

SITRA

INSPIRING A SUSTAINABLE *FUTURE*

Annual report and financial statements 2020



***Sitra is an
internationally
unique and
noted future
fund.***



**2020 ANNUAL REPORT
OF SITRA, THE FINNISH
INNOVATION FUND**

TO PARLIAMENT

Under Section 9(1)(9) of the Act on Sitra, the Finnish Innovation Fund (717/1990), Sitra's Supervisory Board hereby respectfully submits this Annual Report for 2020 to the Finnish Parliament.

Helsinki, 24 March 2021

On behalf of Sitra's
Supervisory Board

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CHAIRPERSON

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Concept and editing

Sitra's communication

Photos and illustrations

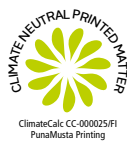
Topias Dean, Minna Hemmilä

Layout

Miltton Oy

ISSN 1235-6166

PunaMusta Oy, Helsinki 2021



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For a sustainable and inspiring future

Looking to the future may stir a number of different emotions in people, such as hope, concern or curiosity. However, the Sitra Futures Barometer, published in early 2021 showed that 89 per cent of Finnish people – not far off the whole nation – believe the future to be interesting.

This clear interest in what the future holds is an excellent starting point for the work of the future fund Sitra. Sitra's aim is to foresee as far as possible all the different potential directions of development in Finland, talk about them and also take informed action.

The Covid-19 pandemic had a fundamental impact on the day-to-day lives, plans and future prospects of people and communities in 2020. The ordinary became exceptional, and new habits had to be very quickly learned. At the same time, our options for the future are now more open than they were. In fact, this is a good time to think about the world we want to achieve when the pandemic recedes, society opens up and people are allowed to gather together again.

In 2020, Sitra employees considered what kind of a Finland and future they are pursuing through their work. The vision was crystallised as follows: Finland will prosper by building a fair, sustainable and inspiring future that ensures people's well-being within the limits of the earth's carrying capacity. The Supervisory Board found it easy to share this vision.

Sitra's strategic choices are designed to support the sustainability of Finnish society and

the well-being of people. Its work will focus on three themes: seeking solutions for the ecological sustainability crisis, promoting a fair data economy, and strengthening democracy and engagement.

In addition, reforming the operating models and structures of the economy is inherently linked to all projects, whether they concern stopping biodiversity loss or sharing the benefits from data mining fairly between all parties.

Democracy is a value that Finland must not lose in the turmoil. Even though hate speech and the power of algorithms are phenomena of the times, the potential of new technology can be harnessed for the common good. It requires small and large actions. In 2020, for example, Sitra and six libraries launched grassroots-level experiments to increase engagement. The experience gained in the experiments carried out all across the country were so encouraging that the Parliament of Finland has already granted funding to extend the experiments to new regions.

As it has always done, Sitra will execute its strategy by way of foresight, experiments, co-operation and training that reinforces societal capacity for change. Internationally speaking, Sitra is like no other. While conventional think tanks focus on reports and policy recommendations, a considerable share (in 2020, approximately a half) of Sitra's project expenses were allocated to practical experiments and pilot projects.

We are delighted that there is increasing international interest in the results of Sitra's work and Sitra as an organisation. Among other things, the World Circular Economy Forum (WCEF) has already established its position as the number one global event on the circular economy.

Sitra's pioneering work in promoting the data economy has also been noted by the European Union; its member states chose Sitra to co-ordinate a joint project of the EU Health Programme. The task makes it possible to share across Europe Sitra's experience and the lessons it has learned. This pioneering role also benefits Finnish businesses.

During the year of Covid-19, Sitra continued to stress to decision-makers and the rest of the population that the ecological sustainability crisis has not gone anywhere and tackling it calls for quick and significant action. In addition, Sitra brainstormed, funded and co-ordinated experiments using digitisation to support tracking and tracing the coronavirus, introduced tools for sustainable development and considered the long-term impacts of the pandemic on large-scale development paths, or megatrends.

We will not say goodbye altogether to hand sanitiser, masks or social distancing in 2021, but life will become smoother as knowledge, testing and operating methods evolve. One thing is certain: there can be no going back to the pre-Covid-19 times. It should also be remembered that the future does not just happen; every one of us influences it through our choices.

The market value of Sitra's investments varies year by year: at the end of 2020, it amounted to 976 million euros (2019: 942 million euros). The return on investment was 11.0% (portfolio benchmark index 7.0%). Equity investments yielded a return of approximately 17.9%, fixed-income investments 2.2% and other investments 10.2%. The five-year average return on investment was 7.4%.

The first instalment of the non-recurring allocation totalling 100 million euros to capitalise universities was paid to the State Treasury from Sitra's investments in August. The first instalment amounted to 33.3 million euros. Because of this, Sitra's expenses were significantly higher than normal, 60.7 million euros (34.2 million euros in 2019). Because Sitra's operations are funded with returns on investments, it will have to adjust its operations in the long term. It is estimated that in 2022 operational expenses will be approximately 28 million euros.

According to the view of Sitra's Supervisory Board, Sitra's finances and operations are well looked after. At its meeting on 24 March 2021, the Supervisory Board adopted Sitra's profit-and-loss account and balance sheet in accordance with the auditors' proposal. At the same meeting, the Supervisory Board decided, as proposed by the Board of Directors, that the net deficit for the financial year 2020 – €7,730,381.90 – be carried forward to the retained surplus/deficit account.

