
	-	46	58	40

“Bio and Circular Finland”, and “Smart Energy”. The evaluation concludes that, in general, the programs succeeded in achieving their objectives and Business Finland has played a key role in supporting business and export growth. The programs were successful in building ecosystems.

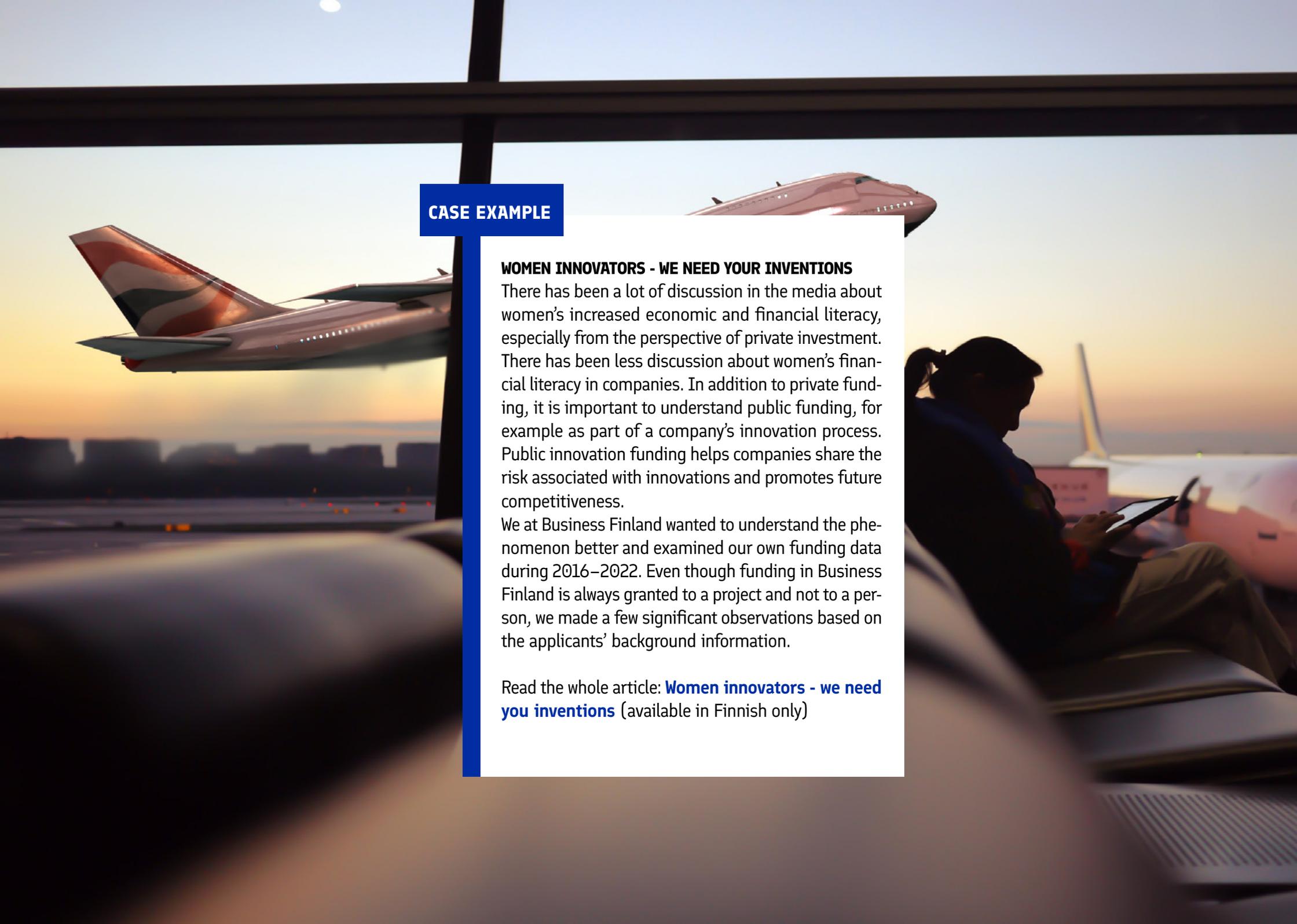
In the planning and monitoring of Business Finland’s marketing communications, there is a continuous emphasis on marketing communications for sustainable growth and sustainable solutions. The aim is to encourage Finnish companies to develop sustainable solutions. The importance of women for innovation has been communicated through opinion pieces, PR and media work, and a social media campaign. Diversity in Finnish companies was highlighted through a marketing communication campaign and in internal communications.

In 2024, Business Finland has been preparing for sustainability reporting required by the new European legal

basis with a separate development project. At the turn of the year, a climate roadmap was also created for Business Finland to define the necessary measures to reduce Business Finland’s negative climate impacts. Work on both measures will continue in 2025.

PROGRESS INDICATORS

The achievement of targets 13.1 and 13.3 is measured with the performance agreement’s indicators “Share of service events related to the promotion of sustainable development” and “Share of projects complying with ESG criteria for sustainable development and share of projects complying with climate and low-carbon targets of all funded projects”. The indicator realizations have been analyzed in chapter 3.2.4 of the Funding Agency’s annual report.



