



IMPACT REVIEW

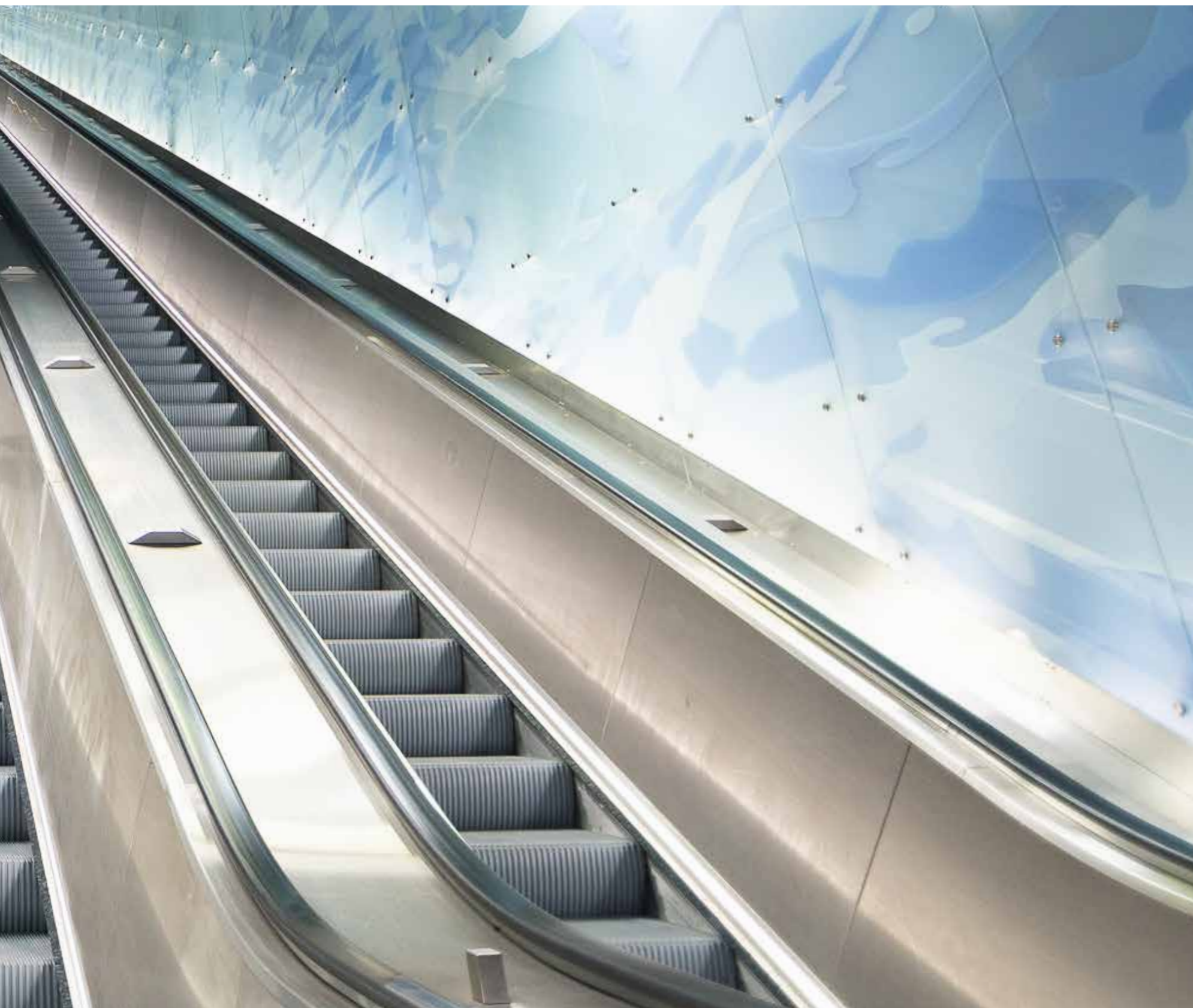
Autumn 2022



Tesi

Together creating Finland's new global success stories.

- We are raising Finland to the front ranks of transformative economic growth by financing growth companies.
- We invest in venture capital and private equity funds and also directly in companies as a minority owner.
- We invest profitably and responsibly, aiming for a positive societal impact.
- We develop Finland's venture capital and private equity market.
- We offer information and experience to companies, investors and policymakers.
- We are a 100% state-owned venture capital and private equity investment company.



Tesi's Impact Review

Tesi's (Finnish Industry Investment Ltd) Impact Review complements the Corporate Responsibility section, published as a part of the annual report, by illustrating the positive, indirect impacts of our operations on the Finnish society.

The Impact Review is published in early autumn due to the nature of our operations and some of the information needed only being available after annual reports. A major part of Tesi's role is to produce insightful data. We have become more capable in doing so, and we can now provide a more comprehensive outlook on our indirect impact.

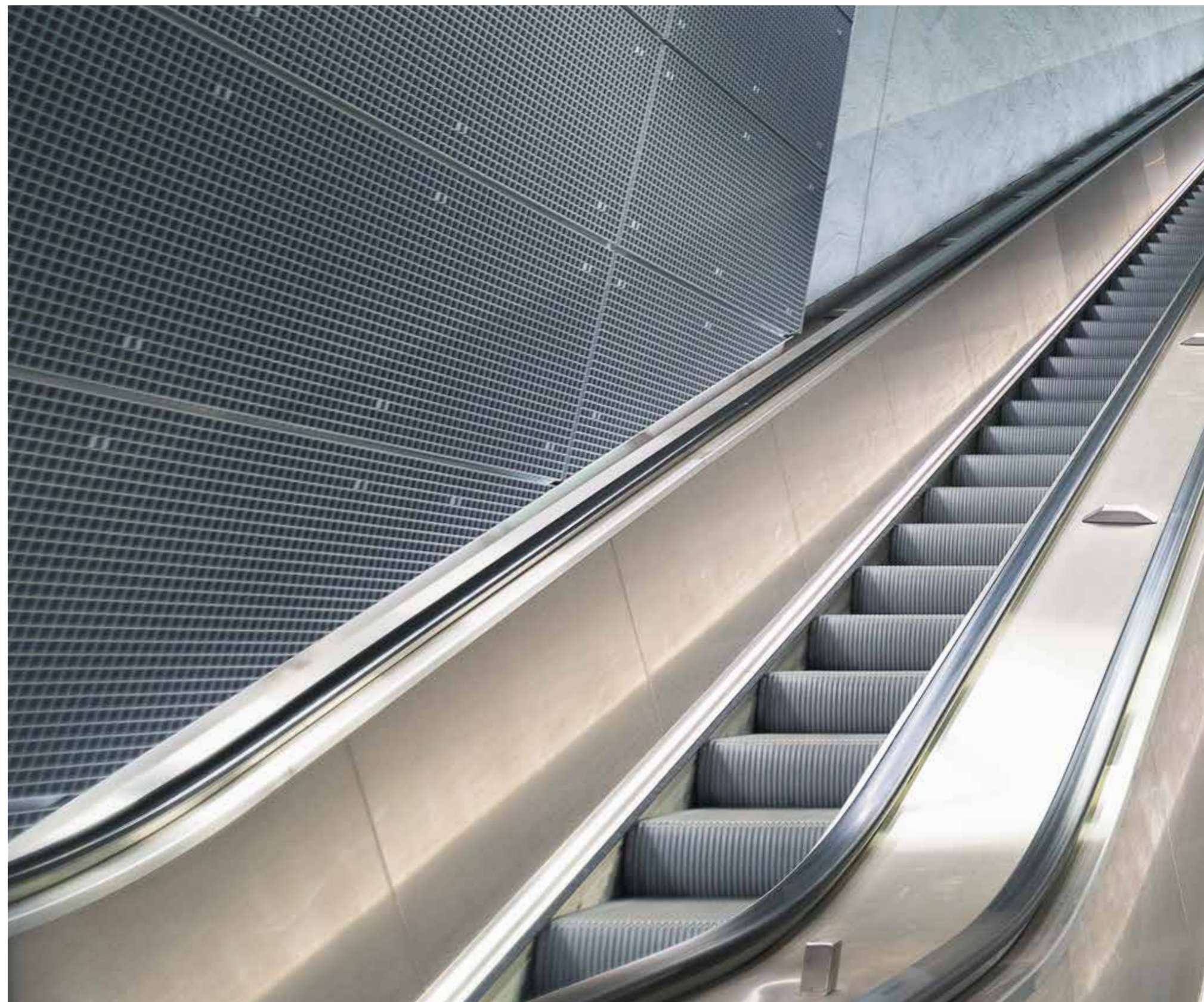
In this review, figures include not only those from the financial statement 2021 but also from the impact questionnaire, conducted in spring 2022, and from our data model.