Helsinki, 24 March 2021

Tarja Filatov, Riikka Purra, Maria Guzenina, Janne Heikkinen, Eveliina Heinäluoma, Katja Hänninen, Markus Lohi, Veijo Niemi, Pirkka-Pekka Petelius, Joakim Strand, Sari Tanus, Anu Vehviläinen and Anne-Mari Virolainen

./ . Anton Mäkelä

Towards new day-to-day **life with open minds**

In early 2020, I was convinced that the future would be different – better, but different. There was no hope of returning to the past, and being able to predict what the future may bring was difficult. The megatrend report we had just published, however, outlined the paths for transforming the world and the tensions between them, and many things found their place and the broad guidelines became clearer.

Then a surprise hit everyone – a virus that originated in a Wuhan food market brought the entire world to its knees with unprecedented speed. Our day-to-day lives were completely changed within a couple of months, and the idea of an interdependent world came closer than ever before. The pandemic transformed both our global operating environment and our small mundane routines. All of a sudden, we were living in the middle of restrictions and juxtaposition: health or the economy, risk groups or the rest of the population, mask or no mask?

It was great that Finns mainly adapted to the exceptional conditions in an excellent way. Amid major health-related and financial uncertainty, the exceptional times led to solidarity, empathy and community spirit. Trust was enhanced between people themselves, and between public institutions and people. Of course, what is now at the forefront of all our thoughts is how soon we will return to Cov-

id-free leisure time and how the economy and our day-to-day lives will resume normality.

Covid-19 surprised the anticipator, too

The virus also managed to surprise us at the future fund, even though the possibility of a pandemic had been anticipated by a number of futures reviews for a long time.

In addition to our ongoing future-oriented work, we quickly began to supplement our publication on megatrends at the start of the state of emergency by surveying the long-term impacts of Covid-19, launching experiments together with hospital districts for an application to track Covid-19 infections and actively took part in the discussion on sustainable recovery and the work of a working group established by the Ministry of the Environment.

In the spring, we also started our own strategy and operating model reform, which became a true pandemic-time process: a reform that took place completely remotely and online from day one, facilitated by Sitra's own leading professionals, with exemplary work from our content specialists and strategy experts.

Our new strategy is based on our previous activities, but with new emphases. We will continue our strong experiment and pilot

project activities in co-operation with businesses, the public and the third sector. In addition, we aimed to stimulate new ideas and strengthen the creation of a shared overview of the situation.

In our work, we increasingly emphasise biodiversity, building a fair data economy, democracy and societal participation. The economy is an all-encompassing theme in our work that should not be forgotten. Among other things, we will invest in decoupling economic growth and the excessive consumption of natural resources, as ignoring the current excessive consumption would be a fatal mistake. On the other hand, our well-being is also based on the resources provided by economic growth, so we need growth that increases biodiversity and reduces emissions.

The speed with which the world had to adapt to the coronavirus crisis opened our eyes to different future alternatives, perhaps more than we could have believed. When the acute situation is over, the future will be open again, and there should be no regression to the old ways following a crisis of this magnitude. At the same time, there are things that are worth preserving and defending, such as the foundation of Finnish society, which is based on the principles of (Nordic) democracy, rule of law, equality and fairness. The attack on the US Capitol was a shocking wake-up call to how fragile representative democracy can be when trust is eroded.

We need growth that increases biodiversity and reduces emissions.

The story of Finland is a story of progress and change, based on building a society of trust and growing mental capital. The Nordic social model is still a prosperous concept in which the global openness and competitiveness of the economy are combined with shared well-being, equality and freedom of speech – as well as responsibility.

When the pandemic eases and new day-to-day life resumes, we must cherish the foundations of our society of trust while building a better *tomorrow* together.



Jyrki Katainen
President
Sitra



The year 2020: Results and new bright spots

1 YEAR 2020 – A YEAR OF MEGATRENDS. Sitra opened the year with the high-quality Megatrends 2020 analysis, which attracted a lot of attention. When the Covid-19 crisis turned into a global pandemic, we surveyed its long-term impacts in the Megatrends in light of the Covid-19 pandemic foresight and insight report. In spring 2021, we will produce further research-based information and regional data of the attitudes in Finland towards the future in the form of the Futures Barometer.

2 THE IHAN BUSINESS PROGRAMME showed the way to data-based business. The pioneering businesses that took part in the pilot programme organised by Sitra provide relatable examples of fair data use to various industries. The productised business programme will be available to all SMEs in future, as the Ministry of Economic Affairs and Employment of Finland aims to use the programme to boost the economic growth of Finland.

3 THE DIGITAL FOOTPRINT SURVEY AND DIGIPROFILE TEST highlighted the insufficient privacy protection of digital services. A fair data economy benefits everyone, but with the current operating models, we will be lost. The test helps people to perceive and assess their online behaviour and offers practical tips for people to run their own digital lives.

4 A JUST TRANSITION, or a socially and economically fair transition to activities matching Finland's objective of carbon neutrality, is possible in all sectors. Together with regional councils, we facilitated constructive talks on the change-related challenges of the peat industry to those working in the industry and submitted a summary of the peat-related dialogues to support the work of the multi-disciplinary peat working group of the Ministry of Economic Affairs and Employment. The summary can also be used to plan the use of funds from the EU's Just Transition Fund (JTF), for example. The talks were preceded by in-depth research into the peat industry's practices and potential just transition measures.

5 EXPERIMENTS DURING EXCEPTIONAL TIMES – POSITIVITY AND QUICK RESULTS FOR DAY-TO-DAY LIFE. In times of need, help must be near, too. To this end, Sitra rapidly convened parties from its co-operation network that could experiment with technology under development for tracing and tracking the virus in an authentic hospital environment. We tested robot calls to help local authorities ensure that no one was left without help. Municipalities were also aided by the imple-

mentation of a summer job experiment that employed 10 summer employees in circular economy work across Finland. Sitra Lab's experiment sought solutions to how nature best creates well-being in urban conditions, while trials in the area of democracy strengthened the participation of marginalised population groups in particular.