CASE EXAMPLE

WOMEN INNOVATORS - WE NEED YOUR INVENTIONS

There has been a lot of discussion in the media about women's increased economic and financial literacy, especially from the perspective of private investment. There has been less discussion about women's financial literacy in companies. In addition to private funding, it is important to understand public funding, for example as part of a company's innovation process. Public innovation funding helps companies share the risk associated with innovations and promotes future competitiveness.

We at Business Finland wanted to understand the phenomenon better and examined our own funding data during 2016–2022. Even though funding in Business Finland is always granted to a project and not to a person, we made a few significant observations based on the applicants' background information.

Read the whole article: [Women innovators - we need you inventions](#) (available in Finnish only)

7 FOOTPRINT – IMPACT ON THE OPERATING ENVIRONMENT



7.1 BUSINESS FINLAND'S PERSONNEL

HUMAN RESOURCE MANAGEMENT

In terms of human resource management, the priorities for 2024 have been determined by the implementation of the changes made in 2023 and the new decisions concerning Business Finland in 2024, especially related to the global network. The budget cuts in the central government also affected Business Finland, which is why change negotiations had to be held in the Visit Finland organization. On the other hand, at the same time, there is a significant increase in the grant authorizations for the Funding Agency, and the Funding Agency has been given new tasks and responsibilities (investment aid for large clean transition investments). It can therefore be said that many changes that occur in the same year put a strain on the personnel and pose a significant challenge to management and supervisors in different parts of the organization.

The Act on Business Finland, which entered into force in 2023, and the subsequent reform of operating meth-

ods continued in 2024. Both Business Finland and the Funding Agency built and coached new ways of working and cooperating for their personnel. In addition, performance management, goal setting and performance evaluation were renewed, especially at the Funding Agency. The aim of the reform is to communicate the goals and expectations more clearly to the personnel and to make the evaluation of performance more transparent than before. Due to the business transfers carried out in 2023, unjustified pay differences formed at the Funding Agency, and a pay program was prepared to even them out.

In June, a decision was made regarding to Business Finland's global network, according to which Business Finland's global network will be integrated with the Foreign Service. The Minister of Economic Affairs and the Minister for Foreign Trade and Development appointed a rapporteur and a working group to support her in preparing the integration of the global network into the Foreign Service. The aim of the rapporteur and the working group was to specify the implementation model for integrating Business Finland's international operations with the Foreign Service, to assess the legal and administrative aspects and the cost impacts. The implementation of the integration will take place in 2025. The final integration will be completed by 1 January 2026.

The decision to transfer the global network, with all its effects on personnel, and the related uncertainties, as well

as Visit Finland's change negotiations, have put a significant strain on the personnel. To support the change, efforts have been made to invest in active communication and dialogue with the personnel. A key role in communication related to change processes has been played by regular staff briefings, which provide information on the progress of the change process.

Coaching related to emotional skills has been organized for the entire staff, which in turn provides support for challenging situations in working life. All in all, the coaching aims to increase the culture of trust, job satisfaction and well-being.

PERSONNEL TARGETS

In accordance with the performance agreement with the Ministry of Economic Affairs and Employment, Business Finland monitors the development of personnel satisfaction, the management index and personnel turnover. The assessment and implementation of these are reported in Chapter 6 of the annual report of the Funding Agency (Tables 17 and 18). Personnel turnover includes Business Finland's internal recruitments and internal job rotation, which involve a change of duties or role as well as a change of unit or a change of working country. In addition, job rotation with partner organizations is included.

Business Finland works actively to achieve the government's common HR goals and promote multi-location work.



In 2024, Finnish employees had the opportunity to apply for a change in their place of work. Most of the requests for changes were met. Business Finland considers the objectives of the Government's Action Plan for Gender Equality and the Ministry of Economic Affairs and Employment's Working life diversity program when updating its equality and non-discrimination plan.

NUMBER AND STRUCTURE OF PERSONNEL

Business Finland's total number of employees (persons with an employment contract) was 630 on 31 December 2024 (2023: 637 employees). A total of 221 people had an employment contract with the Funding Agency (in 2023: 214) and a total of 409 people with the Company (in 2023: 423). The number of employees decreased by 1.1% compared to 2023. In 2024, a total of 40 new employees joined the Company, 5 of them outside Finland. Some of the recruitments abroad were new and others were replacement recruitments. In all, the number of personnel in Business Finland's global network decreased by 1 person in 2024. The figure does not include trainees and people hired through a third party. In 2024, a total of 18 new employees joined the Funding Agency.

During 2024, three business transfers were carried out from the Company to the Funding Agency. In the first part as of June 15, 4 persons were transferred and in the second part as of August 1, 2 persons and in the last part as of December 16, one person.



During 2024, the Company had 14 trainees in Finland. Of these, 12 were hired for internships in 2024 and 2 started their internships already in 2023, continuing into 2024.

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

- 14 employees at Business Finland USA Inc
- 4 employees in FinChi Innovation Center Company Ltd
- 44 employees outside Finland, employed by a third party, (not having a direct employment relationship with Business Finland, but working for Business Finland)
- 3 employees in temporary agency employment relationships in Finland and one outside Finland.

Of those hired through a third party, 34 are permanent and 6 are temporary employees. They work as experts in Business Finland's global network. In the human resources management system, there is a separate group of employees for these persons, and everyone in that group is

included in this number of employees. The number of employees varies depending on how many people are needed in each location of the global network.