[Click here for the Finnish version](#)

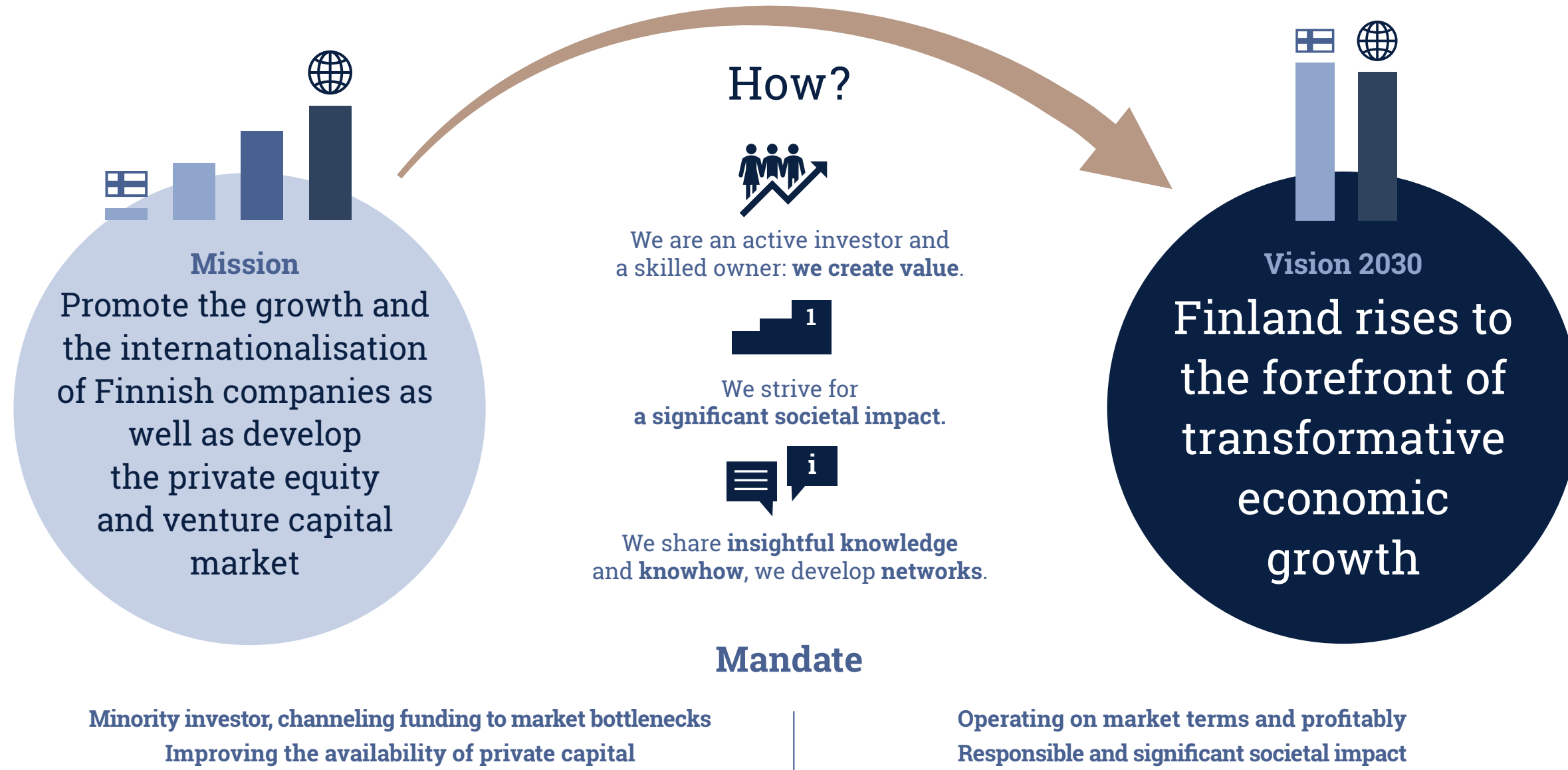


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1 Tesi's strategy



2 Tesi's ESG framework and material topics of corporate responsibility

OUR CORPORATE responsibility framework, which we updated in 2021, is used to manage and measure our corporate responsibility with clear targets in mind.

The framework includes both responsibility for our own activities (footprint) and the indirect social impact of our activities (handprint),

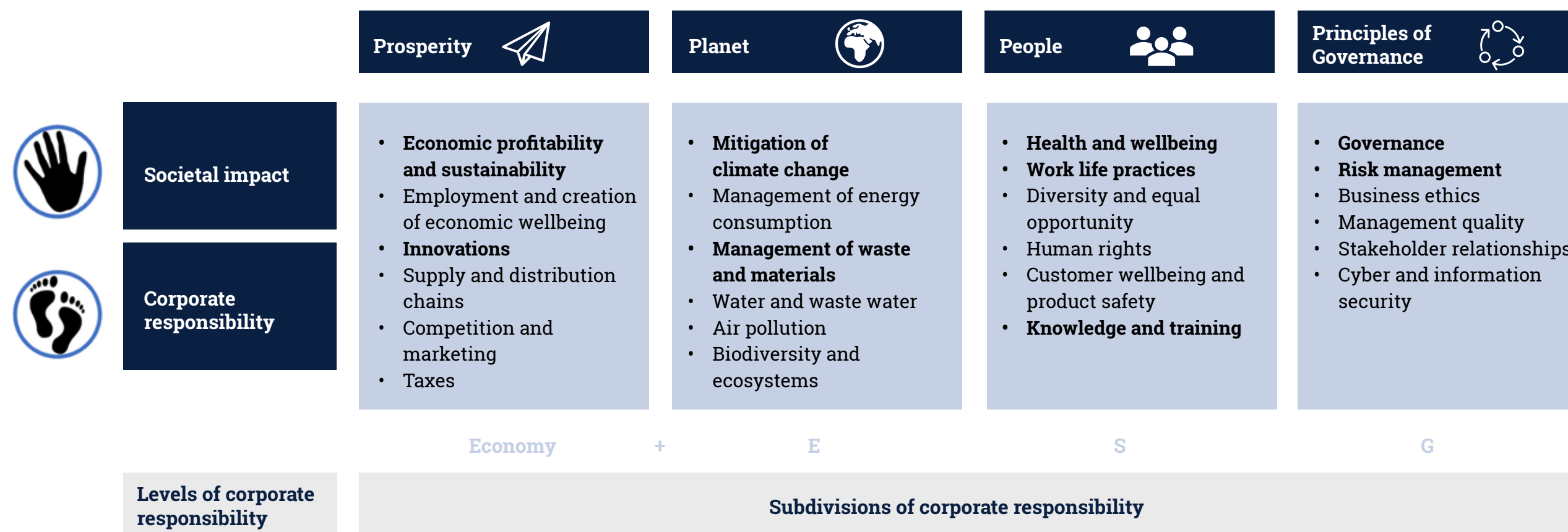
on which this Impact Review mainly focuses. The framework addresses four aspects of corporate responsibility, around which we systematically create value: prosperity, environment (E), social (S) and governance (G). Several standards and recommendations are used as source material for the framework, including

GRI, SASB, WEF (SCM) and the EU's Sustainable Finance Action Plan.

Based on the feedback from our stakeholders, we have identified **material topics** that are central to our operations. Of these topics, in spring 2022, we further selected three points for special focus, to speed up positive change

and generate societal impact – mitigation of climate change, work life practices and corporate governance.

Read more about the corporate responsibility situation in our portfolio companies in chapter [5.4](#).



3 Positive impact with active, skilled ownership

Exceptional events – the prolonged corona pandemic and Russia's war of aggression – have caused massive human suffering and heightened concerns about the global economy, energy sufficiency and the rate of inflation. These acute crises can, however, speed up technological development, innovative thinking and the green transition. There is, therefore, growing demand for active skilled ownership that makes a positive societal impact.

IN EARLY 2022, we also saw a worldwide decline in valuations, especially of technology companies, and a partial slowdown in the financing rounds of growth companies. Nevertheless, there are still promising growth companies and fund capital looking for investment targets in the market.

Research shows that businesses backed by venture capital and private equity grow, invest and employ more, and also conduct considerably more R&D. This is evident in the almost 450 Finnish companies in which Tesi is involved as a minority owner. We believe that growth companies play a vital role in diversifying Finland's economic and industrial structures and in sol-

ving present and future global challenges. We want to help enable the sustainable growth and internationalisation of these companies. In a properly functioning venture capital and private equity market, growth financing and growth companies will meet each other.