6 CO-WORKER, YOU ARE IMPORTANT. The pandemic changed the nature of work significantly, but Sitra employees gave to and received support from one another, also during remote work. The expertise and support of the IT department in hardware and software matters became particularly valuable. We increased the sharing of best team practices and internal communications, and our aim is for everyone to take part in brainstorming active Covid-19 measures. Investing in supervisory work also addressed some of the stresses associated with the unprecedented situation. Flexibility in working hours and time off contributed to adapting to life during the pandemic.

7 SUPPORT FOR SMES was visible in Sitra's work in many ways. Sitra increased its investments in venture capital funds, which target the Finnish SME sector. With regard to the circular economy, we accelerated the transition of SMEs towards new value-preserving business models in several ways. The IHAN business programme allowed Finnish SMEs to become involved in developing business in line with the principles of a fair data economy.

NEW BRIGHT SPOTS

1 THERE HAS BEEN AN AWAKENING TO THE PREVENTION OF BIODIVERSITY LOSS, AND AN AWARENESS THAT NATURE PROVIDES SECURITY. The new focal point in Sitra's strategy quickly led to high-quality discussion in Finland when the Dasgupta Review introduced a new dimension to international debate on the economy.

2 DEVELOPMENT OF THE METHODS OF SOCIAL IMPACT AND CHANGE. In accordance with Sitra's new strategy, we particularly invest in Sitra's ability to promote the emergence and dissemination of future-related knowledge and mindsets in Finland, as well as increase our society's capability for change and co-operation, by looking further into the future.

3 THE EUROPEAN DATA ECOSYSTEM will grow stronger with the progress of the GAIA-X initiative exploring Europe's digital future. By remaining at the core of European development work, we will be able to influence the rules of industry and improve the predictability of the operating environment, as well as bring together the best forces from different sectors. TEHDAS, the Joint Action Towards the European Health Data Space, creates joint European principles for the use of health data. Sitra is the representative body in the project that involves 26 countries.

What is **Sitra**?

SITRA is an ambitious future fund – a think tank, a promoter of experiments and operating models and an accelerator of co-operation.

SITRA'S task is to build a successful Finland for tomorrow.

The purpose of the Fund is to promote the stable and balanced development of Finland, quantitative and qualitative economic growth and international competitiveness and co-operation by acting particularly to implement projects with impacts that increase the efficiency of the use of economic resources or enhance the level of research and education or explore future development options.

(Act on Sitra, the Finnish Innovation Fund 717/1990, section 2)

ESTABLISHED in 1967 to celebrate the 50th anniversary of Finland's independence, Sitra is an independent fund accountable to the Finnish Parliament.

FUNDING comes entirely from the returns on the fund's own investments. Sitra is public and self-funded – not a budget-funded body. The annual budget for 2020 was 64 million euros, of which 33 million euros was a non-recurring allocation earmarked for universities. The market value of all investment assets at the end of 2020 was 976 million euros.

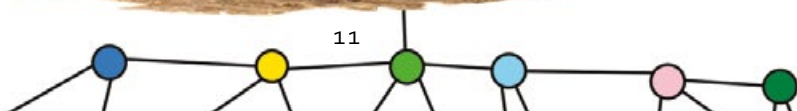
THE VISION is that Finland will prosper by building a fair, sustainable and inspiring future that ensures people's well-being within the limits of the earth's carrying capacity.

THE TOOLBOX INCLUDES tools for effective change projects that drive sustainable societal reform. Key tools of future-oriented work include foresight, reports, practical experiments and pilot projects, development and dissemination of models, financing, building the administrative and legislative foundation for changes and training.

SITRA PROMOTES CO-OPERATION, networking and projects that transcend sectoral boundaries, with "doing together" at the core of all activities. It acts independently, often in the role of convener.

Project entities

SUSTAINABILITY SOLUTIONS	
<i>Circular economy for biodiversity</i>	11/2019 to 06/2022
<i>Sustainable everyday life</i>	07/2016 to 01/2022
<i>Climate and nature solutions</i>	04/2018 to 06/2022
<i>Global collaboration</i>	ongoing
DEMOCRACY AND ENGAGEMENT	
	07/2021–
FAIR DATA ECONOMY	
<i>IHAN – human-driven data economy</i>	02/2018 to 06/2021
<i>Health Data 2030</i>	09/2020 to 11/2023
FORESIGHT AND INSIGHT	
<i>Foresight (including megatrends, weak signals)</i>	ongoing
<i>Reformers of the Future</i>	11/2019 to 06/2021
<i>Bildung+</i>	01/2020 to 06/2022
SOCIETAL TRAINING	
<i>Leadership training for sustainable economic policy</i>	ongoing
<i>Sitra Lab</i>	ongoing
<i>Lifelong learning</i>	10/2018 to 12/2021
CAPACITY FOR RENEWAL	
<i>Updating Democracy</i>	06/2018 to 06/2021
NEW WORKING LIFE AND A SUSTAINABLE ECONOMY	
<i>Well-being ecosystem</i>	01/2019 to 03/2020



Towards a fair, sustainable and inspiring future

Sitra is an independent future fund whose activities are based on its own strong foresight work and the strategy built upon it. In 2020, Sitra's vision and strategy were fundamentally updated.

Underlying the strategy work and process were the impact assessments carried out in the period 2017-2019, the conclusions of the parliamentary working group that assessed Sitra's work and societal role, and the megatrends and related tensions published in early 2020. What will the world of the future in which we live in Finland look like? What would we like it to look like? What could Sitra's role be in building it?

Sitra's vision is that Finland will prosper by building a fair, sustainable and inspiring future that ensures people's well-being within the limits of the earth's carrying capacity.

In order to make this vision a reality, our work will focus on three themes: finding solutions to the ecological sustainability crisis; promoting a fair data economy; and strengthening democracy and engagement. The renewal of the economy, with the aim of ensuring sustainability and competitiveness, is more closely linked to all our operations than before.

