Steps will be taken to further develop and reinforce the state ownership policy and ownership steering. The State is committed to a long-term increase in the shareholder value of state-owned companies. Ownership policy aims at a socially and financially sustainable result.

Active state ownership policy supports growth and employment, thus promoting the overall interests of society. The ownership policy may be employed to contribute to the managed restructuring of Finnish business and industry and to support socially sustainable development while safeguarding the position of employees in the change process.

The premise underlying the ownership policy is that the corporate assets held by the State constitute an important part of the national wealth. The State seeks to reinforce and consolidate domestic ownership in companies of national importance.

The state ownership policy is expected to be open, predictable and consistent. As a shareholder, the State is consistent and applies uniform basic guidelines irrespective of the ministry responsible for ownership steering in respect of the specific company involved. With regard to commercial companies, ownership steering is exercised on a centralised basis by separating the ownership steering of companies operating in a competitive environment from all regulatory duties. When a company provides services for and ordered by the State, ownership steering will be organised so that the ministry or ministerial department disposing of budget funds is not simultaneously responsible for ownership steering in respect of such a service provider.

In its ownership steering activities, the State complies with the division of duties and responsibilities between corporate administrative bodies and the owner as provided in the Limited Liability Companies Act. This resolution outlines the key principles and procedures applied by the State in its capacity as a shareholder. The resolution is intended for the authorities responsible for the implementation of the ownership policy, not for companies. Under all circumstances, the decision-making powers regarding the ownership policy are retained by the authorities, whereas all decision-making powers regarding the business operations are retained by the corporate administrative bodies. Provisions concerning cooperation between the various ministries in the ownership steering of special assignment companies and commercial companies of strategic importance are set forth in the annexes to this resolution.

Solidium, a fully state-owned holding company, plays an important part in the efforts to ensure long-term ownership and flexible response. The objective is to establish a form of long-term ownership that yields a return to the State on an annual basis. The structure of Solidium’s portfolio will be developed with the aim of reinforcing and securing domestic ownership as well as increasing the value of
state holdings. At the same time, proceeds from any sale of shares will be used for projects and investments that are expected to generate new growth.

The wholly state-owned Solidium Oy operates on a commercial basis seeking to secure domestic ownership in major Finnish listed companies. Solidium manages its holdings according to sound business principles with due regard to the ownership policy guidelines issued by the State. Objectives and lines of action covering the entire electoral period are defined for Solidium for presentation to the Cabinet Committee on Economic Policy for review. The purpose of these guidelines is to increase the transparency and accessibility of the company’s operations.

The division of duties between the responsible ministry and the Cabinet Committee on Economic Policy in decision-making regarding ownership steering is based on the fact that key decisions relating to the state’s ownership policy or the implementation of ownership steering are subject to approval by the Cabinet Committee on Economic Policy. All State sales and purchases of interests, significant in terms of value or otherwise, are decided by the Cabinet Committee on Economic Policy. With regard to Solidium, the guidelines for sale and purchase are established as part of the objectives and lines of actions to be defined for Solidium as provided in the foregoing paragraph. Additionally, the Cabinet Committee on Economic Policy will determine lines of action and issue positions expanding on the resolution where necessary.

Based on the general framework described in the foregoing and following due consideration by the Cabinet Committee on Economic Policy, the Government has today decided to adopt the following resolution regarding the objectives and principles of the state ownership policy. This resolution, with all its annexes, is also distributed for information to the boards of directors and chief executive officers of all state-owned companies.

1. State corporate ownership and its objectives

Currently, the State is the majority shareholder in twenty-one commercial companies and a significant minority shareholder in eight. Solidium, a wholly state-owned holding company, is a major minority shareholder in eleven listed companies. In addition, the State holds interests in twenty special assignment companies with a specific mission assigned to them by the State or enjoying an exemption on the basis of which they do not operate on commercial terms and are not governed by commercial considerations in a competitive environment. When subsidiaries and sub-groups are included, the total number of commercial companies with a state involvement probably totals more than 1,000. Among the affiliated companies, there is a considerable number of foreign undertakings.
In 2010, the total number of people employed by state-owned companies and their affiliates was some 214,000, close to half in Finland and the rest in affiliated companies abroad. Most of the personnel were employed by affiliated companies as the proportion of employees at state-owned companies has been consistently falling as a result of partial or complete privatisation.

This resolution defines the State’s objectives and actions in its capacity as an owner and shareholder. The special duties assigned to individual companies and the strategic interests associated with such companies will be specified and announced by the end of 2012.

Ownership goals in special assignment companies

While the special assignment companies pursue certain societal interests defined by the State in its capacity as the owner, their financial operations are governed by business principles. Due consideration is given to such assignments and associated costs in the exercise of ownership steering and in the evaluation of financial performance. A number of these companies are governed by specific statutes that partly define the management of the state ownership policy and ownership steering.

Owing to the societal goals set for the companies entrusted with special assignments, they must remain under exclusive state ownership or at least under state control. With these companies, the goals for state ownership are based on maximum overall social benefits and financial results, which is primarily evaluated in terms of how and at what cost the company is able to carry out the assignments and achieve the goals established by the ministry responsible for the administrative sector involved; i.e., how the company fulfils its function in the service of society.

Ownership goals in commercial companies

Most of the state majority-owned companies and state associated companies operate on a commercial basis in a competitive environment. This means that they have to operate on the same terms as their competitors and so that their ownership arrangement does not distort competition. In accordance with this policy of competitive neutrality, the companies’ operating principles, financial structure and return targets must be comparable with those of other companies engaged in the same field of activity. Even so, the companies are required to give due consideration to the justified expectations arising from state ownership regarding responsible operations in compliance with the principles of sustainability.

However, strategic state interests may also extend to commercial companies operating in markets open to competition. More specifically, such strategic interests relate to the security of supply, the maintenance and protection of the infrastructure, and national defence. Additionally, while the companies may have obligations to provide certain basic services, they must clearly follow generally accepted business practices. With such companies, the goal of ownership steering is to achieve the best possible overall financial result at any given time.
This is evaluated in terms of profitability and long-term growth in shareholder value. When ownership is evaluated, due consideration is given to the cost effects arising from the State’s strategic interests and the maintenance of the level of control required to safeguard such interests.