We seek to maximise our positive societal impact through our operations. In addition to economic sustainability, a condition for our investment is that it meets our ESG criteria, that the investee company or fund wants to develop its corporate responsibility, and that we will be able to influence the development of its operations together with our partners. In spring 2022, we selected mitigation of climate

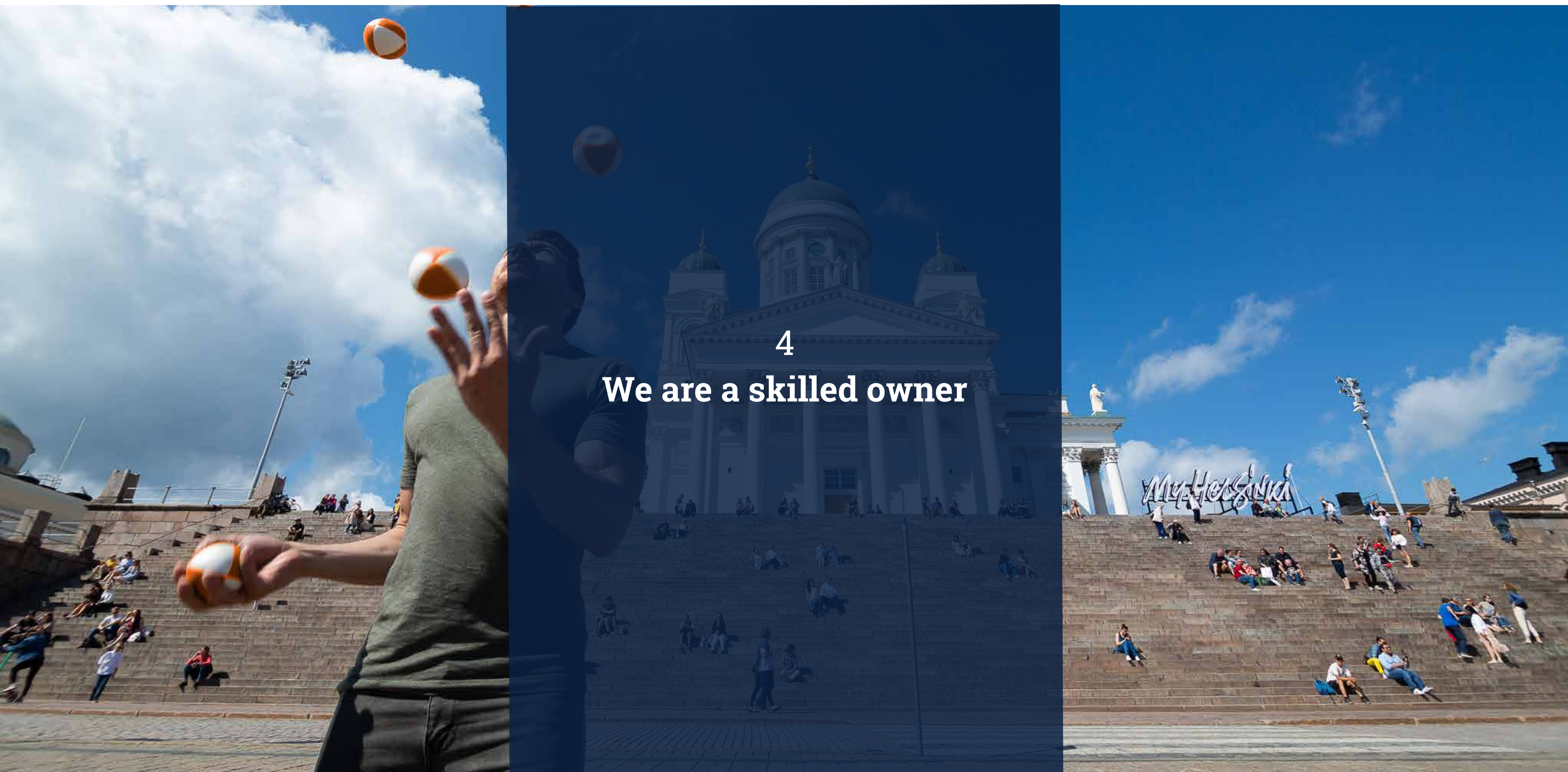


change, employment practices and good governance as the areas in which we particularly want to speed up positive change.

Venture capital and private equity investment is, by nature, active and professional ownership. Tesi supplements the market and always operates hand-in-hand with private

co-investors. I would like to thank all Tesi personnel and all the growth companies, funds, market players, policymakers and other partners with whom we have closely collaborated.

Jan Sasse



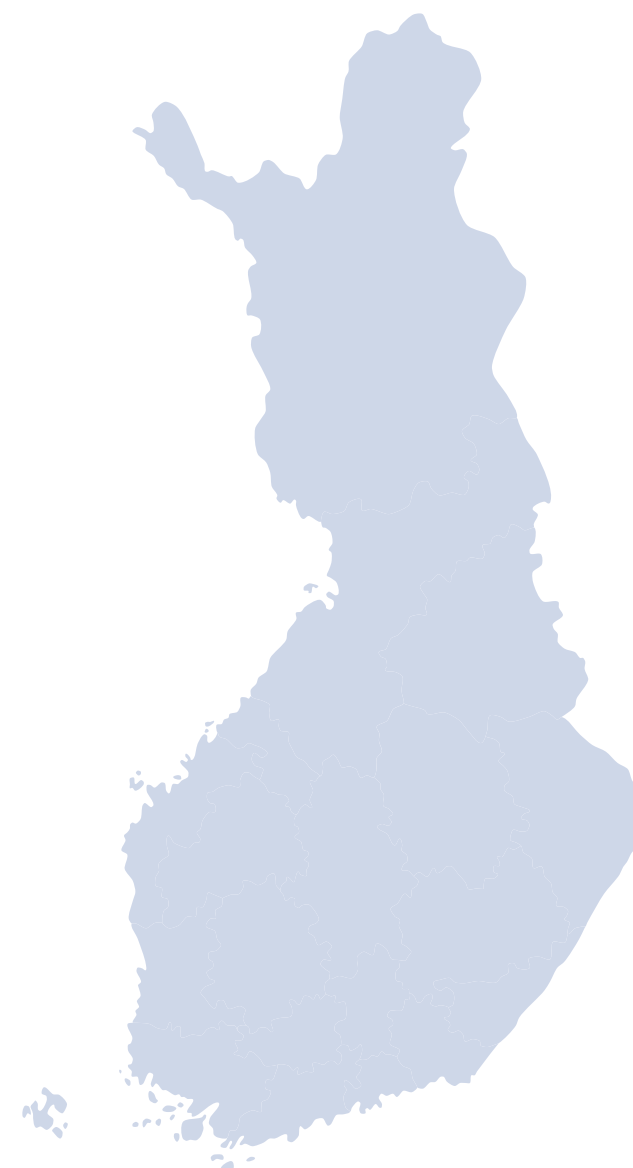
4

We are a skilled owner

4.1 Societal impact through ownership

TESI promotes the growth and internationalisation of Finnish companies as a skilled, active owner. As of May 2022, we were direct or indirect minority owners in almost 450 Finnish companies. These companies amassed annual revenue of EUR 11 billion and they employed more than 70,000 people. In 2021, the taxes they paid in Finland totalled around EUR 1.3 billion.

” Tesi promotes the growth and internationalisation of Finnish companies as a skilled, active owner.



Net sales of EUR 11 billion































Over 70,000 jobs

Tax receipts* in total EUR 1.3 billion

* Including value-added tax, direct taxes and corporation taxes

4.2 Themes for impact investing

WE HAVE selected five impact themes, which we use in our investment operations to promote the achievement of the sustainable development goals (SDGs) under the UN's Agenda 2030. We apply these themes to supporting and encouraging companies to solve today's challenges as well as the challenges of the future: *Sustainable Production and Efficient Use of Resources; Sustainable Consumption and Cities; Renewable Energy and Energy Efficiency; Good Health and Wellbeing; and Learning & Equal Opportunity.*

	<p>Economic growth and equality in working life</p>    			
				
<p>Sustainable production and resource efficiency</p>      	<p>Sustainable consumption and cities</p>     	<p>Renewable energy and energy efficiency</p>  	<p>Good health and wellbeing</p>    	<p>Learning and equal opportunity</p>   



4.2.1 Sustainable production and efficient use of resources

Case Finnforel: Ecologically farmed fish a new export industry?

FINNFOREL is a Finnish family business that specialises in applying genetics to fish farming and deploys water recirculation technology to reduce its environmental impact.

“At Tesi, we want to invest in technologies and companies that solve issues such as harmful emissions of greenhouse gases and nutrients. When fish are farmed with water recirculation technology, the production of one type of animal protein becomes more ecological, with a smaller carbon footprint. Finland is one of the frontrunners in water recirculation technology, and Finnforel is a prime example of sector-specific, deep knowhow. We are happy to invest in what could be the next significant export

industry in Finland,” explains **Miikka Salmi-nen**, Investment Manager at Tesi.

Tesi made its initial investment in the company in 2021. The investment was financed through a share issue, Tesi’s Circular Economy programme, and the EFSI co-investment mechanism created with the European Investment Bank. [Read more about our investment in Finnforel.](#)



Case Onego Bio: Animal-free egg white

ONEGO BIO is a Finnish biotech company that develops, markets and sells animal-free egg white protein. A spin-off from the Technical Research Centre of Finland (VTT), the company aims to replace egg white – one of the most widely-used animal proteins in the world – with its cellular agriculture product.