Business Finland employs 35 different nationalities. In addition to offices abroad, there are also foreign experts at the Helsinki office. Thanks to their expertise, Business Finland can offer services that consider the international business environment and culture for all its customers and is able to pay attention to the special needs of international entrepreneurs operating in Finland.

The following tables show the number of employees in an employment relationship with Business Finland on 31 December 2024 (Table 5), the proportion of women among the personnel and in different personnel categories (Table 6) and the proportion of different age groups in personnel categories (Tables 7 and 8). The figures are based on the personnel in an employment relationship with Business Finland (Table 5). Members of the leadership team are considered part of the management. Business Finland does not have people who can be called to work if necessary.

TABLE 5. PERSONNEL IN AN EMPLOYMENT RELATIONSHIP WITH BUSINESS FINLAND ON DECEMBER 31, 2024.

	FUNDING AGENCY	COMPANY
Total	221	409
men	98 (44 %)	166 (41 %)
women	123 (56 %)	243 (59 %)
person-years 2024	213,03	307,2*
permanent	215 (97 %)	348 (85 %)
fixed term	6 (3 %)	61 (15 %)
permanent women	121 (98 %)	201 (83 %)
permanent men	92 (93 %)	147 (89 %)
By location		
Helsinki	166 (75 %)	264 (65 %)
rest of Finland	55 (25 %)	40 (10 %)
other countries	-	105 (25 %)
permanent Helsinki	161	220
permanent rest of Finland	54	38
permanent other countries	-	90
part-time	10 (5 %)	11 (3 %)
full-time	211(95 %)	398 (97 %)
full-time women	117 (95 %)	237 (98 %)
full-time men	94 (96 %)	161 (97 %)
Average age		
male/ female	52,6	48,2
	53,8/51,6	50,8/ 46,8

*) in an employment relationship in Finland

**) The majority of employment contracts are full-time, so the locality-specific breakdown of personnel also adequately describes the distribution of full-time employees by locality.

TABLE 6. PROPORTION OF WOMEN AMONG THE PERSONNEL AND IN DIFFERENT PERSONNEL CATEGORIES.

	FUNDING AGENCY 2024	COMPANY 2024	FUNDING AGENCY 2023	COMPANY 2023
female employees	56 %	59 %	54 %	59 %
female experts	54 %	60 %	52 %	57 %
female supervisors	56 %	49 %	50 %	44 %
female managers	38 %	67 %	40 %	50 %

TABLE 7. PROPORTION OF DIFFERENT AGE GROUPS IN THE PERSONNEL CATEGORIES ON DECEMBER 31, 2024, THE COMPANY.

	UNDER 30 YEARS	30 – 50 YEARS	OVER 50 YEARS
management and supervisors	0 %	25 %	75 %
experts	7 %	44 %	49 %
entire Company	6 %	43 %	52 %

TABLE 8. PROPORTION OF DIFFERENT AGE GROUPS IN THE PERSONNEL CATEGORIES ON DECEMBER 31, 2024, THE FUNDING AGENCY.

	UNDER 30 YEARS	30 – 50 YEARS	OVER 50 YEARS
management and supervisors	0 %	21 %	79 %
experts	2 %	28 %	71 %
entire Funding Agency	2 %	27 %	71 %



Business Finland's Board of Directors has 9 members, 3 women and 6 men. 2 of them belonged in the age group 30–50 years, and the remaining 7 persons belong to the age group over 50 years.

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

EQUALITY AND NON-DISCRIMINATION PLAN

Business Finland adheres to an equality and non-discrimination plan, which describes the current situation as well as measures to prevent discrimination and promote equality. The plan also describes the presentation of male and female employees in different positions and the results of the salary survey as well as reports on the equality and non-discrimination situation, which are based on the results of the personnel survey conducted in spring 2024. The plan was drawn up in spring 2024, and its updating is topical again in 2026–2027. Business Finland celebrates the diversity of its personnel and prohibits all kinds of discrimination. These principles apply to Business Finland's operations both in Finland and abroad. Business Finland's management, the cooperation committee of the Funding Agency and the Company's co-operation dialogue monitor the implementation of the measures.

In 2024, Business Finland built a roadmap to promote equality and non-discrimination. For the first time, the

equality and non-discrimination plan were prepared in such a way that the organization's key development targets were also mapped out with an extensive personnel survey, and previously missing monitoring indicators were set for the plan.

In order to ensure equal pay, the criteria for performance evaluation were clarified at the Funding Agency in the autumn 2024 performance appraisals. Knowledge and competence related to equality and non-discrimination were increased through organization-wide emotional intelligence coaching that began in 2024, as well as coaching leadership training for supervisors.

EMPLOYER IMAGE

In the 2024 employer image survey aimed at professionals by Universum, an expert organization focused on employer image research, Business Finland was the second most attractive employer in the public sector category. In the category of employers in the commercial sector, Business Finland is in seventh place, ranking in the top ten employers in the commercial sector for the fifth year in a row. The commercial sector is the largest of the fields studied by Universum. In the Universum survey conducted among students in 2024, the results followed the same line: Business Finland ranked 9th in the commercial sector and was the most attractive public sector organization.