2. Aiming at profitability and cost-efficiency

Commercial companies must strive for financially profitable operations. Any basic service obligations must be fulfilled cost-effectively and with due regard to the requirements related to such services. When the objectives are established for special assignment companies, due consideration must be given to the nature of the special assignment involved and the associated costs. If the State is the sole owner of a company entrusted with a special assignment, the company’s duty to provide a service important to society will be taken into consideration when the profitability targets are determined. Companies operating in a competitive environment are always governed by normal objectives regarding profitability and competitiveness. Should any other objectives relating to industrial, regional and employment policies or environmental protection or other such considerations be set for such a company, either approval for these objectives must be secured from the other shareholders or any additional expenses incurred by the company must be compensated based on decisions made beforehand in a manner that does not conflict with the obligations arising from Finland’s membership in the EU.

When decisions are made on general state support measures, state-owned companies must be treated according to the same criteria as other comparable companies. Commercial companies are granted state guarantees on the same terms as those applied to other companies – state-owned companies do not enjoy any special status or privileges in this respect. In the absence of any specific guarantee agreements, the State is not liable for the companies’ debts or other obligations. When decisions are made on the financing and guarantee arrangements for companies entrusted with special state assignments, due account is taken of the obligations imposed on the companies and the resulting financing needs, including the obligations arising from Finland’s EU membership.

Decisions on such measures as corporate expansion through acquisitions and the establishment of subsidiaries as part of normal business operations are made by the companies’ administrative bodies and management. Similarly, all decisions on the sale of business or the winding-up of operations as part of the normal conduct of business are taken by the companies’ administrative bodies and management. In the course of such changes, special attention must be paid to measures to safeguard the position of employees. When restructuring arrangements and changes in the field of activity of the companies entrusted with special assignments are evaluated, special care must be taken to ensure that the necessary prerequisites for the performance of the set special assignments or the provision of a specific basic service are not endangered. The field of activity of companies with a special assignment or duty to provide a specific basic service may not be extended without the owner’s prior consent.
Communications between the owner and wholly-owned state companies must be organised to ensure that the ministry responsible for ownership steering receives advance information on all significant decisions affecting the company’s field of activity and strategy. With companies involving other shareholders, liaison between the state owner and company takes place within the framework of normal communications between the management and the major shareholders with the chair of the board and the chief executive officer assuming primary responsibility for such contacts.

3. Framework for ownership steering

The primary goal of the state ownership policy and ownership steering is to develop the companies and support long-term growth of shareholder value. A further goal is to promote and secure the social responsibility of the companies. The key prerequisites for achieving these goals include a transparent and consistent conduct as an owner; the proposal of responsible and proficient candidates as members of the boards of directors of the companies; the owner’s contribution to the management resources and management commitment; and due consideration of the interests of all the shareholders and other interested parties. The owner’s main tools to accomplish this are independent preparation of owner strategy and the promotion of good corporate governance.

Responsibility for the planning of ownership steering policies and the consistency of ownership steering practices rests with the Ownership Steering Department in the Prime Minister’s Office. In contrast, responsibility for financial performance rests with the company’s executive management and administrative bodies who make the business decisions within the framework specified by the Limited Liability Companies Act and the Articles of Association.

In order to ensure that due consideration is given to the State’s strategic interests, effective forms of cooperation will be put in place between the Ownership Steering Department and the ministries responsible for the interests involved. A similar procedure will be followed to ensure the consistency of the ownership steering practices in respect of special assignment companies and to improve efficiency in monitoring financial performance.

In companies responsible for special assignments, the State is involved as an active owner that determines the content of the assignment and its significance with a view to the goals set for the company. The owner will issue instructions concerning the special assignment and, if necessary, exercise regulatory and financial control in specific fields of activity as far as the content and fulfilment of the special assignment is concerned. However, the business strategy for commercial operations is determined by the company’s executive management and administrative bodies. Coordination of the company-specific business strategy and the special assignment calls for cooperation between the state officials responsible for ownership steering and the special assignment and, if appropriate, between the ministries involved. The return target and other goals are determined by the responsible ministry based on positions issued by the Cabinet Committee on Economic Policy as appropriate.
Ownership steering is based on independent monitoring and the preparation of the ownership strategy which serves as the basis for any opinions issued by the State on the strategic and financial issues of the company. Where appropriate, the company’s board of directors and executive management are required to sound out the principal shareholders concerning their position, at least when the actions contemplated by the company would require the use of company shares as a means of payment or are related to other restructuring subject to approval by the general meeting of shareholders. The board of directors and executive management are also to consult the principal owners on key business strategy issues and restructuring with a potentially significant impact on shareholder value, even if the ultimate decision-making powers were rested with the company’s board of directors. In such a case, the state representatives will act in the same manner as other principal shareholders would act under similar circumstances, and the State will not require any special access to information as opposed to other shareholders.

In organising company administration and decision making, the overriding goal is to develop and maintain good corporate governance practices. The State, in its capacity as owner, supports high-standard transparent reporting on the company’s finances and operations. All companies are expected to be familiar with Finnish and international corporate governance recommendations, and apply the same in accordance with the best practices. Where applicable, the Finnish Corporate Governance Code is also to be applied as a model for the governance of and reporting by unlisted state-owned companies. All wholly state-owned companies and companies with a state majority shareholding are required to prepare a specific corporate responsibility report or include it in their annual reports as a clearly distinguishable section. It is hoped that other unlisted companies with state involvement do so as well.

As far as ownership steering is concerned, the company’s main decision-making body is the board of directors, whose members are to be appointed from among experts independent of the company. Key criteria in proposing candidates for board membership include experience and expertise, assurance of the capacity for cooperation and diversity of competence, and compliance with the gender equality objectives established by the Government. Furthermore, the State will take steps to ensure equal representation of both sexes on the boards of state-owned companies. Other considerations regarding the composition of boards of directors include the mutual independence of the members and the extension of the recruitment base.

With board members appointed on proposal by the State, the preferred duration of the term is five to seven years. Longer terms exceeding this by one to two years are acceptable for the chair of the board and for members when warranted by the state of the economy or the position of the company.

As a minimum rule, the State is to be directly represented on the boards of all companies solely owned by the State as well as those companies in which the State holds a majority interest or in which it is a minority shareholder exercising actual control over affairs. Board members are recruited from among the state officials at the various ministries. The ministries responsible for ownership
steering see to it that board positions are public and information on such positions is readily available.

When a state official is appointed to a board of directors, the provisions of the Administrative Procedure Act regarding disqualification will be complied with. In this capacity, the state official acts as a board member representing the company and all its shareholders, and is not allowed to merely serve the State’s shareholder interests. A state official serving as a board member is therefore governed in his or her actions by the Limited Liability Companies Act; the Securities Market Act and related guidelines; as well as other relevant legislation applicable to the company.