Bioalbumen can be produced on an industrial scale, and more sustainably than animal-derived products. Consequently, the global environmental problems caused by overcon-

sumption of animal proteins, such as greenhouse gas emissions, a lack of clean water, eutrophication, and the depletion of natural resources, can be mitigated. Tesi owns Onego Bio through its investment in Maki.vc’s fund. [See more about the company.](#)





4.2.2 Sustainable consumption and cities

Case Puurakentajat: A pioneer in more responsible solid wood construction

PUURAKENTAJAT GROUP, a Finnish company specialising in solid wood construction, is a splendid example of a business addressing global sustainability challenges. Since most of the world's carbon dioxide emissions are produced by construction activities, using wood that binds carbon is of increasing importance. Wood construction is experiencing strong growth, not only in Finland but also worldwide.

"Tesi has identified wood construction as a growth area with opportunities for high positive impacts. Using solutions based on solid wood improves sustainability of the construction value chain and increases the added value of wood in Finland. We want to support the growth of the entire wood construction eco-

system by increasing Finnish industrial investments. Puurakentajat is a pioneer in solid wood construction in Finland and now has new owners to support its long-term growth ambitions," says **Esa Koponen**, Investment Manager at Tesi.

Tesi made its initial investment in the company in 2021. [Read more about our investment in Puurakentajat.](#)



PUURAKENTAJAT.FI

Case Fiksuruoka: More sustainable consumption by tackling waste

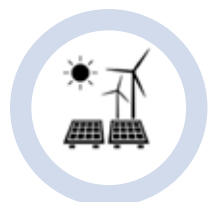
FIKSURUOKA, a Finnish startup now operating internationally, reduces food waste by the online selling of food and other consumer products that would otherwise end up in landfills when discarded by suppliers, importers, and wholesalers.

Fiksuruoka's societal impact is a reduction of food wastage, which is a considerable problem both in Finland and elsewhere in the world. Globally some 30%, and in Finland around 10-15%, of the food produced ends up as waste*, creating unnecessary environmental impacts

and emissions. The company has succeeded in reducing food wastage by over seven million kilogrammes. Tesi owns Fiksuruoka through its investment in Verdane's fund. [See more about the company \(Finnish only\).](#)



* Source: Natural Resources Institute Finland's (LUKE) article on [Food wastage in Finland \(Finnish only\)](#).



4.2.3 Renewable energy and energy efficiency

Case Solnet: Smart solar energy

SOLNET GREEN ENERGY develops and supplies smart solar energy installations and support services for business and industrial use. Solnet has enjoyed rapid growth in recent years by helping large and mid-cap European companies reach their sustainable development goals and boost their energy self-sufficiency.

“Our investment in Solnet promotes both Tesi’s ‘Renewable energy and energy efficiency’ impact theme as well as sustainable development goals. It also supports the pursuit for carbon neutrality and energy self-sufficiency in

Finland and Europe. We want to be on board in further accelerating Solnet’s strong growth and internationalisation in the European key markets,” says **Heli Kerminen**, Investment Director at Tesi.

Tesi made its initial investment in the company in 2022. [Read more about our investment in Solnet.](#)



Case Ductor: More sustainability and responsibility in agriculture

DUCTOR is a Helsinki-based biotech company operating internationally that produces solutions for biogas production. The company has also created the technology for manufacturing nitrogen and phosphate fertilizers as a side product. Both of these products are important for food production and are highly suitable for organic production and soil improvement.

Ductor bases its business on the circular economy by recycling manure, offal and other

agricultural waste flows. The company operates mainly in Europe, Asia and Central America. Tesi owns Ductor through its investment in Lifeline Ventures’ fund. [See more about the company.](#)





4.2.4 Good health and wellbeing

Case Injeq: A smartly guided needle

INJEQ, a Tampere-based tech startup, is developing intelligent medical technology that makes lumbar punctures and medical injections easier and safer. Lumbar punctures are critical in treating childhood leukaemia, and Injeq's needle knows the position of its tip, taking the safety and success of lumbar punctures to a new level. In December 2021, the company received CE Mark certification for its needle technology as the fruit of its demanding work, opening the door to a European-wide market.

"Injeq is one of the older companies in

EAKR-Aloitusrahasto's portfolio that was transferred from Finnvera to Tesi in autumn 2021. It's inspiring to see the company's strong expertise receive recognition, paving the way to pan-European sales and the next step of growth – now supported by Tesi's ownership expertise," explains **Kalle Åström**, Tesi's Portfolio Manager. [Read more about Injeq's story.](#)



Case Auntie: For when the going gets tough

AUNTIE SOLUTIONS is a Finnish startup offering organisations and their employees wellbeing services. Problems with the mental wellbeing of employees have grown explosively in recent years and are now the most common cause of absenteeism in Europe.

Auntie combines personal psychological support with digital solutions. The company's digital tools enable impact monitoring and the measurement of results. The company already

operates in over 300 organisations in Europe and the service is available in 20 different languages. Tesi owns Auntie through its investment in Verdane's fund. [See more about the company.](#)





4.2.5 Learning and equal opportunity

Case Varjo: A new look at learning

VARJO TECHNOLOGIES provides highest-immersion virtual reality (VR) and cross reality (CR) products and services for advanced VR users. Varjo is the world's first, and so far only, company producing human-eye resolution virtual reality (VR) and mixed reality (MR) devices. The devices are used by companies in specialised training, simulations, design, engineering and research.

Volvo Cars, Boeing, Audi, KIA, Lockheed Martin and Siemens, for instance, all utilise Varjo's products for various purposes. Tesi made its initial investment in the company in 2020. [Read more about our investment in Varjo.](#)



Case Hoxhunt: Personnel are the primary firewall

HOXHUNT is a Finnish startup providing a gamed platform for training an organisation's personnel to identify and neutralise cybersecurity threats.

Enterprise security is a fast-growing business area, with even more growth expected as both business operations and criminal activity move online. Hoxhunt's customers include large organisations such as Microsoft, Deloitte and Finnish telecoms provider Elisa. The company's

cybersecurity platform is also used in media editorial offices and public organisations in Finland. Tesi owns Hoxhunt through its investment in Icebreaker.vc's fund. [See more about the company.](#)





5

**We develop Finland's venture
capital and private
equity market**

5.1 Our role in society

OUR MISSION at Tesi is to promote the growth and internationalisation of Finnish companies and to develop Finland's venture capital and private equity (VC & PE) market and networks. We increase the availability of private capital with direct investments and fund investments by offering together with other market players financing that supplements the market. In other words, we lever private capital, primarily with fund investments but also by investing directly in Finnish growth companies. By applying the insightful data we produce, we target investments at market bottlenecks as and when we identify them.

We operate on equal terms with private investors, mainly as a minority investor and owner. We operate on market terms, responsibly and making a positive impact: our business is profitable and we seek returns on our investments, while in our role as owner we guide companies towards sustainable development goals. VC & PE investors have therefore an important societal role.

Growth and employment are boosted when exports diversify and companies develop. According to a study* by the Finnish Venture Capital Association, companies backed by venture

capital or private equity grow, invest and employ appreciably more than average, and also invest in R&D.

Thus, we create value as an active professional owner, and our operations have a positive societal impact that is both pronounced and responsible. This implements **our vision** of raising Finland to the forefront of transformative economic growth.

OUR VALUES AND MAIN STAKEHOLDERS

Our values are **Solutions, Boldly, Together:** We are open-minded in seeking solutions and we enable opportunities, we influence and develop actively and boldly, and we create results together.

Also, our networks in the society are comprehensive. Our main stakeholders, in addition to our personnel, administration and owners, are Finnish growth companies, other VC & PE players, the media, policymakers and societal influencers. With all of these, we cooperate actively and diversely, stemming from not only from our role as a state-owned VC & PE company but also from our values. Read more about our stakeholders in the [Business Review 2021, page 13](#).

Financing for Finnish growth companies from Tesi's networks 2021



* Finnish Venture Capital Association's impact survey: [Venture capital and private equity investors' impact on corporate growth in 2010-2020](#)

5.2 Our fund investment operations

WITH FUND INVESTMENTS, we develop Finland's venture capital and private equity market over the long term. At Tesi, we have invested altogether EUR 340 million in Finnish funds over the last five years. These have acted as a catalyst to attract a further EUR 2,270 million of Finnish capital into local funds. At the end of 2021, some 71% of our assets under management (EUR 2.4 billion) was invested in funds.