In 2024, Business Finland hired 12 trainees for employment relationships of 7–12 months across the organization. In 2024, Business Finland returned to the Finnish

National Agency for Education's EDUFI trainee program after a break of almost four years. The trainee program was put on hold in 2020 due to the coronavirus pandemic. In 2024, nine newly graduated trainees completed a six-month long training at Business Finland's offices in Oslo, Copenhagen, Madrid, Munich, Nairobi, New Delhi, Sao Paolo, New Mexico and Jakarta.

REMUNERATION SYSTEM AND PERFORMANCE-BASED BONUSES

At Business Finland, remuneration is based on the demanding nature of the tasks on the one hand, and performance in the task on the other. Job difficulty is assessed with the Hay Job Evaluation system. Performance is monitored and supported throughout the year by the supervisor, and the annual evaluation is carried out in connection with the performance appraisal. The salary is reviewed in an annual salary adjustment process in which each employee's salary is reviewed against performance evaluation criteria. In the evaluation of performance, attention is paid to the achievement of both goals and the quality of operations. Business Finland's values serve as a framework for assessing the quality of operations. In 2024, the quality criteria were specified in the Funding Agency with the idea of creating a more transparent and fair set of criteria. Supervisors were widely involved in the creation of the criteria.

Business Finland's one-off reward is intended as managing tool for the team supervisor. The supervisor makes proposals that are approved by the service area manager.

Members of the leadership team are also covered by the one-off reward model. The aim is to direct the one-off reward especially to teams or working groups that achieve results together. About a quarter of the one-off rewards granted in 2024 were team rewards.

Four Business Finland's employees from different parts of the organization were awarded a sum equal to 50 % of the monthly salary for operating according to Business Finland's values. The employees participated in the selection of the bonus recipients.

In addition to performance-based remuneration, salaries were raised in the Company in a same way as general salary adjustments. The Funding Agency complies with the general salary adjustments agreed in the general collective agreements for government (VESTES), which were also implemented in the Company in 2024. In addition, the Funding Agency prepared a remuneration program that will continue until the end of 2026. Due to the business transfers carried out in 2023, significant pay differences were formed in the Financial Agency, which the remuneration program aims to even out. In global network, index increases were determined using a formula that considers the average inflation rate of each country.

PERFORMANCE APPRAISALS

Business Finland conducts two rounds of performance appraisals annually, and they cover the entire personnel.

At the beginning of the year, Business Finland agrees upon the next year's targets and reviews the previous year's performance. In the autumn, an interim performance appraisal is held in which the targets are reviewed, a motivation and well-being, role and learning discussion is held, and two-way feedback is given. The performance appraisals are documented in the human resources management system. In 2024, the coverage of the performance appraisals was 90%, the coverage of the interim performance appraisals was 87%.

TRAINING AND COMPETENCE DEVELOPMENT

Business Finland has a global policy for developing the competence of its employees and offering them professional training. The goal of competence development is to strengthen leading-edge expertise by developing and maintaining know-how and competence. Expert work requires the ability to change, and the anticipation of competence needs, which ensures that development meets future needs and supports the implementation of Business Finland's strategy.

Competence development, the realization of one's own development needs, self-direction and planning are supported in various ways. Competence management is considered in supervisor work through continuous dialogue. Learning Day (LD) encourages self-development and the creation of routines for continuous learning. In 2024,

Business Finland set a target of four LD days per employee (100%). The achievement of the LD target in 2024 was 3,56 (89%). According to the LD concept, each employee can use 4–8 working days during the year to develop their own skills. In addition, the Learning Day concept creates a safe atmosphere for learning so that there are no obstacles to learning during working hours and everyone can identify their own development targets and find solutions to them. Digital learning modules are offered on the Campus training platform. Campus is a digital learning environment to support leadership and development. The Campus service menu (learning modules) has been categorized according to strategic competences. At the end of the year, the Campus had 212 different services, such as webinar recordings, online training, etc. It is also possible to share expertise and spar with a colleague in the form of an on-demand service.

One of the highlights of the year was the World Ideas Week held in May, which fostered the experience of community and learning together, when employees from all over the world gathered for four days in Helsinki for a joint event to learn, network and share their ideas on cooperation models and strategic focus areas. The theme for 2024, “Inspired by the Future,” set the tone for the four-day event. During the event, the staff was able to delve deeper into what digital transformation can mean in expert work and what kind of opportunities it can create for future business.

In addition, the event raised awareness of the importance of emotional skills and emotional intelligence as enablers of success. During the event, the focus was also on enhancing internal cooperation, which is key to the organization’s ability to respond to the ever-changing business environment.

Task and job rotation as part of learning at work is one of our main models for promoting competence development and cooperation skills. Internal relocations were successfully carried out, for example, through substitutes and recruitments between service areas in Finland and between Finland and foreign offices. In 2024, the internal job rotation at Business Finland amounted to 2,8 % of the total number of employees (Funding Agency and Company).

EMPLOYEE SATISFACTION

In 2024, employee experience was measured using the Sigqi-survey. The survey asks which aspects of the employee experience are the most meaningful to employees and how they are implemented in everyday work. According to the survey, overall satisfaction was at a fairly good level (72/100), on a scale of 0–100. The personnel felt that the following things were most important: meaningful work tasks, work-life balance, freedom to work regardless of time and place, the opportunity to use their own skills on a daily basis, and fair pay and fringe benefits. Of these, work-life balance (81/100) and freedom to work

regardless of time and place (87/100) were considered to be at a good level. Salary was the area that was considered to be at the weakest level of all (57/100).