A state official serving as a board member will not participate in any preparatory work and decision-making relating to the ownership steering exercised by the State or any decision-making on ownership policy in respect of that particular company. In the case of publicly listed companies, liaison between a board member and the state officials responsible for ownership steering duties must be organised so as to ensure that due consideration is given to the restrictions on ownership policy decision-making resulting from access to insider information.

Supervisory boards are permitted in state-owned companies with special assignment as well as in commercial companies in which state ownership involves strategic interests. As an owner, the State also seeks to promote contacts between corporate management and the representatives of key stakeholder groups by advisory board type arrangements. The fixed fees paid to the members of supervisory boards and councils will be replaced by attendance fees.

4. Remuneration

One of the key premises underlying ownership steering is to ensure the companies’ competitiveness insofar as it can be influenced by shareholder action. This also applies to salaries and remuneration schemes. The point of departure is that the salaries and remuneration paid to the management are governed by criteria based on the long-term financial performance and overall success of the company, and on moderation. Accordingly, all management remuneration schemes must give due consideration to the ownership policy goals resulting from the long-term nature of the state holdings and determine sufficiently long periods for the personal commitment required to achieve such goals.

In the planning stage, responsibility for preparatory work on the remuneration schemes must be assumed by the boards of directors.

Remuneration must be fair to ensure that other personnel are also encouraged through rewards to enhance motivation either through personnel funds or otherwise. When remuneration schemes are designed for companies entrusted with special state assignments, due consideration must be given to the role of
both the goals related to the special assignment and the business goals of the company involved.

Remuneration of board members is governed by the same criteria as that of executive management. All rewards must stand in a reasonable proportion to the company’s size, the nature of its activities and the complexity of the board duties. As far as the remuneration of board members in listed companies is concerned, the proper frame of reference is other Finnish listed companies. For unlisted companies, the benchmark is provided by Finnish unlisted companies.

The remuneration guidelines will be specified in more detail in a position approved by the Cabinet Committee on Economic Policy. The existing position dates back to 2009. The effects of the reforms adopted in said position and the implementation of the policies outlined in it will be monitored on an annual basis. Additionally, the position will be revised with a focus on moderation, transparency and a long-term approach as well as the attractiveness of the companies as employers in the recruitment of key personnel.

5. Ownership policy goals set for companies’ operations and corporate responsibility

The State’s ownership policy aims at increasing shareholder value on a sustainable and responsible basis with due regard to the interests of all the parties involved. However, when profitability and growth targets are established, it is necessary to ensure that the statutory obligations imposed by Finland and other host countries are fulfilled in an exemplary manner.

One of the subjects of special importance to be addressed in this context is transparency, which must be duly reflected in reporting, remuneration and the corporate operations in general. It is of great importance to the State that the companies adopt policies that respect the position and rights of the employees and give due consideration to the environment. Furthermore, the State expects the companies to pay close attention to the transparency of their subcontractor supply chains and the implementation of sound human resources and environmental policies by the subcontractors.

In the context of corporate responsibility issues, the point of departure must be compliance with the best industry practices and – at minimum – the adoption of standards equivalent to those applied by key competitors. It is a question of business decisions for which responsibility rests with boards of directors and corporate management. Non-listed state-owned and state majority-owned companies must report on the corporate responsibility issues in an accurate manner, allowing comparison between the companies.

The State finds it important that the personnel is adequately represented in the corporate administrative bodies and have a say in matters at least to the extent provided for in the Act on Employee Involvement. As an owner, the State expects regular and open interaction between the various employee groups and
management. The human resources policies pursued by the companies must aim at exemplary performance as employers who comply with the collective bargaining agreements and develop their human resources policies on a continual and proactive basis.

The State in its capacity as owner complies with the Gender Equality Act when making appointments to boards of directors. However, this alone is not enough to ensure the attainment of the objectives for gender equality. Hence, when appointments are made to the senior management, management teams and other executive positions, steps must be taken to ensure that people of both sexes have equal opportunities for advancement and managerial posts. Similarly, representatives of both sexes should be appointed, on an equal basis, to the bodies responsible for board nominations and remuneration.

As an owner, the State is prepared to encourage arrangements promoting the creation of new jobs. Moreover, the State sets great store by long-term human resources policies in which the continuity of employment relationships and employees’ skills capital are honoured, even when under pressures to cut costs. With wholly state-owned companies, contacts between the owner and the company must be organised so as to ensure that the owner is aware of all impending significant measures affecting the position of the employees. The Ownership Steering Department must keep the Ministry of Employment and the Economy duly informed, and promote the measures deemed appropriate by the ministry during the change process.

As part of sound human resources policies, the State attaches importance to procedures that help eliminate and prevent discrimination against minorities. At the same time, this approach supports the integration of various employee groups, such as immigrants, and promotes labour market participation by hard-to-employ people through flexible working hours and distribution of duties. As the overall goal is to lengthen work careers, companies must also contribute to helping ageing employees cope with their work by taking measures to promote occupational health and well-being at work, and by offering flexible working hours and distribution of duties.

Companies must strive for exemplary and responsible conduct in their environmental policies based on compliance with the legislation and international conventions. As an owner, the State is prepared to promote arrangements by which companies seek to reconcile financial and production-related goals with environmental considerations in a way that contributes to the companies’ competitiveness in the long term. In the assessment of the environmental impacts of corporate operations, due consideration will also be given to the State’s environmental policy objectives.

As a long-term investor, the State attaches great importance to the companies’ dividend payments and policy. The State values predictable dividend policies that take account of both the company’s financing needs and the shareholder interests and is based on an industry-comparable and – if possible – steady dividend yield. The State’s dividend expectations are evaluated on an annual basis with due regard to the company’s equity ratio and development potential.
6. Changes in ownership base and ownership arrangements

Shareholdings are evaluated on a regular basis as part of overall monitoring. While the ownership-related strategic interests, provision of basic services and fulfilment of special assignments are duly ensured, state shareholdings may otherwise be reduced in a controlled manner. All decisions relating to changes in the companies’ ownership base and other ownership arrangements are made according to the authorisations granted by Parliament.

Companies entrusted with special state assignments must remain under exclusive state ownership or at least under state control. Any expansion of the ownership base of such companies may come up for consideration, mainly when the special assignment diminishes in importance or becomes unnecessary, or when the participation of other shareholders or an increase in their shareholdings are assumed to increase efficiency in the execution of such an assignment.

Commercial companies may be divided into two categories in terms of change of ownership base: companies in which the State primarily holds an investor interest and companies in which the State has a strategic interest linked to ownership. If the State primarily holds an investor interest in a company, it can relinquish its holdings in full or in part without any intrinsic value being ascribed to preserving a majority interest or a qualified minority interest as defined in the Limited Liability Companies Act. However, the continuity of ownership in companies of national importance must not be risked.