Our upcoming future-oriented work will also be based on foresight and societal training that aim to increase knowledge of the future, future-oriented thinking, capacity for change and co-operation.

Megatrends in light of the Covid-19 pandemic

The year 2020 was a year of megatrends at Sitra. In the Megatrends 2020 report that we published at the start of 2020, we reviewed megatrends and the tensions between them. As a new point of view, we also introduced *metatrends*, drivers of change that emerge from several different developments.

The key factor influencing our future that emerged was the urgency of ecological reconstruction: how do we respond to climate change, decreasing biodiversity, the availability of resources and waste-related problems? The other megatrends in the report were the ageing population, technology becoming embedded in everything, the economy seeking direction and strengthening relational power.

When the Covid-19 epidemic became a pandemic, we readdressed the megatrends and considered the impacts of Covid-19. Will new tensions emerge? What developments create hope in the middle of change? We compiled the Megatrends in light of the Covid-19 pandemic foresight and insight report to supplement our megatrends report.

In addition to information, change requires skills

Right now, Finland is facing a number of major issues with regard to the future. The journey towards a society based on the limits of the earth's carrying capacity requires a large group of people

and organisations. To build a better tomorrow, we need more people to discuss the future, imagine alternative futures and take action to shape a desirable future. Influencing the future and changemaking are skills that can be developed.

During the year under review, Sitra built the *Futures Frequency* workshop method that focuses on developing, training and disseminating future-oriented thinking and societal influence skills. The method and related materials were published in January 2021. The workshop method is a follow-up to Sitra's previous work to popularise and democratise future-oriented thinking.

Sitra's future laboratory, *Sitra Lab*, continues on from where the Futures Frequency workshops ended: making change and developing the expertise required for change.

Sitra Lab is a training programme and community of changemakers whose work is characterised by a cross-sectoral approach; community-driven learning; and the immediate implementation of lessons learned through experimenting with and solving real topical challenges. During the year of Covid-19, 2020, the training programme went completely online, with its main aim the development of nature-based solutions to the challenges of urbanisation. The next Sitra Lab will concern democracy and engagement.

Sitra's training aimed at decision-makers and senior civil servants also continued. The *Uudistuja (Reformer)* training for senior civil servants was funded by Sitra, led by the Ministry of Finance and organised by HAUS Kehittämiskeskus Oy. By January 2021, approximately 300 senior civil servants had completed the programme. The training programme has received excellent feedback from the participants. An internationalisation programme for public-sector management, Horizons, was initiated to complement the Reformer course.

The *Leadership training for sustainable economic policy* based on a Government Pro-

gramme simulation exercise was supplemented with the *The economy in the service of the future* background materials. The publication sheds light on the current role of the economy, sustainability challenges and societal options.

According to an impact assessment of the Leadership training for sustainable economic policy conducted in summer 2020, more than half of the interviewed course alumni (54 per cent) considered the course experience "very important" and 45 per cent considered it "important".

For expertise and Bildung

In 2020, Sitra ran two modules that extensively addressed expertise and Bildung. The *Bildung+* project aims to support the emergence of Bildung and give rise to discussion on more extensive Bildung, while the Lifelong learning project pursues systemic change to ensure that our expertise capital is continuously at a high level.

In the rapidly changing world, everyone must be able to develop their expertise in different situations in life. At the beginning of the year, we studied the point of view of the unemployed to developing one's own expertise, among other things.

The *Mille väestölle?* (For what population?) report predicted educational needs up to 2040. The foresight model based on Statistics Finland data makes it possible to review the numbers and projected numbers of new students at all educational levels between 2010 and 2040 at the municipal, regional or provincial level.

Sitra has supported societal operators in launching systemic change, and it is our role to be a facilitating bridge-builder and a provider of a co-operation forum, to supplement the bigger picture. During the year under review, we prepared network co-operation to strengthen capacity for renewal with parties from nine different regions across Finland. During 2021, the aim is to create interactive methods for identifying the regions' needs for expertise and co-operation.

Only a just transition can be a sustainable one

The early part of the year saw not only the arrival of the Covid-19 pandemic from the east, but also a gloomy outlook for one of the dimensions of the sustainability crisis – the climate crisis. One of the main writers of the UN Environment Programme's annual Emissions Gap Report, Japan's **Takeshi Kuramochi**, had attended a Sitra event just before the turn of the decade to highlight recent research results that concluded that continuing business as usual threatens to raise the global temperature by almost four degrees. The report examined the gap between states' emission-reduction obligations and the target of 1.5 degrees set by the Paris Agreement.

The fivefold ambition in climate action called for by the report is indicative of the need to pick up the pace that Sitra's Sustainability solutions theme in part is tackling in Finland.

Our day-to-day lives and well-being cannot be based on overconsumption and fossil fuels anymore. Instead of owning things it will become increasingly easy for us in future to use services; and for businesses, this sustainability aspect is to be seen as a business opportunity.

The change that is needed has been acknowledged by both companies and consumers. At the beginning of the new decade, climate change was seen as a factor that affected the operating environment, and a survey carried out by Sitra showed that only slightly less than half of the companies surveyed considered carbon neutrality and low-carbon products and solutions to be a significant source of strategic competitiveness.

Our report published late in the year indicated that many Finns hope that the sustainable lifestyles they adopted during the Covid-19

crisis become permanent. Exploring the local natural environment, the rise of domestic tourism and a more plant- and Finnish produce-based diet are examples of the change brought about by the pandemic. Changing supply in a more sustainable direction needs, in addition to changes in regulation and subsidy policy, specific tools for companies – we offered recommendations for all of these in the Rethinking ownership report.