Based on the survey, the teams made their own action plans. In addition, strengthening the sense of community was selected as a joint development project at the organizational level. The theme of community will continue in 2025. One significant measure to improve the sense of community is emotional intelligence training aimed at the entire staff, one of the goals of which is to improve cooperation skills and a culture of trust.

For a few years now, the personnel survey has raised a wish to enable remote work from abroad. Business Finland's global remote work policy entered into force on 1 January 2024. This possibility aroused great interest. A total of 103 remote work applications were made during the year, of which 100 were approved. The opportunity to work remotely abroad was used by both those working in Finland and in a global network.

EMPLOYEES' WORK CAPACITY AND WELLBEING AT WORK

The employees give their own assessment of well-being at work in connection with the performance appraisals. The average score of the spring and autumn discussions in 2024 was 4.0 (on a scale of 1 to 5). Despite good self-assessments in performance appraisals, the past year, with its changes and uncertainties, has tested the motivation and coping of the personnel.

Remote work, enabled by Business Finland's hybrid work model, has become a popular form of work, and this has also been taken into account in the support measures for well-being at work. The BreakPro program for exercise during breaks is still in use. In addition, many Teams meetings in a row, which increase the workload of remote work, have been facilitated with instructions on meeting practices, breaks, and planning and prioritizing work, among other things.

MoodMaster, an emotional intelligence training aimed at the entire personnel, was launched in May. The goals of the training include creating a culture of trust, strengthening feedback skills and cooperation, strengthening the appreciation of expertise, and encouraging everyone to take responsibility for their own actions. All in all, the coaching aims to increase job satisfaction and well-being.

The employees still have access to the low-threshold Auntie service, which offers psychological discussion support. The Auntie service was used 30 times in 2024. The Auntie service is available in both Finnish and English. In addition, the Campus (digital learning environment) contains many self-study materials related to wellbeing at work.

The staff has also had access to the Smartum employee benefit. Smartum is intended for Business Finland employees working in Finland, and in 2024 it could be used for sports/culture, well-being services, commuting or lunch.



ACCIDENTS AND OCCUPATIONAL HEALTH AND SAFETY

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

The occupational safety and health committees of the Funding Agency and the Company met on a quarterly basis in 2024. Occupational safety and health organizations played an active role in monitoring of both the early support model and the effectiveness of occupational health care. Additionally, themes related to the organizational change concerning Business Finland and the coping of personnel, have been of interest to occupational safety and health. Absences due to musculoskeletal disorders were on the rise in 2024.

No occupational accident notifications were submitted at the Funding Agency in 2024. The company had four occupational accidents or accidents occurred during commuting in 2024.

OCCUPATIONAL HEALTH

In 2024, the number of absences due to illness among the Company's employees in Finland was 5,2 days per person-year. At the Funding Agency, the number of absences due to illness was 6,6 working days per person-year.

Business Finland offers its personnel comprehensive occupational health care services through Mehiläinen Occupational Healthcare. The services cover the employees working in Finland and the employees posted abroad

from Finland. For the employees who work abroad and were recruited locally, occupational health care is arranged either through insurance policies or the local health care or social security system.

The occupational health care services cover preventive services, medical care, and any additional services agreed upon separately. The goal of the occupational health care services is to support occupational wellbeing by considering the nature and ergonomics of the work conducted and to cover the specific requirements of posted employees. The occupational health care services sought to promote wellbeing at work and productivity, manage absences due to illness, and reduce the health and safety risks associated with work. Guidelines for the occupational health care services are available to the personnel in Finnish and English.

APPLICATION OF COLLECTIVE AGREEMENTS AND COLLECTIVE BARGAINING

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

7.2 DIRECT ENVIRONMENTAL IMPACTS

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

The premises of the head office are used jointly by Business Finland and Finnvera plc. The head office has been renovated with sustainability in mind. In the provinces outside Helsinki, Business Finland mainly operates in shared premises with its other partners (e.g. ELY Centers, shared premises of the state), which reduces the necessary premises and the resulting carbon footprint. The available space is also adapted to the need for space at the head office. Business Finland is committed to participating in the government's joint work environment solutions (Senate Properties), which create multi-location work environments that are suitable for new ways of working and take sustainable development into account all over Finland.

Business Finland's operations are generally paperless as they rely on electronic transactions and the digitalization of services and administrative tasks. Digital tools have been developed in communications to reduce the amount of printed materials. Business Finland's digital development plans consider the requirements of information security, usability, accessibility and optimized performance (green coding).

Business Finland's virtual meeting and other digital communication solutions reduce commuting, and flexi-

ble remote work policy also reduces commuting between home and the office. Business Finland's travel policy takes sustainable development into account. Environmental sustainability is increased by favoring environmentally friendly alternatives in procurement, and public transport is the preferred choice when choosing a mode of travel. The parking spaces of the Ruoholahti office have been restored to be subject to a fee and priced in such a way that it would encourage the use of public transport.