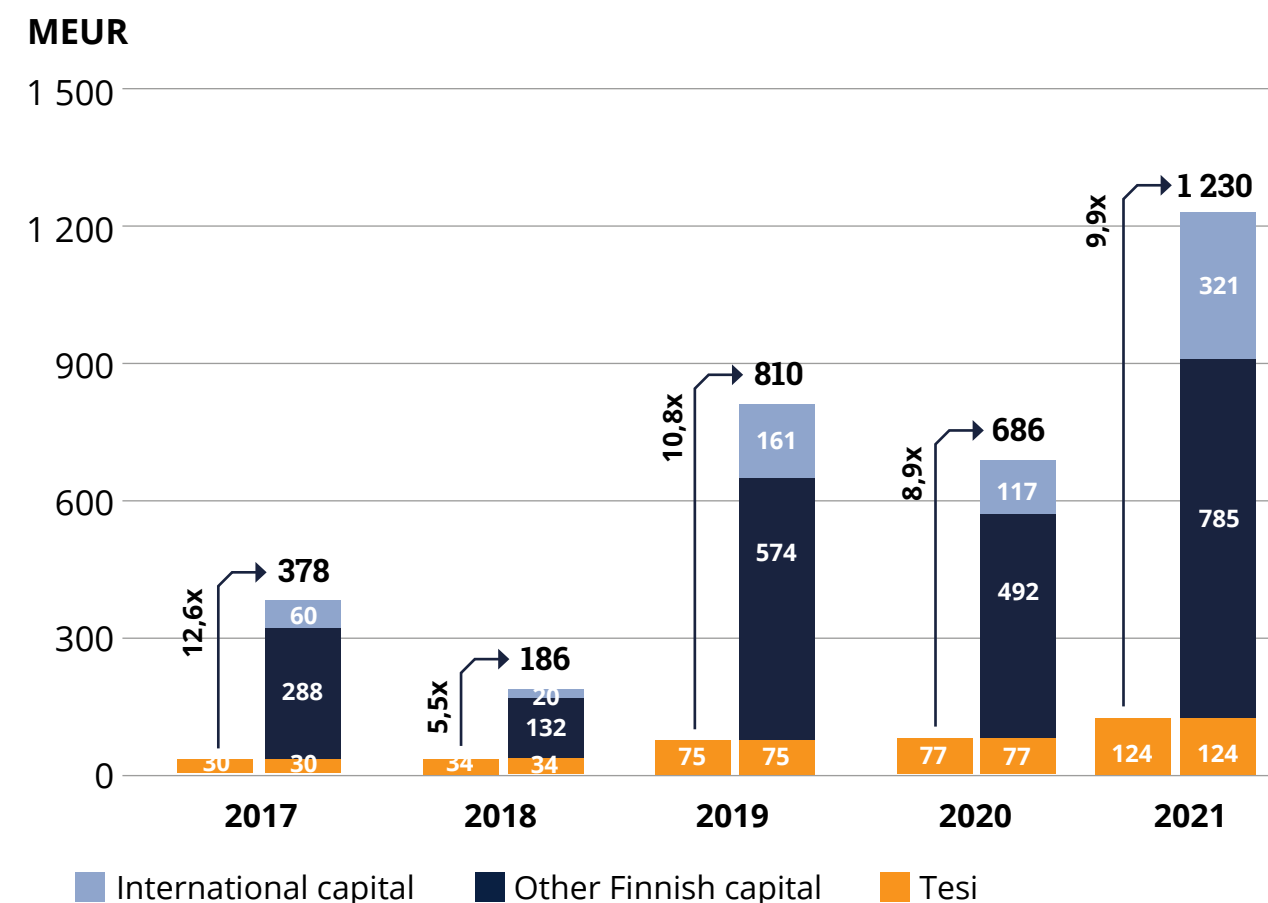
We eliminate bottlenecks that we identify in funds market by channelling also international capital and expertise into them. Over the last five years, Finnish funds have received EUR 679 million of international capital, of which EUR 321 million was invested in 2021. Meanwhile, those international funds, in which Tesi is involved, have invested a total of EUR 250 million in Finnish companies over the last five years. Of this, EUR 76 million was invested in 2021.

In 2021, we made investment commitments to 18 VC & PE funds and acquired one fund unit, amounting altogether to EUR 136 million

(EUR 82 million in 2020). Of the commitments in 2021, two – Virta Growth Partners and Nordia Management – were in first-time funds, with Tesi in this way assisting new market entrants. Tesi develops the market by supporting founders in establishing VC & PE funds: we provide sparring with market practices and in fundraising while also acting as an anchor investor in their funds. During the 2017–2021 period, Tesi invested in 11 first-time funds.

According to Tesi's Survey of Investment Returns* the new generation of venture capital funds (vintages 2009–2015) generated a record 20% in annual returns** (8% in 2018). New funds performed outstandingly well compared to their European peers. Returns in the buyout market have also stabilised at a satisfactory level, and investment value is being realised at a steady rate. For old funds, the return on investment has been 8% (7%) and for new funds 15% (14%). [See more results of the survey.](#)

Breakdown of capital in Finnish funds



The graph illustrates the lever effect exerted by Tesi's fund commitments and also the distribution of Finnish and international capital over the last five years. For instance, our lever effect in 2021 was around tenfold.

* Tesi's Survey of Investment Returns was also conducted in spring 2022. Check out its results [here](#).

** The percentages are IRR figures, i.e. they do not represent annual returns.

KRR FUNDS-OF-FUNDS HAVE A STRONG IMPACT ON NATIONAL GDP

In addition to our own fund investment operations, Tesi manages the KRR funds-of-funds (KRR I–KRR IV). Established by Tesi and Finnish institutional investors, the KRR funds are funds-

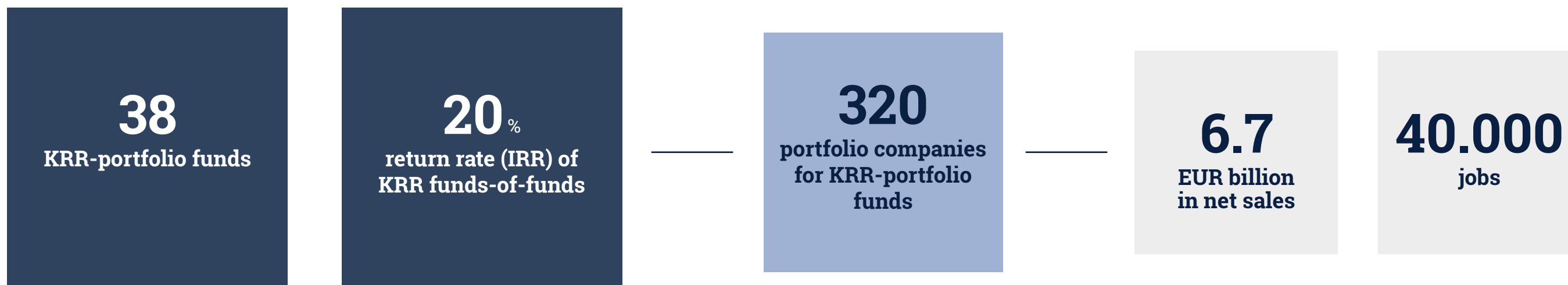
of-funds that invest in Finnish VC, growth and buyout funds. During 2017–2021, we invested EUR 125 million in the KRR funds-of-funds.

Over its 13 years of existence, the KRR concept has had a considerable positive impact on Finland’s national economy. During 2009–

2021, the KRR funds-of-funds committed capital to altogether 38 funds. These funds, in turn, have been accelerating the growth and international expansion of over 300 Finnish companies. Furthermore, the systematic work carried out by Tesi, directly and via KRR, towards

increasing the sizes of funds is also visible in portfolio companies as growth in the amount of capital channelled in by Finnish VC & PE investors.

KRR I-IV



Read more details about our fund investments on [pages 5–6 of Tesi's Financial Review 2021](#).

* Finnish Venture Capital Association’s [“Venture Capital in Finland 2021”](#) and [“Buyout in Finland 2021”](#) statistics

EU financing

TESI also levers EU financing into Finnish growth companies.

In early 2022, cooperation with the EIB was extended to include the new European Guarantee Fund (EGF), channelling joint financing into capital-intensive technology sectors such as ICT, healthcare and deeptech. Each of these are key strategic areas for the development of the EU's economy, making the case for supporting their growth and innovation. [Read more about the programme](#) and [its first investment in IoT-house Haltian](#).

In the spring 2022, Tesi announced it joins forces with public venture capital and private equity investors from France, Germany, Greece and Denmark to enhance the capabilities of European growth funds to finance later-stage tech companies in Europe. The parties will invest EUR 3.3 billion within the next six years, enabling the emergence of new European unicorns. [Read more about the Scale Up Europe initiative](#).

During 2018, Tesi joined a direct co-investment programme with the European Invest-

ment Bank (EIB). The programme channels joint financing through the EU's European Fund for Strategic Investment (EFSI) as direct investments in Finnish growth companies. The most recent investments were in the circular economy company Swappie, the IoT company Wirepas, and the recirculating-water fish farm Finnforel. Altogether EUR 33.5 million had been invested in six companies under the programme by the end of 2021.