If the State holds a special strategic interest in a company related to certain basic functions of society, etc., a significant state holding is normally justifiable. Consequently, any changes in ownership will have to be made without risking such an interest.

All ownership arrangements are to aim at achieving the best possible overall financial result. The selling price of the company or shares is not the only criterion – special consideration must also be given to the following issues: improving the competitiveness of the Finnish economy and business; securing favourable operating conditions for Finnish industry and business in the individual sectors of the economy; maintaining and improving skills; and ensuring a high level of employment.

Another objective for ownership arrangements and the sale of shares is to ensure that the ownership base remains as stable as possible. Opportunities should be provided for national institutions, small investors and personnel to invest and participate in the sale of shares, particularly in connection with listings.

7. Division of duties and cooperation between ministries in the context of ownership steering
Responsibility for the state ownership policy and the issuance of related guidelines rests with the Ownership Steering Department in the Prime Minister’s Office that oversees and coordinates cooperation between the various ministries in ownership steering issues. The Ownership Steering Department is responsible for steering in respect of commercial companies unless otherwise decided. Additionally, the Department is responsible for steering in respect of specifically designated special assignment companies, while other such companies are overseen by the ministry responsible for the special assignment concerned. Ownership steering in respect of new commercial companies formed during the preceding electoral period will be transferred under the Ownership Steering Department, while future commercial companies will be automatically transferred on incorporation.

The commercial companies in respect of which ownership steering is to be transferred and assumed by the Department are: Arctia Shipping, Meritaito (Ministry of Transport and Communications) and Certia Oy (Ministry of Education and Culture). Ownership steering in respect of Fingrid Oyj will be transferred to the Ministry of Finance in compliance with the Electricity Market Directive as soon as the revision of the shareholder agreements related to the ownership arrangements is completed but no later than 1 March 2012.

The annexes to this resolution outline the working procedures by which cooperation between the Prime Minister’s Office and the ministries is organised with regard to the ownership steering of companies entrusted with special assignments as well as the ownership steering of commercial companies in which the State holds a strategic interest.

Annex 1:
Cooperation between the PMO’s Ownership Steering Department and the ministries in the ownership steering in respect of commercial companies of strategic importance to the State

Annex 2:
Cooperation between the PMO’s Ownership Steering Department and the ministries in the ownership steering in respect of companies entrusted with special assignments

Annex 3:
Model for corporate responsibility reporting for state-owned companies
GOVERNMENT RESOLUTION ON STATE OWNERSHIP POLICY
3 NOVEMBER 2011

Annex 1

Cooperation between the PMO’s Ownership Steering Department and the ministries in ownership steering in respect of commercial companies of strategic importance to the State

Among the state-owned commercial companies there are several in which the State holds a strategic interest. Such strategic interests include the provision of basic social or public services, infrastructure services or important duties related to national defence or security of supply. Mere state shareholding, as such, does not constitute any strategic interest; rather, it is a question of tasks or functions that are significant to the State in terms of its basic functions and their performance.

The basic principle is that the State's strategic interests are secured through ownership steering instead of regulation. However, regular contacts between the Ownership Steering Department and the ministries playing a central role in securing the strategic interest is needed in order to ensure that the ministry involved receives the necessary information on issues related to strategic interests, and that the Ownership Steering Department pays adequate attention to such strategic interests in the course of ownership steering.

The Prime Minister’s Office exercises shareholder control on behalf of the State in accordance with the Government resolutions and the guidelines and positions adopted by the Cabinet Committee on Economic Policy. The Prime Minister’s Office:

- Assumes responsibility for steering and issuing guidelines in respect of corporate operations.
- Proposes the State’s candidates for board membership and prepares other issues for presentation to the general meeting of shareholders.
- Assumes responsibility for monitoring in between the general meetings of shareholders and liaison with the board of directors and executive management.
- Ensures that the company follows the lines of action defined in the ownership steering policy while paying due attention to the individual features specific to individual companies arising from strategic national interests.

With most companies, the content and significance of the strategic interests need to be assessed not only in terms of the ownership strategy but also from the perspective of current developments in the field of activity involved and the regulatory duties of the authorities. For such assessment, small working groups are to be appointed for the electoral period that will convene at least once a year and include one to two members representing the Ownership Steering Department and one to two members representing the ministry playing a key role.
in securing the strategic interest. If several ministries have a strategic interest in a company, one representative from each such ministry may be appointed to the working group. The members of the working group will also serve as liaison on issues related to the company and ownership steering.

The working group is to assess the nature of the strategic interest held by the State in the company and how it should be taken into account in ownership steering and in the positions issued by the State. The Ownership Steering Department will carry out the necessary measures with due regard to the type of company (listed or unlisted), the nature of its business (exemptions or special assignments / operation in a competitive environment) and the considerations related to the size of the state holding. Any disputes will be referred to the Cabinet Committee on Economic Policy.

Primarily, the significance of a strategic interest manifests itself in the decision-making on state shareholding and ownership strategy. The overriding principle is that that the State’s strategic interests should not be jeopardised by either the State’s own actions as an owner (sale of shares or restructuring) or the decisions made by the company’s administrative bodies (acquisitions, business restructuring, strategy revisions, etc.).

- To accomplish this, it may be necessary for the State to remain the sole owner in a company because of its special position in a given field of activity; the obligations to provide basic services imposed on the company; or the general duty to provide services imposed by law. Most typical of such companies are Itella Oyj in the field of postal services and the VR Group Ltd in the field of passenger transportation.

- With most companies, the strategic interests do not entail exclusive ownership by the State; however, they do entail the degree of ownership and control necessary to permit the promotion of - and the prevention of risk to - such interests when necessary. The State is a majority shareholder in three listed companies – Finnair Plc, Fortum Corporation, and Neste Oil Corporation – all of which are of strategic importance. Additionally, a number of industrial partners have been invited to invest, in the role of minority shareholders, in unlisted companies of strategic importance, such as Patria Corporation and Vapo Oy. However, the State remains a sole owner of several strategically important companies such as Itella Corporation and VR.