Business Finland's IT equipment has been acquired through leasing agreements. Hansel's equipment agreement includes requirements for the recyclability of equipment. Most portable devices have electronic privacy protection, which has made it possible to dispense with separate, plastic protectors. The devices are also supplied with only one charger and cable instead of the previous two. Business Finland's carbon footprint calculation will begin in 2024, and the results will be reported in the 2025 Social Responsibility Report.

7.3 PROCUREMENT

Business Finland is committed to promoting the objectives of the national procurement strategy in terms of its procurement activities. As part of the implementation of the national procurement strategy, Business Finland has implemented a procurement category model with the aim

of developing and planning procurements in a systematic manner. In addition, Business Finland uses Cloudia planning program to support the systematic implementation, monitoring and reporting of procurements. Business Finland participates in the network of national developers (Hankinta Suomi), which develops innovative, sustainable procurement activities.

The annual value of procurement in both Business Finland organizations is approximately EUR 35 million (The Company approximately 90 % and the Funding Agency approximately 10 % of procurement). In general, procurements are divided as follows: administrative services, ICT purchases, expert and office services, maintenance of buildings and areas, personnel services, materials, supplies and goods, educational and cultural services, accommodation and food services, travel and transport services, construction, and machinery, equipment, and transport equipment. In 2024, Business Finland made purchases from a total of 1 100 suppliers. The figure includes both domestic and foreign suppliers.

Procurements are budgeted, planned, and scheduled annually. Procurement at Business Finland's is governed by the Procurement Act and Directive as well as Business Finland's procurement policies and rules. In all its procurements, Business Finland adheres to the Procurement Act and the principles of good governance. The implementation of procurements is governed by legal praxis, other legislation, and official regulations (principles and instructions

issued by the Ministry of Finance, the Ministry of Economic Affairs and Employment, the Ministry of the Environment and Motiva).

Responsibility and sustainable development have been taken into account in Business Finland's procurements, for example, through the procurement's common sustainable development goals. Additionally, Business Finland considers the social impact of its procurements. When implementing procurements, Business Finland also aims to promote the social, economic, and ecological justice and the consideration of environmental and sustainability matters.

Business Finland ensures that the procurements are in conformity with the contract by monitoring the delivery of the service provider or supplier. Business Finland pays special attention to cooperation during the contract period and makes complaints when necessary. Collaboration with the supplier during the contract has a crucial impact on the outcome.

The aim is that Business Finland is fair and impartial in its procurement and strives to promote healthy competition through its operations. As far as possible, Business Finland strives to divide procurements so that smaller companies can also participate in tendering. Business Finland ensures that the contracting parties fulfill their social obligations in accordance with the procurement legislation, the contractor's liability law, and other legislation. This may include, for example, ensuring that the products and services offered are consistent with basic human rights

and labor rights. Goods, such as office supplies and furniture, are purchased under framework agreements made by Hansel Oy, the central purchasing body for central and local governments in Finland, and/or the dynamic purchasing system (DPS). Hansel Oy monitors the corporate responsibility of the suppliers subject to the above-mentioned framework agreements.

7.4. FINANCES

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

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

A few key figures on the finances of both the Funding Agency and the Company are presented in table 9. In other respects, the finances of the Funding Agency and the Company are described in the financial statements and annual reports of both organizations.

TABLE 9: BUSINESS FINLAND'S KEY FIGURES.

	2024	2023	2022
Total number of employees: Funding Agency and Company (persons with an employment contract with Business Finland)	630	637	674
Authorizations exercised by the Funding Agency	EUR 642,2 million	EUR 771 million	EUR 946 million
Operating expenditure of the Funding Agency (incl. operating expenditure carried over from previous years) *)	EUR 141,9 million	EUR 147,6 million	EUR 152,8 million
Operating income of Business Finland Oy and its subsidiaries (without the de minimis appropriation)**)	EUR 86,7 million	EUR 97,2 million	EUR 101,3 million
Group's balance sheet total (Business Finland Oy and its subsidiaries)	EUR 40,2 million	EUR 41,0 million	EUR 44,6 million
Funding applied from Business Finland (Funding Agency and Company) ***	EUR 874 million	EUR 1 040 million (share of RRF contribution EUR 135 million)	EUR 1190 million (share of RRF contribution EUR 158 million)
Number of funding applications (Funding Agency and Company) ***	4946	7 014 (incl. 169 RRF applications)	7035 (incl. 393 RRF applications)
Total funding granted	EUR 636 million ****	EUR 750 million (incl. RRF funding EUR 58,8 million)	EUR 882 million (incl. RRF funding EUR 273 million)
Funding for companies	EUR 433 million	EUR 598,6 million (incl. RRF funding EUR 50,1 million)	EUR 702,1 million (incl. RRF funding EUR 252,3 million)
Funding for research institutes	EUR 203 million	EUR 150,9 million (incl. RRF-funding EUR 8,7 million)	EUR 179,4 million (incl. RRF-funding EUR 20,2 million)

*) In 2022-2024 the operational expenditure also includes the operating expenditure appropriations allocated to RRF activities.

***) Operating income of Business Finland Oy and its subsidiaries consist mostly of costs invoiced from the Funding Agency based on service agreement

****) In 2024 only Funding Agency made funding decisions.

*****) The amounts of funding granted include membership fees. Of the funding granted in 2024, membership fees amounted to EUR 25,8 million.