In fund investments, Tesi's cooperation with the European Investment Fund (EIF) has so far promoted the channelling of financing into 13 Finnish venture capital and private equity funds.

Tesi has also actively participated in the work of the EIF's Consultative Forum with the goal of developing cooperation between the EIF and international players. We are also a member of the European Venture Fund Investors Network (EVFIN), where we participate in the dialogue about EU financing and its impact in the European Community.



5.3 Our direct investments

WITH DIRECT INVESTMENTS we promote growth and the renewal of industrial structures as a minority owner. We make investments hand-in-hand and on equal terms with private investors, and only when our investment is needed. Our portfolio companies are rapid-growth Finnish technology companies, SMEs pursuing growth, M&As and buyouts, and industrial projects.

To fulfil our trade and industrial policy mission, however, we can accept a larger than usual risk or lower expected earnings than usual in individual investment decisions.

Over the last five years, Tesi has made direct investments in Finnish companies amounting to EUR 307 million. Other Finnish capital totals EUR 438 million. In 2021, we made direct investments amounting to EUR 71 million.

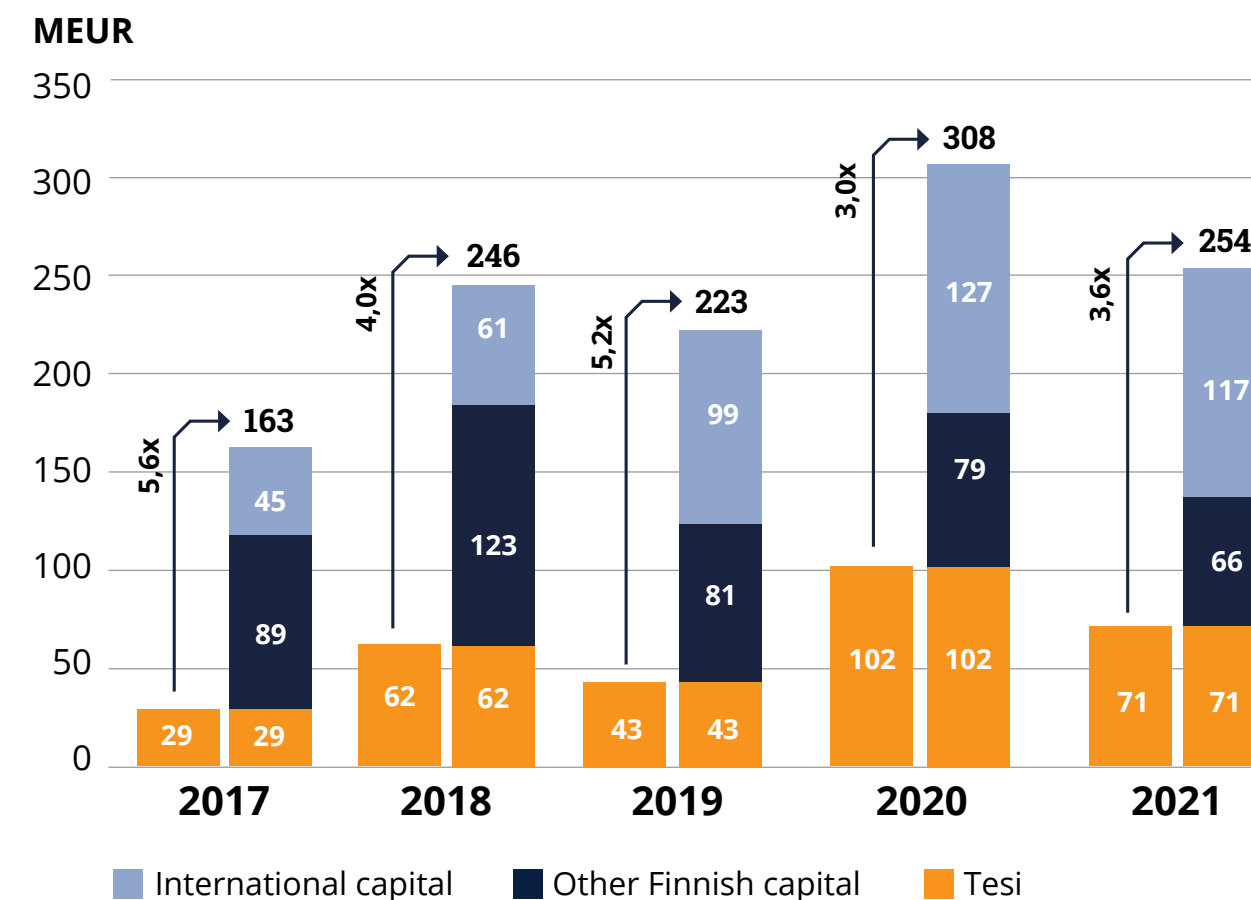
One of our objectives at Tesi is to internationalise Finland's venture capital and private equity market. Alongside the capital they invest, international investors also provide Finn-

ish growth companies with valuable expertise and useful networks for international business. In the financing rounds over the last five years in which Tesi took part, our international partners invested a total EUR 449 million in Finnish growth companies. In 2021, international investors accounted for EUR 117 million in direct investments.

In autumn 2021, we acquired Finnvera's remaining venture capital operations and its 23 portfolio companies. This transaction ensured continuation of the ownership, growth and internationalisation of the portfolio companies while also providing a more rational structure for the state's investment operations. investment operations. [Read more about the arrangement between Tesi and Finnvera.](#)

Both the Finnvera arrangement and the investments made from the temporary corona financing instruments have significantly increased Tesi's number of direct investments.

Breakdown of capital in Finnish direct investments



The graph illustrates the lever effect exerted by Tesi's direct investments and also the distribution of Finnish and international capital over the last five years. For instance, our lever effect in 2021 was around fourfold.

Special investment programmes: Stabilisation and Venture Bridge

OUR SOCIETAL IMPACT gained in importance at Tesi during the corona pandemic as we helped both companies and public authorities through financial instruments planned in cooperation with other investors. During 2020, we launched two such instruments – the Stabilisation Programme and Venture Bridge – as part of the Finnish state's pandemic financing package. [The programmes were closed to initial investments at the end of March 2022.](#) However, their operations continued also in 2021, although the investment pace slowed down.

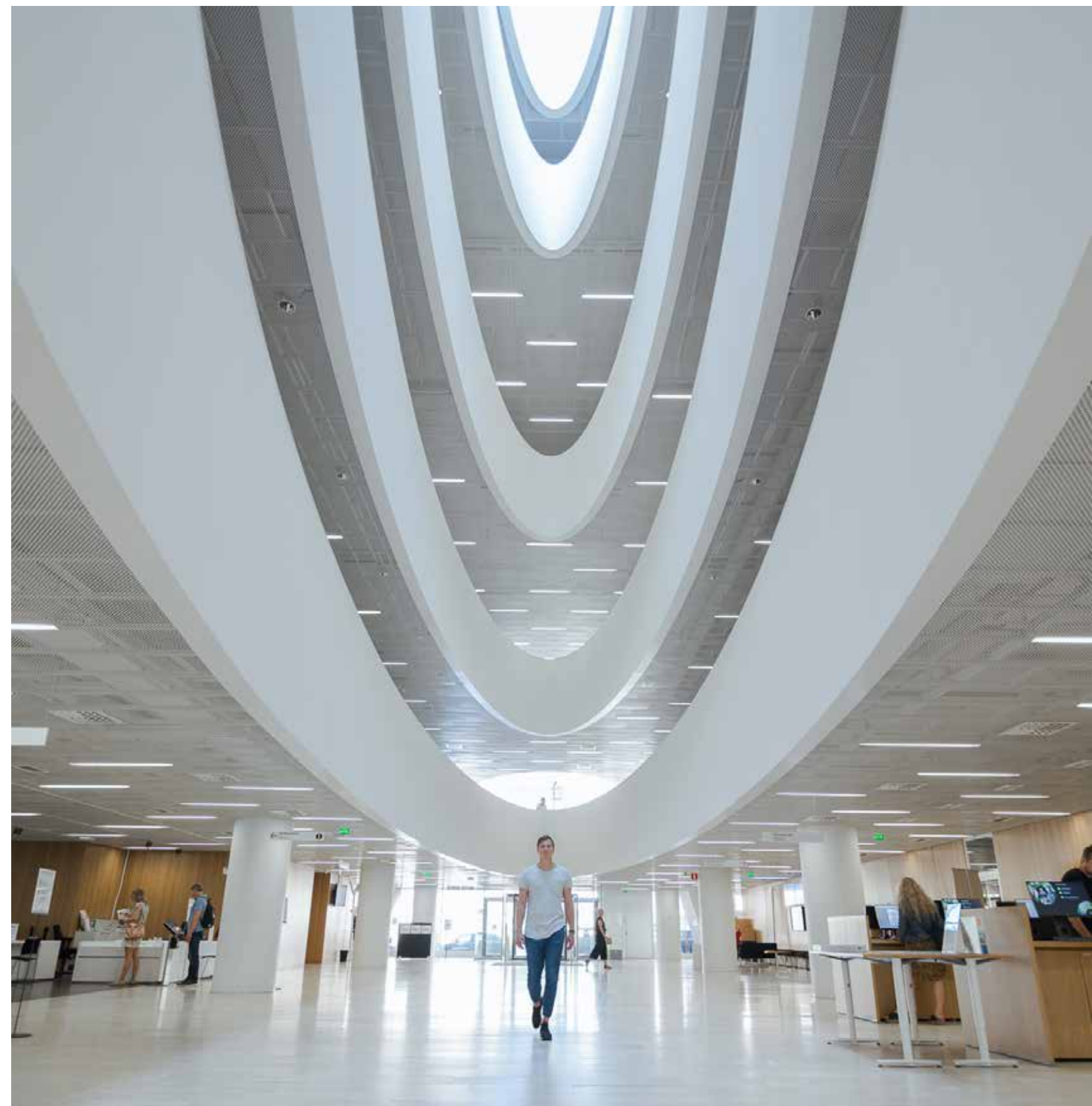
The Stabilisation Programme offered fast-track assistance to mid-sized companies facing an acute cash crisis caused by the coronavirus pandemic, either as an equity investment or as a convertible loan. At the end of 2021, a total of 14 investments amounting to EUR 62 million had been made from the Stabilisation Programme. In 2021, its portfolio companies generated aggregated net sales of EUR 675 million and export revenue of EUR 562 million. Companies in the programme employed a total of