In 2020, one of the underlying themes of work under Sitra's Sustainability solutions theme was the fairness of the inevitable change. There is a need to accept that the changes necessary to respond to the earth's carrying capacity will be difficult for many industries and their workers.

The Sustainability solutions theme aims to identify and clarify the opportunities that the change may present, as well as the future constraints on the use of natural resources. However, above all, it is important to listen to those at the core of the change and hear their views and future outlook on the situation.

Only a just transition can be a sustainable one.

As an example, Sitra addressed the transformation of the peat industry during the year – the demand for peat as an energy source is expected to decrease significantly in the next couple of years, with energy production developing towards carbon neutrality. In order to support a just transition, Sitra arranged three discussion events with regional councils using the Timeout method for constructive societal discussion previously

developed by Sitra. Underlying the talks was our report on the impacts currently caused by the use of peat on the climate, nature, the economy and employment, and the impacts of discontinuing the use of peat.

The message was clear: those working in the peat industry feel that adapting to the pace of transition in the industry is almost impossible. According to the discussion participants, the change in the industry had been progressing out of control. “This is a bitter lesson for Finnish society and one that must not happen again with other transitions, such as changes in the use of other natural resources,” says **Mari Pansar**, Director of the Sustainability solutions theme at Sitra.

We are urging a new way of doing things

During the year, Sitra turned its attention to the discussion on how to rebuild a world changed by the Covid-19 pandemic. Will we do so in a way that is ecologically sustainable or in a way that exacerbates the sustainability crisis? How will we allocate the recovery funds, what will our relationship with nature become, how will we guarantee everyone a just transition and how will we preserve good technological operating models from the point of view of ecological reconstruction?

In March, we published our proposals for post-Covid-19 crisis recovery measures, being among the first in the world to do so. The seven points in our working paper include sustainable tax reform, investment packages and several different types of subsidy. Our work also set an example for the Canadian sustainable recovery working group, among others.

We were also heavily involved in preparing the assessment criteria for sustainable recovery published in May. The principle proposed by the working group on sustainable recovery appointed by Minister **Krista Mikkonen** – that all recovery measures should also be assessed from the point of view of climate and nature objectives and that no recovery measure should significantly impair the achievement of climate and environmental objectives – has been noted widely (in the report by **Martti Hetemäki**, the statement from the Environment Committee and the Finnish Government’s supplementary budget proposal, among others).

As an Energy Policy Tracker data provider, Sitra has for its part promoted the monitoring of the allocation of recovery measures in Finland. An international comparison published in September indicated a concerning trend: more than a half of the energy-related recovery measures taken until that time had been allocated to the fossil fuel economy in Finland. Thereafter, the proportion has decreased to slightly under 50 per cent.

The pandemic that began in the spring also provided an opportunity to experiment with economic recovery “bridge measures”, aimed at cushioning the blow of the worst impacts. We organised an idea competition and funding to compensate for the summer jobs cancelled because of the coronavirus crisis and to accelerate the transition of local authorities to the circular economy. Reusing crushed concrete, an item library and a circular carnival were among the experiments across Finland. For the summer we also launched a circular economy summer school for industrial companies, together with the

Turku University of Applied Sciences. The aim was to introduce measures that support the economy and employment in the long term based on business models aligned with the circular economy.

ICT solutions often make the circular economy possible. However, there is still little information about the environmental impacts of data use. Our study indicated that Finnish consumers' data use is greatly increasing – the use of mobile data, for example, has increased by about 25 times between 2011 and 2017 – but its environmental impacts cannot be comprehensively assessed on the basis of current data. The question remains unanswered: are we steering development in the direction we want?

Sitra has accelerated the shift of the European operating environment in a more sustainable direction and offered a foothold for business solutions that strengthen the circular economy.

In an interdependent world, everyone needs to be looking in the same direction. Therefore, we have accelerated the transformation of the European operating environment in a more sustainable direction while aiming to offer a stronger international foothold to Finnish business solutions that support a carbon-neutral circular economy.

We have accelerated the implementation of the EU Green Deal programme with the carbon-neutral circular economy concepts that we have developed and tested. Our international Shift 1.5 co-operation aims to create a European community that shares best practices and expertise, accelerating sustainable lifestyles and the reduction of carbon dioxide emissions.

We have been sharing the lessons we learned from the process of preparing the world's first national road map to a circular economy. The work that brought diverse stakeholders together has attracted a lot of interest around the world. We responded to the interest by compiling a guide that allows interested countries to prepare their own road maps.

In order for a new way of doing things that aims to create a more sustainable future to take root in cities, and to offer Finnish companies an opportunity to showcase their expertise internationally, in 2016 the fixed-term Helsinki Capital Region Smart & Clean Foundation was established on the initiative of Sitra. The year under review saw the foundation start its last year of operation. The aim of the foundation has been to promote effective climate solutions through co-operation between cities, businesses and the public sector. During 2019 and 2020, the foundation made it possible for more than 20 companies to gain references in the home market. The foundation's way of working has set an example to the C40, the world's leading climate network of cities, which has created a systemic change climate programme for 96 cities.

EXAMPLE

NODE IS OUR SECOND NAME IN CIRCULAR ECONOMY-RELATED WORK

The circular economy forum grew to inspire the entire world

Midway through the last decade, a small group of Finns invited widely recognised operators to create an event that has now grown to become an example to the world on the direction to take for a more sustainable economy. The World Circular Economy Forum (WCEF), an initiative and major responsibility of Sitra, first opened on 5 June 2017. The forum quickly grew to become the most significant annual co-operation platform in the circular economy.

The underlying premise of the forum has, from day one, been that business and environment “go hand in hand”. Previously, people in the world of business had gone to their conferences and the people whose work revolves around the environment had gone to theirs. The foundation for the credibility of Sitra’s and Finland’s work in introducing new, smart, resource-efficient solutions was laid down by experiments in Jyväskylä in the early 2010s, following which Sitra developed the resource wisdom operating model.