Annex: Companies of strategic importance and the responsible ministries

Ministry of Employment and the Economy
Fortum Corporation
Neste Oil Corporation
Gasum Corporation
Fingrid Oyj
Vapo Oy
Motiva Oy
Ministry of Transport and Communications
  Arctia Shipping Ltd
  Finnair Plc
  Itella Corporation
  Meritaito Ltd
  Suomen Lauttaliikenne Oy
  VR-Group Ltd

Ministry of Agriculture and Forestry
  Boreal Plant Breeding Ltd
  Finnish Seed Potato Centre Ltd
  Suomen Viljava Oy

Ministry of Education and Culture
  Certia Oy

Ministry of Defence
  Patria Oyj

Ministry of Finance
  Mint of Finland Ltd

Ministry of the Environment
  Ekokem Oy Ab
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Annex 2

Cooperation between the PMO’s Ownership Steering Department and the ministries in the ownership steering in respect of companies entrusted with special assignments

The Ownership Steering Department in the Prime Minister’s Office is responsible for steering in respect of specifically designated special assignment companies, while other such companies are overseen by the ministry responsible for the special assignment concerned. If several ministries are involved in overseeing the performance of functions related to such a special assignment, the ministry responsible for ownership steering is required to coordinate and implement the necessary measures. In order to ensure the consistency of the ownership steering actions taken by the State and to reconcile the interests associated with the special assignment and steering with financial performance, cooperation between the Ownership Steering Department and the ministry responsible for the special assignment is to be organised as follows:

The ministry responsible for ownership steering:

- Exercises shareholder control on behalf of the State in accordance with the Government resolutions and the guidelines and positions adopted by the Cabinet Committee on Economic Policy.
- Proposes the State’s candidates for board membership and prepares other issues for presentation to the general meeting of shareholders. The general principle with board appointments is that the board of directors assumes responsibility for financial performance and the performance of the special assignment specified by the owner.
- Assumes responsibility for monitoring in between the general meetings of shareholders and liaison with the board of directors and executive management.
- Ensures that the company follows the lines of action defined in the ownership steering policy, while paying due attention to the individual features specific to individual companies arising from the state-specified special assignment.
- Defines the company’s special assignment and the requirements based on such an assignment entrusted to the company. If responsibility for the company is transferred to the Ownership Steering Department, the contents of the special assignment are determined by the responsible ministry. If so, the requirements pertaining to the special assignment are determined in consultation with the Ownership Steering Department and the ministry responsible for the special assignment involved.

The ministry responsible for the special assignment:
- Defines the company’s special assignment and the requirements based on the assignment entrusted to the company.
- Determines the costs incurred by the company as a result of the special assignment; makes the necessary proposals for the allocation of the funds or capital reserves required for such purposes; and assumes responsibility for the disposal of the allocated funds and related oversight.
- Monitors and evaluates the performance of the special assignment and its cost efficiency.

Consistency of the state ownership policy and steering

- Ownership steering of special assignment companies is governed by the general steering practices and uniform governance model applied by the State. To accomplish this, the Ownership Steering Department in the Prime Minister’s Office assists the responsible ministries in addressing issues related to the exercise of shareholder control on their part.
- More detailed instructions for ownership steering in respect of specific companies may be provided by the ministries involved. All such instructions must be based on the Government Resolution on Ownership Policy and its annexes and any further instructions approved by the Cabinet Committee on Economic Policy. When guidelines other than instructions to be issued to the company are prepared, the Ownership Steering Department in the Prime Minister’s Office must be consulted.

The Ownership Steering Department:

- Monitors the administration and financial performance of the company and related reporting.
- Appoints the state official in charge of the monitoring and who serves as a contact for the responsible minister.
- Proposes candidates for board membership – at the request of the ministry responsible for the company concerned – from outside government circles who possess special knowledge and skills related to the company’s field of activity.
- Appoints a state official to the board of directors at the request of the responsible ministry.
- Participates in preparatory work on issues to be presented to the general meeting of shareholders and other duties related to ownership steering at the request of the responsible ministry. All remuneration schemes must be submitted to the Ownership Steering Department for review.
- Coordinates cooperation between the responsible ministries on issues related to ownership steering and prepares general instructions and guidelines for ownership steering for special assignment companies for submission to the Cabinet Committee on Economic Policy following comments by the responsible ministries.

To provide professional ownership steering, each responsible ministry must have a unit, working group or individual state official appointed for this purpose to take care of the preparations, monitoring and communications related to ownership
steering. A state official serving as a chair of a board may not be the supervisor of a state official with primary responsibility for ownership steering in respect of the company involved.

For the purpose of ownership steering in respect of special assignment companies, joint working groups representing the responsible ministry and the Ownership Steering Department will be appointed for the electoral term to meet twice a year or more often if necessary. The working group will include one to two members representing the responsible ministry and one to two members representing the Ownership Steering Department. One of the key tasks of the working groups is to support the ownership steering exercised by the ministries and ensure consistency. Special attention is to be paid to the following issues:

- Definition and significance of the special assignment or position of the company and its implications for ownership steering.
- Potential changes in the special assignment or position and their implications for ownership steering (to be assessed every two to three years).
- Cost efficiency in the performance of the special assignment.
- Composition of the board of directors and need for renewal.
- Up-to-dateness and appropriateness of the remuneration schemes and practices.¹

¹ Remuneration schemes and practices refer to the consideration of the specified special assignment when the criteria for annual bonuses and incentive programmes spanning several years are determined. While the working parties may make comparisons between retirement age and additional pension schemes, the actual decisions on rewards will always be made by the board of directors.
Annex: Special assignment companies and ministries responsible for ownership steering

Ministry of Employment and the Economy
  Finnvera plc
  Finnish Industry Investment Ltd

Ministry of Transport and Communications
  Finavia Corporation
  Finnpilot Pilotage Ltd
  Yleisradio – The Finnish Broadcasting Company

Ministry of Education and Culture
  CSC – IT Center for Science Ltd
  Horse Institute Ltd
  Finnish Aviation Academy Ltd
  Veikkaus, Finnish Lottery for Finns

Ministry of Social Affairs and Health
  Alko Inc

Ministry of Foreign Affairs
  Finnish Fund for Industrial Cooperation Ltd (FINNFUND)

Ministry of Finance
  Aalto University Properties Ltd
  Hansel Ltd
  HAUS Institute of Public Management Ltd
  Helsingin yliopistokiinteistöt Oy
  Suomen yliopistokiinteistöt Oy
  Tietokarhu Oy
  Arsenal Oyj
  Yrityspankki SKOP Oyj

Prime Minister’s Office
  Governia Oy
  Solidium Oy
  Suomen Erillisverkot Oy, State Security Networks Ltd

Ministry of the Environment
  Municipality Finance Plc

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2 Primary responsibility for oversight and steering rests with Parliament with the ministry playing a minor role
3 In receivership, ownership steering clearly different from normal companies
4 In receivership, ownership steering clearly different from normal companies
GOVERNMENT RESOLUTION ON STATE OWNERSHIP POLICY
3 NOVEMBER 2011

Annex 3

Model for corporate responsibility reporting for unlisted state-owned companies
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Introduction

A large number of statutory reports are available on companies’ financial performance allowing shareholders and other stakeholder groups to monitor the financial result and position of companies and organisations. However, the stakeholders also expect companies to report on other issues that are of importance to them. Often, such issues are addressed in corporate or social responsibility reports.