In 2018, a subsidiary of Business Finland Oy filed a civil suit against a former employee of a subsidiary in the United States based on suspected financial abuse by the former employee from 2011 to 2017. The amount of ambiguous expenses in the accounts for 2011–2017 is significant, approximately USD 4.8 million in total. As the case has proceeded, the suspicions regarding the abuse have been reinforced. During 2020, the process resulted in positive interim decisions and interlocutory judgments. The case in the local court in the United States was suspended in spring 2023 after the defendant filed for bankruptcy, after which the case was transferred to the local bankruptcy court. In September 2023, the National Bureau of Investigation of Finland announced that it had started a preliminary investigation into a case related to the operations of Finpro's former subsidiary with the aim of determining whether there is reason to suspect a crime in the case and whether the Finnish authorities are competent to deal with the matter. In January 2024, the National Bureau of Investigation announced that it had started a pretrial investigation based on the findings of the preliminary investigation. The case in all the above-mentioned processes is still pending at the end of 2024.

Business Finland Oy's subsidiary operating in China, which offers paid internationalization services to Finnish customers, started criminal proceedings against a former employee in the summer of 2024. The former employee

is suspected of committing financial misconduct in 2017–2018. The suspicion came to the attention of the subsidiary and parent company in the spring of 2024. The amount of the misuse is suspected to be about one million euros. The Chinese authorities are still processing the matter at the end of 2024.

7.4.1 BUSINESS FINLAND OY'S TAX FOOTPRINT

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

Business Finland Oy has not had operations subject to income tax in Finland since 2019. In 2019, activities gov-

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

Business Finland Oy has three subsidiaries: Business Finland USA Inc., FinChi Innovation Center Company Ltd, and Finpro Finland Oy. Finpro Finland Oy does not have any active operations. Business Finland USA Inc is part of Business Finland Oy's operational activities, and all its expenses are invoiced from the parent company. Business Finland USA Inc does not have any taxable income. FinChi Innovation Center Company Ltd in China leases premises and sells different supporting services to Finnish companies looking for a place for establishment in China. FinChi Innovation Center Company Ltd pays income tax locally in China. In 2024, the income tax amounted to EUR 8 000.

The taxes paid by Business Finland Oy mostly consist of value added tax and employer contributions. Business Finland Group does not practice any transfer pricing or tax

planning related to the transfer of income. Taxes are paid locally where the operations are carried out. Tax matters and taxation decisions are managed at the Group level. If necessary, tax experts are used, and the Tax Administration may be consulted to clarify taxation practices.

The tax footprint is reported in Business Finland Oy's annual report and the social responsibility report of the Business Finland organization. The information in the tax footprint report is based on figures collected from the Group's accounting systems. Taxes and fees are classified

by tax type. In terms of the geographical breakdown, the tax footprint reporting complies with the materiality principle. In 2024, no single country met the 10% share of the Group's operating income, which is considered the materiality limit. Hence, the geographical breakdown in 2024 is Finland and other countries. In the tax footprint report, the number of employees by Finland / other countries corresponds to the country to which employer contributions and withholding tax are paid.

BUSINESS FINLAND OY - TAX FOOTPRINT	FINANCIAL YEAR 2024			FINANCIAL YEAR 2023		
	Finland	Other Countries	Total	Finland	Other Countries	Total
Taxes paid in the financial year, €						
Corporate Income Tax	-	7 973	7 973	-	3 054	3 054
Other Taxes	10 659	58	10 717	8 113	415	8 528
Social Security payments	942 020	1 464 523	2 406 544	1 473 866	1 554 477	3 028 344
Accrued taxes						
Corporate Income Tax	-	14 041	14 041	-	9 416	9 416
Indirect and other collected taxes, €						
VAT, sales	22 512 491	-	22 512 491	24 378 876	-	24 378 876
VAT, purchases	7 078 175	14 324	7 092 499	8 347 848	15 014	8 362 861
Withholding	7 382 412	1 149 466	8 531 878	8 003 460	989 242	8 992 701
Other taxes	-	-	-	-	-	-
Number of employees (FTE) 31.12.	320	104	424	338	103	441



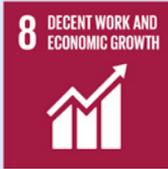
8 PRINCIPLES APPLIED IN PREPARING THE REPORT



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

The table enclosed describes the core areas of Business Finland’s strategy, the UN Sustainable Development Goals in line with them, and the role and activities of Business Finland in promoting the goal. However, actions taken to promote a particular objective often contribute to other objectives as well. Core areas presented below also form the material topics of social responsibility.