Another commitment of the WCEF has been to introduce the world’s best circular economy solutions. In 2020, for example, Sitra unveiled a list of the 39 most inspiring international circular economy solutions at the forum. Over the years, the solutions have brought together thousands of people from

around the world at the WCEF and given rise to collaboration between several international parties as well as inspired states to commence circular economy work – for example, the work in Norway is considered to have started based on the 2019 forum in Helsinki.

Sitra has become a key facilitator of collaboration and an accelerator of global circular economy work. The partners involved in the work of the WCEF have included several international parties, from the EU Commission to the UN and World Bank and from the Nordic Council of Ministers to the governments of Japan, Canada and the Netherlands – not forgetting corporate parties, such as the International Chamber of Commerce and OECD.

The WCEFOonline event of 2020 particularly focused on how the circular economy can help to restart the economy. The event attracted more than 4,300 participants from 123 countries and all continents. Almost a third of them represented business. During the September-December period, WCEFOonline also offered 80 side events with 114 organisations from across the world taking part in arranging them – and almost 15,000 participants.

WCEFOonline contributed to the emergence of GACERE, a global circular economy alliance under the leadership of the EU Commission.

Workbooks bring Nordic and African parties together

While the WCEF has engaged extensive groups of global influencers in collaboration, the Sustainability solutions theme has been engaged in ongoing long-term work to offer specific tools for new business to businesses and bring the parties required for the change around the same table.

Between 2014 and 2016, our Carbon-neutral industry project provided Finnish companies with access to a toolbox full of information, methods and models helping businesses to prepare a road map towards carbon neutrality. In fact, several industries have already prepared their road maps.

In order for the business models to also address the natural resources crisis, we developed a circular economy playbook in co-operation with Technology Industries of Finland. The method it provides can be used for turning the inefficiencies of linear value chains into considerable business benefits based on five business models.

“Companies have increasingly begun to wonder why on earth they are working with the old model,” says **Jyri Arponen**, Senior Lead in charge of the development work.

There has been extensive demand for the lessons of the playbook, and it is already used by hundreds of manufacturing companies. A corresponding playbook for chemical companies published in the spring supplemented the original playbook.

Playbooks and toolboxes have been the foundation on which new co-operation has evolved thanks to Sitra – both in and outside Finland. The playbook for chemical companies was also adopted by the Swedish chemical industry, while Nordic Innovation, an organisation under the Nordic Council of Ministers, has launched two network projects focusing on the circular economy and transformation of industry. The encouraging experiences have contributed to the missions of the Ministry for Foreign Affairs of Finland to actively disseminate the adoption of the Finnish operating model across the world. During the year, the playbook approach has been showcased in Brazil, Nigeria, Hungary and Australia, among others.

We are illustrating to the world just how Finland is conducting business in completely new ways.



DEMOCRACY AND ENGAGEMENT

THEME

Democracy and engagement

HIGHLIGHTS IN 2020

1 In 2020, democracy experiments across Finland moved largely online because of Covid-19, but they nevertheless succeeded in reaching out to groups traditionally considered to be challenging and in developing new concepts for engagement.

2 Extensive surveys of the operating methods and structures of key democratic institutions, the parliament and government, and the legislative process on the whole, improved the institutions' willingness and capacity for renewal.

3 A survey of the impacts of social media on democracy carried out during 2020 attracted visibility and gave rise to extensive discussion of algorithms, technology and changes in the culture of dialogue and our opportunities for influencing future

WHAT TO EXPECT IN 2021

1 The concepts for safe dialogue and encounters between decision-makers and the people resulting from work carried out under the Kirjastoista kansanvallen foorumeita ("From libraries to forums of democracy") project entity will be completed and available for adoption nationwide. The Parliament of Finland granted one million euros for continuing the activities in the budget for 2021.

2 The third Sitra Lab training programme that seeks solutions to bottlenecks to democracy and social participation will begin in April 2021. Teams that aim to expand or establish forms of societal participation, particularly for people who are in a vulnerable position, have been sought for the future laboratory through an open call.

3 The Democracy and engagement theme area will commence its work in June 2021 and will focus particularly on harnessing the opportunities of technological transformation to strengthen democracy and support the extensive engagement of people in building society and the future.



The Covid-19 times and the subsequent reconstruction will test the foundations of our democracy and our capacity for renewal

In recent years, there have been few analyses assessing and presenting major global developments that have not referred to a crisis of democracy. The same assessment was also given, albeit from slightly different points of view, in the megatrends lists published by Sitra last year.

It is thought that Covid-19 has compounded the trends that were already present. With regard to democracy, any increase in the pace of change – and in many ways, also its direction – brought about by Covid-19 is still unclear for the time being. However, it can already be seen that the post-Covid-19 reconstruction and the need for a just transition to a more sustainable lifestyle will challenge our previous notions of relationships between people and institutions, and between engagement and trust.

The aim is to strengthen democracy so that everyone in Finland has the opportunity to participate in and influence the building of an inspiring future.

These short- and long-term challenges are addressed by Sitra's new Democracy and engagement theme that aims to strengthen democracy so that everyone in Finland has the opportunity to participate in and influence the building of an inspiring future. The new theme will start its work in summer 2021.

One of the key drivers of change is digitalisation and the resulting transformation of

communication technology, which has significantly changed the prerequisites for decision-making as well as the media environment over a relatively short period. The work of the new theme area will focus on 1) harnessing technology and algorithms to support democracy and 2) bringing people and societal institutions closer together.