In Finland there are some 120 companies and other organisations that provide information on their corporate responsibility performance in reports or on websites. This means that a majority of companies and organisations provide little information to their stakeholders beyond statutory reports and key personnel indicators.

Financial reporting gives information on a company’s past performance. By contrast, corporate responsibility reporting gives indications of a company’s or organisation’s future performance. Additionally, such reports shed light on corporate ethics and responsibility.

This type of information is significant to all stakeholders, particularly owners. Therefore the Ownership Steering Department in the Prime Minister’s Office publishes a model for corporate responsibility reporting for use by unlisted state-owned companies.

The model is also suitable for those companies that do not fall under the responsibility of the Ownership Steering Department in the Prime Minister’s Office. The model does not require the publication of a special corporate or social responsibility report.

The model report is based on the guidelines for social responsibility reporting and generally accepted reporting practices. The contents of the models was to a great extent influenced by the G3 reporting guidelines issued by Global Reporting Initiative and the general instructions for the preparation of board reports published by the Accounting Board. The key indicators used in the GRI Guidelines have been modified to make them more suitable for use by Finnish organisations.

Listed here are the publications used as reference when the model report was drawn up:

- Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G3, 2006
  - Updated version of the Reporting Guidelines GRI 3.1, 25.3.2011
- Accounting Board: General Guidelines for the Preparation of Board Report, 12.9.2006
- Securities Market Association: Finnish Corporate Governance Code 2010
Structure of the reporting model

The reporting model specifies the information and key indicators to be reported on social responsibility performance. They are presented in sections 1 through 9 broken down by area. There are two types of information and key indicators:

1. Key indicators and descriptions common to all reporting companies. This information is presented in the reporting model in normal text.

2. Supplementary optional key indicators and descriptions. This information is presented in the reporting model in italicised grey text.

The model is general in nature and suitable for companies of different sizes and operating in different fields of activity. The guiding principle in the reporting model is “comply or explain” meaning that the company must either report the information or explain why it is not provided (for example, the information is not material to its operations in the company’s view or the information is not available).

More detailed calculation methods and additional information on the reportable data and key indicators are provided in the sources listed above.
Reporting model

1. Description of the organisation, administration and operating principles

1.1 Basic data on the organisation

- Description of the organisation’s operations. Basic information; c.f. Annual Report of the Ownership Steering Department in the Prime Minister’s Office

1.2 Management of social responsibility and related guidelines

- Values and codes of conduct $^\text{GRI 4.8}$
  - Rules and guidelines (e.g. Codes of Conduct, social responsibility policy, environmental policy, ethical principles)
- Methods employed by the board of directors to monitor the management of social responsibility including risk management $^\text{GRI 4.9, CG 49}$
- Methods employed by senior management in monitoring management of social responsibility and assuming responsibility for it
- Linkage between compensation for members of the board of directors and senior management and the organisation’s performance $^\text{GRI 4.5, CR 45}$
- Organisation for social responsibility and related responsibilities
- Determination of the materiality of social responsibility issues $^\text{GRI 3.5}$
- Risks and potential associated with social responsibility
- Externally developed or other initiatives to which the organization subscribes or endorses (e.g. Global Compact) $^\text{GRI 4.12}$
- Memberships in associations and advocacy organisations $^\text{GRI 4.13}$

1.3 Stakeholder groups and stakeholder engagement

- Organisation’s main stakeholder groups and their expectations $^\text{GRI 4.14-4.15}$
- Approaches to stakeholder engagement with individual stakeholder groups $^\text{GRI 4.16}$
- Key topics and concerns raised by the stakeholder groups and the organisation’s response to such topics and concerns
2. Economic responsibility

2.1 Management of economic responsibility

2.1.1 Economic objectives and their attainment

- Economic objectives
- Results achieved during the reporting period relative to objectives
- Description of the key measures and achievements during the reporting period
- Key economic indicators

2.2 Key economic indicators

2.2.1 Revenue flows to stakeholder groups

- Economic value generated and distributed to individual stakeholder groups (accrual basis): GRI EC1

<table>
<thead>
<tr>
<th>Customers</th>
<th>Operating income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+ Net sales</td>
</tr>
<tr>
<td></td>
<td>+ Other operating income</td>
</tr>
<tr>
<td></td>
<td>+ Income from participating undertakings</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Goods and services suppliers</th>
<th>o Purchases of materials and services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>o Other operating expenses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personnel</th>
<th>o Staff costs (incl. pension premiums and other non-way payroll costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public sector</td>
<td>o Taxes (income tax)</td>
</tr>
</tbody>
</table>

| Public interest entities   | o Subsidies and donations given                                         |
| Shareholders               | o Dividends paid to shareholders                                       |

<table>
<thead>
<tr>
<th>Financiers</th>
<th>o Financing expenses (net)</th>
</tr>
</thead>
</table>

= Funds left for in-house business development

Investments  o Investments

2.2.2 Support and sponsoring for public interest purposes

- Description of the principles for provision of support and sponsoring for public interest purposes
- Amount of support by recipient groups, for example:
  - children and young people
  - science, research and education
  - culture
  - physical exercise and sports
2.2.3 Financial assistance received from the State

- Amount, type and intended use of financial assistance received from the State \( ^{\text{GRI EC4}} \)

2.2.4 Indirect financial impacts

- Description of significant indirect economic impacts \( ^{\text{GRI EC9}} \)

3. Human resources

3.1 Human resources management

3.1.1 Human resources management

- Human resources policy and other principles regarding staff

- Description of projects to improve managerial performance \( ^{\text{KILA}} \)

3.1.2 Staff objectives

- Staff objectives

- Staff objectives achieved relative to objectives

- Description of the key measures and achievements regarding the staff during the reporting period

3.2 Number and structure of staff

3.2.1 Number of staff

- Total number of staff by type and extent of operations \( ^{\text{KILA, GRI LA1}} \)

- Number of staff 31.12. (at year end) \( ^{\text{KILA, GRI LA1}} \)

- Average number of staff \( ^{\text{KILA}} \)