5,500 people.

Investments were made from the Venture Bridge financing programme in early-stage, innovative growth companies seeking international expansion but hampered in their fundraising by a decrease in international investor's activity in Finland caused by the corona pandemic. Investments were made hand-in-hand and on equal terms with professional VC investors.

At the end of 2021, Tesi had invested altogether EUR 30 million in 33 Venture Bridge companies. The companies generated aggregated net sales of EUR 24 million and exports of EUR 16 million by the end of 2021. Exports account for most of the net sales as the companies were already operating in international markets. These companies employed 510 people at the end of 2021.

Two fund investments were also made through the special investment programmes mitigating the pandemic's impacts.



5.4 ESG status in our portfolio companies

WE ALSO chart the status of our Finnish portfolio companies (our direct minority holdings and portfolio companies we indirectly own through investments in Finnish funds), concerning the following aspects of corporate responsibility: planet (E), people (S), principles of governance (G) and prosperity.

Altogether 263 portfolio companies, representing 58% of our portfolio companies, replied to the questionnaire charting ESG status in 2021.

PLANET (E)

Two separate variables were addressed in measuring environmental responsibility: the monitoring of energy and/or waste; and the monitoring of emissions of greenhouse gas-es (GHGs).

The results indicate that Tesi's portfolio companies still need to improve their environmen-

tal meters. Over one-half (55%) of the companies have no energy and/or waste monitoring at all. An even larger proportion (65%) do not monitor their GHG emissions.

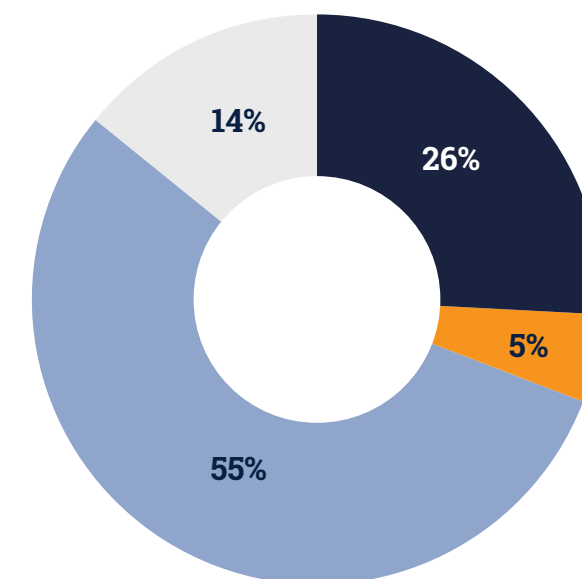
Most of the companies that monitor environmental meters are energy-intensive players by nature, such as industrial manufacturers, but companies focusing on consumer products also deploy environmental monitoring. Company size is not directly related to monitoring.

Most of the companies already conducting monitoring are also currently expanding their activities in this field: 67% of companies already conducting energy and/or waste monitoring and 70% already monitoring emissions reported that these activities were also a target for development in 2021. While the number of companies actually monitoring environmental meters is still low, Tesi plans to exert its influence to boost this number in the near future.

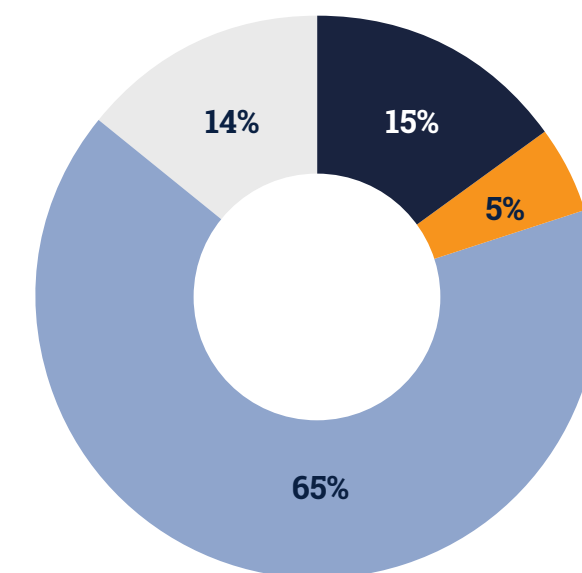
Environmental meters (E)

263 questionnaire replies

- Energy and/or waste monitoring
- Energy and/or waste monitoring in development
- No energy and/or waste monitoring
- No replies



- GHG monitoring
- GHG monitoring in development
- No GHG monitoring
- No replies



PEOPLE (S)

As in earlier years, the diversity of companies' boards of directors and management teams, and thus their societal responsibility, was reviewed. The assessment of diversity was limited to a review of the gender distribution in the companies' boards and teams. The questionnaire also addressed the relative proportion of independent members of a company's board of directors.

The boards of directors and management teams are both male-dominated, but the greatest imbalance was in the boards of directors. On average only 13% of these comprised women, against an average of 33% for Finnish companies generally (according to Tesi's 2021 Diversity & Inclusion Review*). The difference can be explained by the fact that Tesi's direct or fund investments are rarely targeted at sectors with more diversified boards. Many of Tesi's investments have also been focused on smaller

companies, in which board diversity is still a target for development.

The composition of the boards of directors of Tesi's portfolio companies remained broadly the same in the review period. The proportion of boards comprised solely of men, however, rose: 62% of companies in 2021 reported that they have no women at all on their boards, compared to 56% in 2020.

The proportion of women is more balanced in management teams: on average 29%, compared to 21% in the 2020 review period. Of the companies responding to the 2021 questionnaire, only 7% reported that they have no women in their management team, whereas in 2019 this figure was 29%.

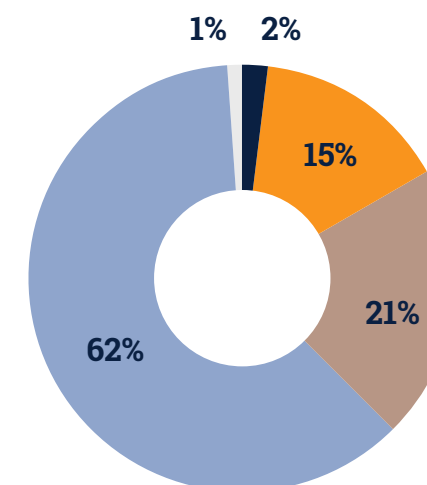
The proportion of independent members was on average 46%, but with wide dispersion. Those companies without independent members are mainly smaller companies (less than 150 people).

Diversity (S)

263 questionnaire replies

Board of directors

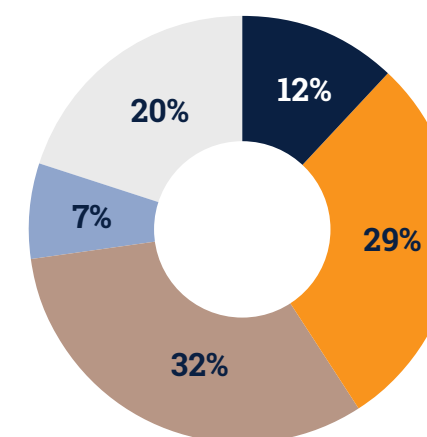
- >50%
- 26-50%
- 1-25%
- 0%
- No replies



Women on boards of directors on average 13%

Management team

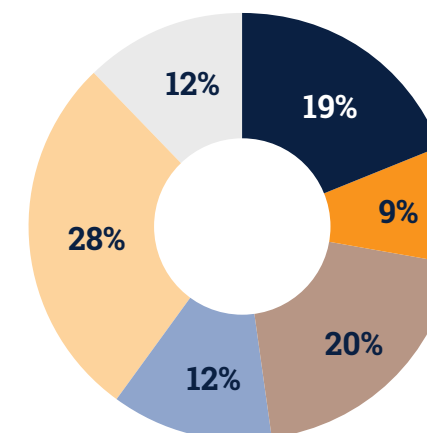
- >50%
- 26-50%
- 1-25%
- 0%
- No replies



Women on management teams on average 29%

Independent members

- 76-100%
- 51-75%
- 26-50%
- 1-25%
- 0%
- No replies



Independent members on average 46%

* Check out [Tesi's most recent Diversity & Inclusion Review 2021](#).