The work of the new theme will not start from scratch; it will be based on the foundation laid down by Sitra's previous democracy-related work. In 2020, this work was carried out in projects and project entities conducted under the Updating Democracy project in particular. Updating Democracy was launched in June 2018 and will end in June 2021, as planned.

During 2020, the Updating Democracy project produced information in the form of a number of different reports, supported reforms in public administration and the Parliament of Finland, and experimented with ways of promoting engagement in practice during the state of emergency.

An example of the survey work carried out by Updating Democracy was one of the first extensive analyses of how Finnish decision-making coped with and adapted to the Covid-19 crisis. The memorandum Valtioneuvoston ydin kriisitilanteessa – Covid-19 -pandemian paineet suomalaiselle päätöksenteolle (“Core of the government in a crisis situation – pressures of the Covid-19 pandemic on Finnish decision-making”) was prepared and written by journalist/non-fiction writer **Matti Mörttinen**. According to the memorandum, the Finnish decision-making and governance system has worked quite well in the Covid-19 crisis. Yet, the ability of decision-makers to react, the quality of preparation of legislation and co-operation between different sectors of administration, for

instance, should be improved to respond to challenges posed by future crises.

Capacity for renewal is a characteristic, not a transient effort

The goal of Updating Democracy has been to strengthen Finland's position as a model democratic country with a capacity for renewal. This has been pursued by supporting Finnish democratic institutions' capacity for renewal so that our decision-making system can better respond to the challenges posed by the rapidly changing and increasingly complicated world in which it is difficult to predict.

Within the project, Sitra has co-operated extensively across the Finnish political and governance system in practical experiments with the Prime Minister's Office, Parliament, political parties and local municipalities.

The underlying themes of the project have been *systemic change and continuous development*. In practice, this means that the development and reform of decision-making is not just a question of sporadic reform projects being conducted by an individual organisation at a specific point of time. Instead, capacity for renewal should be a permanent and evolving feature of the entire system. For example, the use of information in the legislative process cannot be made more efficient with an individual reform project in an individual ministry; attention should be paid to the entire process of breaking silos and continuous collaboration involving the government and parliament.

The reports highlighted hidden targets for development and entities in decision-making

In 2020, Sitra promoted the renewal of parliamentary work by taking part in the reform

working group established by the Speaker's Council and providing information to support the reform work. The extensive report *Miten kansaa edustetaan* ("How should people be represented?") aimed to outline the prerequisites of MPs in their day-to-day work at the parliament, where many mutually competing elements – the politics of the work on the one hand and the parliament's formal and legal processes and schedules on the other – make working in the parliament fragmented, involving hurrying from one unfinished and over-running meeting to another. The report found that organising parliamentary work better could not only improve the prerequisites for decision-making, but also provide people with better opportunities to assess the work of MPs.

Our report *Miten tietoa käytetään päätöksenteossa* ("How is information used in decision-making?") focused on how information is compiled, relayed and used throughout the legislative process and how information flows between the government and parliament. In short, the result of the survey was that the use of information in legislative work is confusing, and to improve the situation, both the parliament and the government should establish their own development units that could together assume responsibility for the continuous development of operations.

Specific targets for development identified in the survey included the fact that the parliament does not produce institutional information to support legislative processes, that the practices of recording information vary and that a joint information base is not created in co-operation between the government and parliament during the legislative process. For these reasons, both decision-makers and the people lack a real-time view of the progress of legislative processes and the kind of information on which the decisions

made are based. This also limits people's participation opportunities.

The work to reform the parliament also continued during the Covid-19 outbreak. In part, the crisis also accelerated the reform, with there being a clear need to develop new ways of working and operating at a rapid pace. As with other organisations, it remains to be seen how the solutions devised during Covid-19 will survive. In general, reformist attitudes seemed to gain a broad foothold in the parliament. Furthermore, the reform working group itself can be considered to be a long-awaited and promising sign of the appetite and capacity for renewal emerging in the parliament.

In relation to the government, the project also involved investigations in the form of the *Valtioneuvoston ydin kriisitilanteessa* ("Core of the government in a crisis situation") Covid-19 memo as well as the *Miten Suomeen muodostetaan hallitus* ("How is the Finnish government appointed?") report. It comprehensively documented for the first time one of the most essential processes of Finnish democracy, the appointment of the government. One of the main observations of the report was that the process in which the direction of Finland is defined for the years following elections is in part based on unwritten rules and empirical information.

Updating Democracy has also involved considering the prerequisites for a reform of political parties in co-operation with all parliamentary groups. Apart from sharing information, however, reform of political parties has been slow to begin, and parties have turned out to be one of the most rigid parts of Finland's political and administrative system when it comes to reform.

The transformation of communication technology and relational power are challenging traditional institutions

In recent years, we have seen several attempts to exert more influence on established power relationships and society, made possible by new communications technology, primarily social media. The transformation of communications technology and the impact of social media, for instance, have even been compared to the invention of printing in terms of their impact.

Examples include the US presidential elections and the Brexit referendum in the UK in 2016, the *gilets jaunes* movement in France, and, more recently, the storming of the United States Capitol in early 2021, large-scale demonstrations across Russia and attempts to influence the share prices of individual companies in the hope of instant profit.

Increasing tension can be seen between traditional societal institutions and new networked movements and phenomena emerging from the grassroots level. This theme, which affects engagement, media-mediated influence and its rules and the future of democracy on the whole, was reviewed in Sitra's report Mediavälitteinen yhteiskunnallinen vaikuttaminen – Murros ja tulevaisuus ("Media-mediated societal influence – a transition and the future"), published in January 2021.

As the new Democracy and engagement theme commences in June 2021, Sitra will turn its eyes from supporting the reform of the structures and internal operating methods of institutions and organisations to how grassroots-level engagement could be promoted and how the gap between institutions and the political system and the people could be narrowed.