- Total number of staff broken down by country or geographical area \( ^{\text{GRI LA1}} \)

- Breakdown of staff by function or field of activity \( ^{\text{KILA}} \)

- Number of temping staff 31.12. (at year end) \( ^{\text{KILA, GRI LA1}} \)

3.2.2 Employment

- Percentage of permanent and fixed-term employees 31.12. \( ^{\text{KILA, GRI LA1}} \)

- Ratio of full-time to part time employees 31.12. \( ^{\text{KILA, GRI LA1}} \)
3.2.3 Employee turnover
- Turnover (permanent or entire staff as defined by the organisation)
  - Rate of new hires
    - Number of new hires
  - Attrition
    - Number of terminated employment relationships broken down by reason
  - Average rate of employee turnover
  - Description of the focus in recruitment and job rotation

3.2.4 Duration of employment
- Average duration of employment
  - Breakdown of employment by duration

3.2.5 Age structure and average age of employees
- Staff age structure
  - Average age of staff
  - Number of retired employees
    - Average retirement age
    - Description of measures taken in preparation for retirement

3.3 Corporate restructuring and termination of employment / Relations between staff and employer
3.3.1 Redundancies and lay-offs
- Number of employees made redundant
  - Description of measures beyond statutory requirements in support of redundant employees
- Number of laid-off employees and average duration of lay-off
- Percentage of employees covered by collective bargaining agreements
  - Current collective bargaining agreements
3.4 Gender equality

3.4.1 Breakdown of employees by gender

- Breakdown of employees per category according to gender\textsuperscript{KILA, GRI LA13}
  - Composition of board of directors and senior management by gender\textsuperscript{GRI LA13}

3.4.2 Gender equality plan

- Description of the gender equality plan, attainment of its objectives and measures taken to ensure gender equality (mandatory for companies with more than 30 employees)\textsuperscript{KILA}

- \textit{Description of the comparison of pay included in the gender equality plan and its results}
  - \textit{Ratio of basic salary of women to men}\textsuperscript{GRI LA14}

3.5 Remuneration

3.5.1 Remuneration schemes and incentive rewards

- Description of the existing remuneration schemes\textsuperscript{KILA}
- Percentage of employees covered by remuneration schemes\textsuperscript{KILA}
- Breakdown of paid incentive rewards by employee group\textsuperscript{KILA}

3.6 Skills development and training

3.6.1 Development discussions

- Percentage of employees covered by regular development discussions\textsuperscript{KILA, GRI LA10}
  - Description of development discussion procedures and personal career development plans\textsuperscript{KILA}

3.6.2 Training and skills development

- Breakdown of employees by educational background\textsuperscript{KILA}
  - Description of key training projects and procedures (including the induction process)
    - \textit{Number of training days per employee}\textsuperscript{KILA}
    - \textit{Training costs}
3.7 Well-being at work

3.7.1 Job satisfaction
   - Description of the results of job satisfaction surveys and current trends (or other measures to determine the level of job satisfaction)
     - Description of the measures taken in response of the results of job satisfaction surveys

3.7.2 Employees’ working ability and well-being at work
   - Description of the key projects and measures designed to promote working ability and well-being at work

3.8 Occupational health and safety

3.8.1 Accidents
   - Description of health and safety management and key projects and measures to promote occupational health and safety
   - Number of accidents (resulting/not resulting in absence from work)
   - Accident rate per million hours worked
   - Work-related fatalities

3.8.2 Absenteeism due to illness
   - Absenteeism due to illness
   - Rate of absenteeism due to illness
   - Number of occupational diseases

3.8.3 Occupational health
   - Description of occupational health services including preventive health care, staff benefits
     - Average absenteeism due to illness (days per person)
     - Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs
     - Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases
     - Health and safety topics covered in formal agreements with trade unions
4. **Environment**

4.1 Environmental management

4.1.1 Key environmental impacts, risks and opportunities associated with the operations

- Description of the main environmental impacts
- *Description of the main environmental impacts caused by the supply chain*
- *Description of the key environmental risks and opportunities*

4.1.2 Environmental performance management

- Environmental policy and other environment-related operating principles
- Description of how environmental issues are monitored by the organisation (e.g. environmental management system, certification, environmental permits, organisational responsibilities)
- Description of how the environmental awareness of the staff is promoted and maintained within the organisation

4.1.3 Environmental objectives and their attainment

- Environmental objectives
- Results relative to objectives
- Description of the key measures and achievements regarding environmental issues during the reporting period

4.2 Environmental performance indicators

4.2.1 Energy

- Energy consumption to be reported
  - Direct energy consumption (energy used in in-house energy generation)
    \[ \text{GRI EN3} \]
  - Indirect energy consumption (purchased electricity, heat)
    \[ \text{GRI EN4} \]
  - Description of the role of energy consumption in the organisation’s operations
  - *Description of primary energy sources*
    - *Percentage of energy generation using renewable and non-renewable energy sources* \[ \text{GRI EN3-4} \]
  - *Improvement of energy efficiency*
4.2.2 Atmospheric emissions

- Greenhouse gas emissions (CO2 etc.)
  - Direct and indirect greenhouse gas emissions (Scope 1-2)\textsuperscript{GRI EN16}
  - Other relevant indirect greenhouse gas emissions (Scope 3)\textsuperscript{GRI EN17}
  - Description of the importance of greenhouse gas emissions to operations (e.g. economic impacts, emission trading)

- Reduction of greenhouse gas emissions
  - Description of measures to reduce greenhouse gas emissions\textsuperscript{GRI EN18}

- Other significant air emissions\textsuperscript{GRI EN20}
  - E.g. NOx, SO2, VOC, particles, dust, emissions of ozone-depleting substances\textsuperscript{GRI EN19}

4.2.3 Water

- Water consumption
  - Total water consumption\textsuperscript{GRI EN8}
  - Description of the role of water consumption in the organisation’s operations

- Improved efficiency in the use of water
  - Description of measures to improve efficiency in the use of water
  - Water sources significantly affected by withdrawal of water by the organisation\textsuperscript{GRI EN9}
  - Description of percentage and total volume of water recycled and reused\textsuperscript{GRI EN10}

4.2.4 Wastes

- Total amount of waste by type and disposal method\textsuperscript{GRI EN22}

- Reduction and reuse of waste
  - Description of measures to prevent the generation and reduce the amount of waste and to promote re-use KILA
  - Waste reuse rate
  - Significant chemical, oil and fuel spills\textsuperscript{GRI EN23}
4.2.5 Regulatory compliance and environmental costs