TABLE 10: THE CORE AREAS OF THE BUSINESS FINLAND STRATEGY AND THE UN SUSTAINABLE DEVELOPMENT GOALS¹⁶

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

¹⁶ SDG images: <https://www.globalgoals.org/resources/#icons-for-the-goals>

9 GRI CONTENT INDEX

Statement of use	Business Finland has reported the information cited in this GRI content index for the period 1 January – 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	-

NUMBER OF THE STANDARD	NAME OF THE STANDARD	LOCATION IN THE REPORT	COMMENTS
GRI 2 General disclosures 2021			
Organization and reporting principles			
2-1	Organizational details	Chapter 2.1	Location of headquarters: Porkkalankatu 1, Helsinki
2-2	Entities included in the organization's sustainability reporting	Chapter 2.1 and 7.4.1	Innovation Funding Agency Business Finland and Business Finland Oy Group
2-3	Reporting period, frequency, and contact point	Chapter 2.1	Reporting period: 1 January – 31 December 2024 Contact point: Sari Turja: sari.turja@businessfinland.fi
2-4	Restatements of information	Chapter 2.1, (Financial statements of the Funding Agency and the Company, available in Finnish only)	
2-5	External assurance	Chapter 2.1	No external assurance

Activities and workers			
2-6	Activities, value chain and other business relationships	Chapters 2.1, 2.6 and 7.3	
2-7	Personnel	Chapter 7.1	
2-8	Workers who are not employees	Chapter 7.1	
Governance			
2-9	Governance structure and composition	Chapters 2.1 and 7.1 Description of Business Finland's corporate governance model (in Finnish)	Partly reported Business Finland Oy publishes annually a report of Corporate Governance system on Business Finland's website under "Performance management" (in Finnish).
2-10	Nomination and selection of the highest governance body	Chapter 2.1 Description of Business Finland's corporate governance model (in Finnish)	Partly reported
2-11	Chair of the highest governance body	Chapter 2.1	
2-12	Role of the highest governance body in overseeing the management of impacts	Chapters 2.1, 2.2 and 2.4 Description of Business Finland's corporate governance model (in Finnish)	Partly reported
2-13	Delegation of responsibility for managing impacts	Chapter 2.1 and 2.2 Description of Business Finland's corporate governance model (in Finnish)	
2-14	Role of the highest governance body in sustainability reporting	Chapters 2.1 ja 8	Partly reported
2-15	Conflicts of interest	Chapter 2.1	Partly reported

2-16	Communication of critical concerns	Chapter 2.1	Partly reported
2-17	Collective knowledge of the highest governance body	Chapter 2.1	
2-18	Evaluation of the performance of the highest governance body	Chapter 2.1	
2-19	Remuneration policies	Chapter 2.1 Description of Business Finland's corporate governance model (in Finnish)	Partly reported Business Finland Oy publishes annually a report of Corporate Governance system on Business Finland's website under "Performance management" (in Finnish).
2-20	Process to determine remuneration	Chapters 2.1 and 7.1 Description of Business Finland's corporate governance model (in Finnish)	Business Finland Oy publishes annually a report of Corporate Governance system on Business Finland's website under "Performance management" (in Finnish).

Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Chapter 1	Review by the Director General
2-23	Policy commitments	Chapters 2.1, 2.4 and 7.1 Business Finland Code-of-Conduct (in Finnish) Key regulations governing Business Finland's operations (in Finnish) Description of Business Finland's corporate governance model (in Finnish) BF Sustainability Policy (businessfinland.fi)	Partly reported
2-24	Embedding policy commitments	Chapters 2.1, 2.4, 6.1 and 7.1 BF Sustainability Policy (businessfinland.fi)	Partly reported
2-25	Processes to remediate negative impacts	Chapters 2.4 and 7.1 Whistleblower -channel	Partly reported
2-26	Mechanisms for seeking advice and raising concerns	Chapters 2.4 and 7.1 Whistleblower -channel	
2-27	Compliance with laws and regulations	Chapters 2.4 and 7.4	
2-28	Membership associations	Chapter 2.1	

Stakeholder engagement			
2-29	Approach to stakeholder engagement	Chapters 2.4, 2.6 and 4-6	Partly reported
2-30	Collective bargaining agreements	Chapter 7.1	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Chapters 2.2-2.3 and chapter 8	Partly reported
3-2	List of material topics	Chapter 8	No changes compared to previous year
3-3	Management of material topics	Chapters 2.1 – 2.6 and 4-8 BF Sustainability Policy (businessfinland.fi)	Partly reported
Economics			
GRI 201 Economic Performance 2016			
201-1	Direct economic value generated and distributed	Chapter 7.4, Financial statements of the Funding Agency (in Finnish) Financial statements of the Company (in Finnish)	Partly reported Business Finland's social responsibility report as well as the financial statements of the Funding Agency and the Company are published on Business Finland's www-pages under "Performance management".

GRI 203 Indirect Economic Impacts 2016			
203-2	Significant indirect economic impacts	Chapters 2.3, 2.5, 4–6, Financial statements of the Funding Agency chapters 3, 5 and 9 (in Finnish)	A summary of the results and impacts of Business Finland's operations "Results and impacts" and an impact report entitled "Competitiveness and sustainable growth from innovations – Business Finland's results and impacts", are annually published on Business Finland's website.
Social			
GRI 403: Occupational Health and Safety 2018			
403-2	Hazard identification, risk assessment, and incident investigation	Chapter 7.1	Partly reported
403-3	Occupational health services	Chapter 7.1	
403-6	Promotion of worker health	Chapter 7.1	
GRI 404: Training and Education 2016			
404-2	Programs for upgrading employee skills and transition assistance programs	Chapter 7.1	
404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 7.1	Partly reported
GRI 405: Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	Chapter 7.1	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 2.4	

BUSINESS FINLAND

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

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