PRINCIPLES OF GOVERNANCE (G)

Activities in Tesi's portfolio companies towards developing corporate responsibility remained at desired level in 2021. In the 2020 review, 75% of respondents to the questionnaire had targets in place for developing responsibility in their operations over the coming years, and 83% mentioned at least one development category. Some 83% of respondents to the 2021 questionnaire said they had implemented various corporate responsibility development projects during 2021 that included both action

plans required by law and voluntary policies.

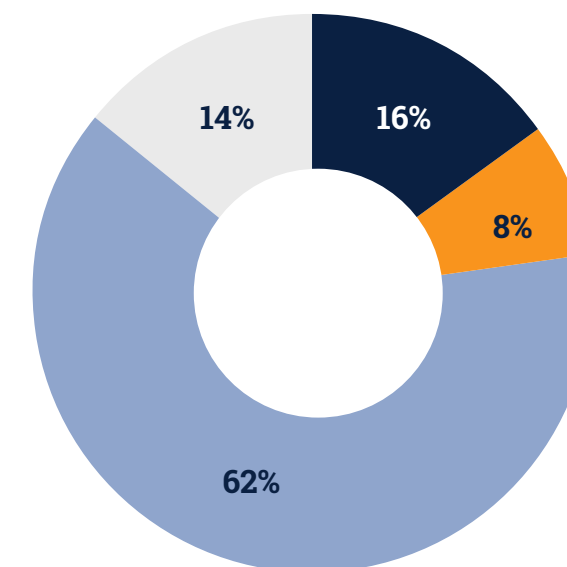
A corporate responsibility policy, with instructions, is ready or being prepared in 24% of respondent companies, for instance, while a Code of Conduct has been, or is being, drafted in almost one-half (63%) of respondent companies. Other voluntary achievements mentioned with regard to corporate responsibility included a regularly conducted personnel satisfaction survey and a data and cyber security risk management policy.

Corporate responsibility (G)

263 questionnaire replies

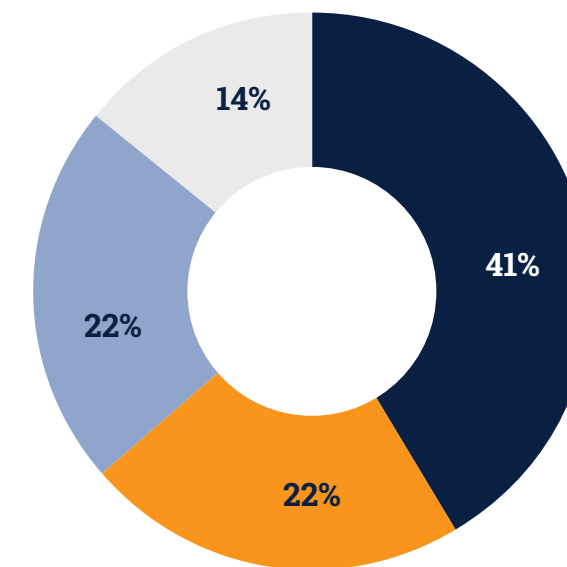
Corporate responsibility policy

- Has corporate responsibility policy
- Corporate responsibility policy in development
- No corporate responsibility policy
- No replies



Code of Conduct

- Has Code of Conduct
- Code of Conduct in development
- No Code of Conduct
- No replies



PROSPERITY

We monitor annually the development of net sales, jobs in Finland and export figures in those Finnish companies we hold ownership.

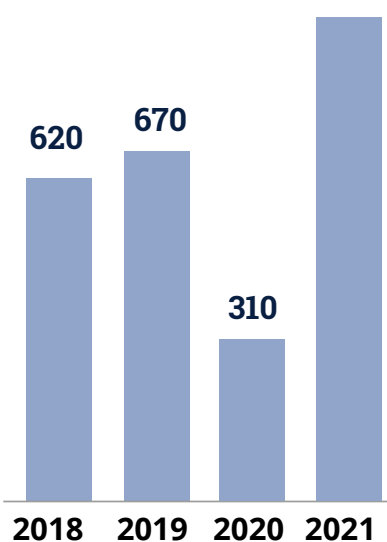
The figures show that growth in both net sales and number of jobs is significantly greater in companies we own.

During the worst year corona pandemic in

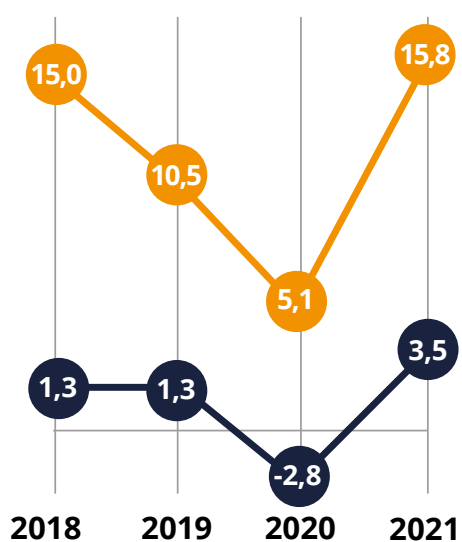
2020, also the export figures of these companies grew, which is why their relative growth last year was not as strong as the total growth of Finnish export, having slumped to negative.



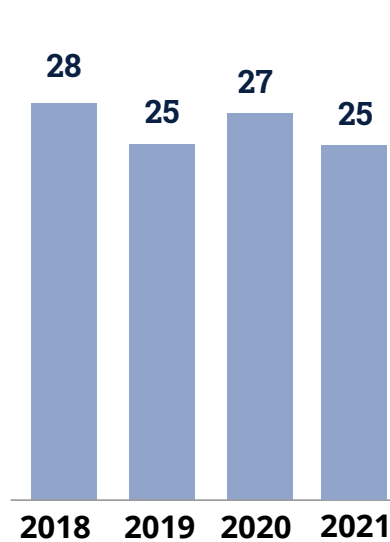
Growth in netsales, MEUR



Relative growth in net sales, %



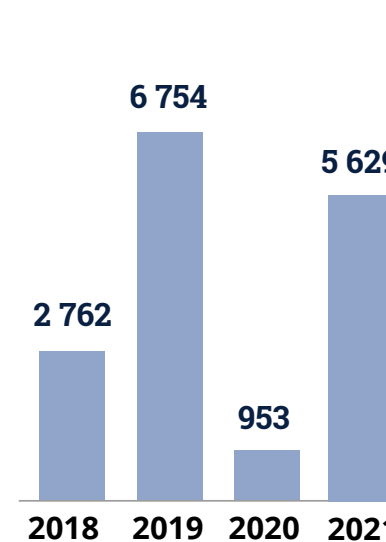
Export as a relative share of net sales, %



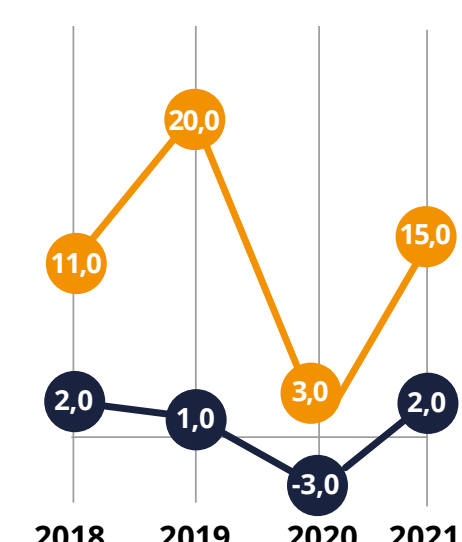
Relative growth in export, %



Growth in the number of jobs



Relative growth in the number of jobs, %



● Tesi's portfolio companies
● GDP

● Tesi's portfolio companies
● Finland*

● Tesi's portfolio companies
● Relative growth in the number of jobs in Finland**

* https://tulli.fi/-/tavaraviennin-arvo-kasvoi-19-4-prosenttia-vuonna-2021?languageId=en_US

** Change in the number of people employed is calculated as a change in the employment rate: e.g., the rate for 2020 was 70.7 and 72.3 for 2021, bringing the percentage change to 1.6 relative change to 2.2 (1,6/70,7).