- Regulatory compliance
  - Significant environmental damage and description of resulting environmental impacts and preventive actions
    - Significant fines and sanctions for non-compliance with environmental laws and regulations

- Environmental costs
  - Environmental expenditures
  - Environmental investments

4.2.6 Products and services

- Measures to mitigate environmental impacts of products and services

- Percentage of products sold and their packaging materials that are reclaimed by category
  - Description of compliance with the Product Liability Act if relevant to operations

4.2.7 Transport

- Significant environmental impacts of transporting products and other goods and materials or commuting and travel on business

- Description of measures taken to reduce the environmental impact of transport or commuting and travel on business

4.2.8 Materials

- Significant materials used in operations (weight and volume)

- Materials efficiency
  - Description of measures to improve materials efficiency
  - Description of measures to reduce the use of hazardous materials
  - Description of measures to improve the traceability of the origin of raw materials
  - Description of measures to promote the use of recycled materials
4.2.9 Biodiversity
- Description of the impact of the operations on biodiversity
- Description of measures, objectives and future plans for managing impacts on biodiversity $^{GRI\ EN14}$
- Location of land in protected areas and areas of high biodiversity value $^{GRI\ EN11}$
- Impacts of activities, products, and services on biodiversity $^{GRI\ EN12}$
- Habitats protected and restored $^{GRI\ EN13}$
- Conservation list species affected by operations $^{GRI\ EN15}$

4.2.10 Emissions to watercourses
- Significant emissions to watercourses $^{GRI\ EN21}$
- Description of water protection actions
- Description of watercourses significantly affected by water discharge by the organisation $^{GRI\ EN25}$

5. Society

5.1 Local communities

5.1.1 Impact on local communities
- Description of the main impacts on local communities
- Type, coverage and efficiency of the programmes used for assessing and managing the impacts on local communities $^{GRI\ SO1}$

5.2 Bribery and corruption

5.2.1 Anti-bribery and anti-corruption policies and practices
- Description of the anti-corruption policies, principles or guidelines applied by the organisation
- Description of policies and procedures related to staff training in the organisation’s anti-corruption activities
  - Percentage of employees trained in the organisation’s anti-corruption policies and procedures $^{GRI\ SO3}$
- Description of the assessment of corruption risks
- Percentage and total number of business units analysed for risks related to corruption \(^{GRI\ SO2}\)

- Actions taken in response to incidents of corruption \(^{GRI\ SO4}\)

5.3 Public policy development

5.3.1 Public policy development and contributions to political causes

- Total value of financial and in-kind contributions to political parties, politicians, and related institutions \(^{GRI\ SO6}\)

- Public policy positions and participation in public policy development and lobbying \(^{GRI\ SO5}\)

5.4 Limitation of competition

5.4.1 Compliance with competition regulations

- Description of the competition policies, principles or guidelines

- Description of the training provided for key individuals in competition regulations

5.5 Regulatory compliance

5.5.1 Compliance with laws and regulations

- Significant legal actions or fines and sanctions for non-compliance with laws and regulations

- Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes \(^{GRI\ SO7}\)

- Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations \(^{GRI\ SO8}\)

- Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes \(^{GRI\ PR2}\)

- Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes \(^{GRI\ PR4}\)

- Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, advertising and sponsorship, by type of outcomes \(^{GRI\ PR7}\)

- Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services \(^{GRI\ PR9}\)
6. Product liability

6.1 Customer satisfaction

6.1.1 Customer service and satisfaction

- Practices related to customer satisfaction, including results of surveys measuring customer satisfaction GRI PR5

6.2 Health and safety of products and services

- Description of how the health and safety impacts of products and services are managed and assessed
  - Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures GRI PR1

6.3 Product and service labelling and marketing communications

- Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements GRI PR3

- Programmes for adherence to laws, standards, and voluntary codes related to marketing communications (including advertising, promotion, and sponsorship) GRI PR6

6.4 Protection of customer data and privacy

- Description of the system for protection of customer privacy and customer data

- Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data GRI PR8

6.5 Sustainable consumption

- Promotion of sustainable (e.g. environmentally friendly or socially sustainable) products and services

7. Human rights

7.1 Human rights issues related to operations

- Description of key human rights issues related to operations
• Description of management of human rights issues (policy, organisational responsibilities, objectives and results)

• Description of employee training on human rights issues relevant to operations \textsuperscript{GRI HR3}

• Optional human rights performance indicators
  
  o Total number of incidents of discrimination and corrective actions taken \textsuperscript{GRI HR4}

  o Operations in which the right to exercise freedom of association and collective bargaining may be violated or is at significant risk, and actions taken to support these rights \textsuperscript{GRI HR5}

  o Operations involving a significant risk for incidents of child labour, and measures taken to prevent child labour \textsuperscript{GRI HR6}

  o Operations involving a significant risk for incidents of forced or compulsory labour, and measures to prevent all forms of forced or compulsory labour \textsuperscript{GRI HR7}

  o Percentage of security personnel trained in the organisation’s policies or procedures concerning human rights \textsuperscript{GRI HR8}

8. Supply chain

8.1 Supply chain management

8.1.1 Supply policies

• Description of supply policies

• Description of procedures and instructions issued to suppliers (such as Supplier Code of Conduct) that they are expected to comply with
  
  o Description of the contents and extent of the supplier instructions or policies

  o Description of the measures taken if suppliers are found not to comply with the procedures or policies

• Description of measures and methods to monitor the activities of subcontractors and suppliers

• Description of procedures in the selection of new subcontractors

• Description of procedures to monitor or audit suppliers
  
  o Description of supplier audits related to corporate responsibility including the number and main results of the audits and the actions taken

• Percentage of suppliers required to comply with supplier guidelines
• Description of how human rights issue are taken into account in supplier selections or how human rights issues are incorporated in agreements

• Description of human rights screening and main findings regarding suppliers and partners carried out in connection with purchasing and investment agreements \textsuperscript{GRI HR1}

• Policy and practices of spending on locally-based suppliers \textsuperscript{GRI EC6}

9. Reporting and calculation principles

9.1 Reporting principles

• Calculation limits and coverage

• Consolidation principles

• Changes to previously reported data

• Major changes in the report coverage, delimitations or methods of measurement

9.2 Measurement and calculation principles

9.2.1 Financial performance indicators

9.2.2 Environmental performance indicators

• Energy consumptions

• Emissions

• Wastes

• Environmental costs

9.2.3 Employee indicators

• Number of employees

• Employee turnover

• Occupational accident rate

• Absenteeism due to illness

9.2.4 Verification of reporting

• Practices for verification of reporting

9.2.5 GRI compliance