EXAMPLE

ROBOTS AND NEW MEETING PLACES

Towards engagement of a new era through experiments

Finnish people are interested in influencing their living environment and society, as long as it is easy and can preferably be done from home. Traditional channels of influence, such as political parties, do not seem attractive to Finns; a large proportion of the respondents to a survey would rather take part in the activities of a hobby group, Facebook group or a sports club, for instance.

The results of an extensive survey commissioned by Sitra in spring 2020 and published in the summer showed how Finns see themselves as civic influencers and revealed how and what they would like to influence. The study also investigated how Covid-19 was expected to influence society in the near future and how it has influenced trust in different societal parties.

A lack of faith in one's own ability to influence, a feeling of exclusion and uncertainties arising from the rapidly changing world have been seen as reasons for societal polarisation and an overheated atmosphere of dialogue around the world. Finland is not immune to this development, either. Before the municipal elections of 2021, there was a lot of talk about how the sometimes aggressive and confrontational nature of dialogue has affected people's willingness to run for office. Therefore, it seems that a gap has opened up between day-to-day activities and the traditional channels and methods of societal influence. The question now is to find out how that gap can be bridged.

According to Sitra, new platforms for dialogue and engagement and new kinds of "user interfaces of democracy" are needed, including bold ideas and practical experiments to see whether the ideas work. To that end, Sitra has been involved in launching, co-ordinating and funding engagement-promoting and reforming experiments in more than 20 municipalities across Finland.

Engagement was promoted in the democracy experiments 2020 project, specifically aiming to reach out to demographic groups not usually particularly active in societal discussion and influence. For example, Järvenpää arranged city council simulations between council members and residents with an immigrant background in September and November, learning through practical examples how Finnish decision-making and democracy work. And Tuusula and Tampere have experimented with crowdfunding as a way of supporting resident- and community-driven activities. In Oulu, a politics school for young people was trialled in several schools, allowing young people to consider different ways of influencing together with municipal decision-makers.

A different view on considering engagement in the future was provided by the Robottipuhelukokeilut kunnissa ("Robot call experiments in municipalities") project, in which local authorities provide residents with automated calls featuring the voice of local authority manager.

The calls were first experimented with in Kuhmoinen, Loviisa and Riihimäki in the spring, providing residents with each authority's messages about Covid-19 and learning about how the residents were doing in the exceptional conditions while providing instructions on where to get help and support, if necessary. The calls were estimated to have reached the residents of Kuhmoinen quite well in the exceptional conditions, even though the first rounds of calls also gave a lot of lessons learned.

Later in the year, the same automated calls were used in the municipal areas of Ii, Suonenjoki, Keitele, Rautalammi, Pielavesi, Lammi and Vesanto to find out residents' thoughts about their day-to-day lives and how well local services were functioning.

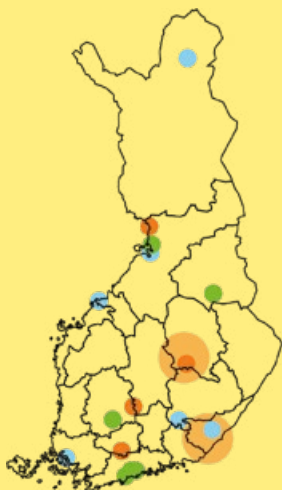
A third project in 2020 on the theme of reforming places and forms of engagement experimented with how to make libraries forums of democracy. Six libraries across Finland developed operating models allowing libraries to function as platforms for engagement, encounters and safe dialogue.

Of the libraries taking part, Mäntyharju's has specifically developed a concept for libraries in small municipalities to employ remote connections to enable encounters between young people and politicians. In fact, Mäntyharju is already

experimenting during the piloting phase with scaling up the solution to the Pieksämäki library. Meanwhile, Imatra is targeting senior citizens, whose threshold of engagement in the library's virtual question-and-answer events is lowered through digital support. Inari is developing information and influence points for residents to improve their day-to-day lives.

In Turku, the forms of operations include workshops using art methods and implementation of the experiment to places where people who consider politics a remote thing already are. In Pietarsaari, the aim is to convey the message that both small and big things can be influenced and to find ways to bring EU issues closer to people. In Oulu, the plans include EU-themed "Globaalista lokaaliin" ("From global to local") online discussions, "Kansanvallan kahvit" ("Democracy coffee") and "Nyt saa sanoa!" ("Now you can say") discussion events at the library.

The parliament has allocated one million euros to the further development and dissemination of the new concepts taking place in public libraries in its budget for 2021. The aim is to develop concepts that can be adopted nationwide and that will establish themselves in the toolbox of democracy and support for constructive societal dialogue.



FROM LIBRARIES TO FORUMS OF DEMOCRACY

- Oulu
- Turku
- Pietarsaari
- Imatra
- Inari
- Mäntyharju

DEMOCRACY EXPERIMENTS

- Kuhmo
- Tampere
- Tuusula
- Helsinki
- Järvenpää
- Oulu

ROBOT CALLS IN MUNICIPALITIES

- Riihimäki
- Kuhmoinen
- Ii
- Suonenjoki + partner municipalities Keitele, Rautalammi, Pielavesi, Tervo and Vesanto
- Eksote

FAIR

THEME

Fair data economy

DATA

HIGHLIGHTS IN 2020

1 At the request of the EU Commission, the Ministry of Social Affairs and Health of Finland appointed Sitra as the party responsible for a joint project of the EU Health Programme to promote the use of health data. The commission will fund the TEHDAS project starting in 2021 with more than four million euros. Sitra will co-ordinate the co-operation between 26 countries and mediate the EU funding.

2 The further development of the IHAN business programme piloted by Sitra will move to the Ministry of Economic Affairs and Employment of Finland. SMEs will be provided with training and support in developing new business based on the fair data economy.

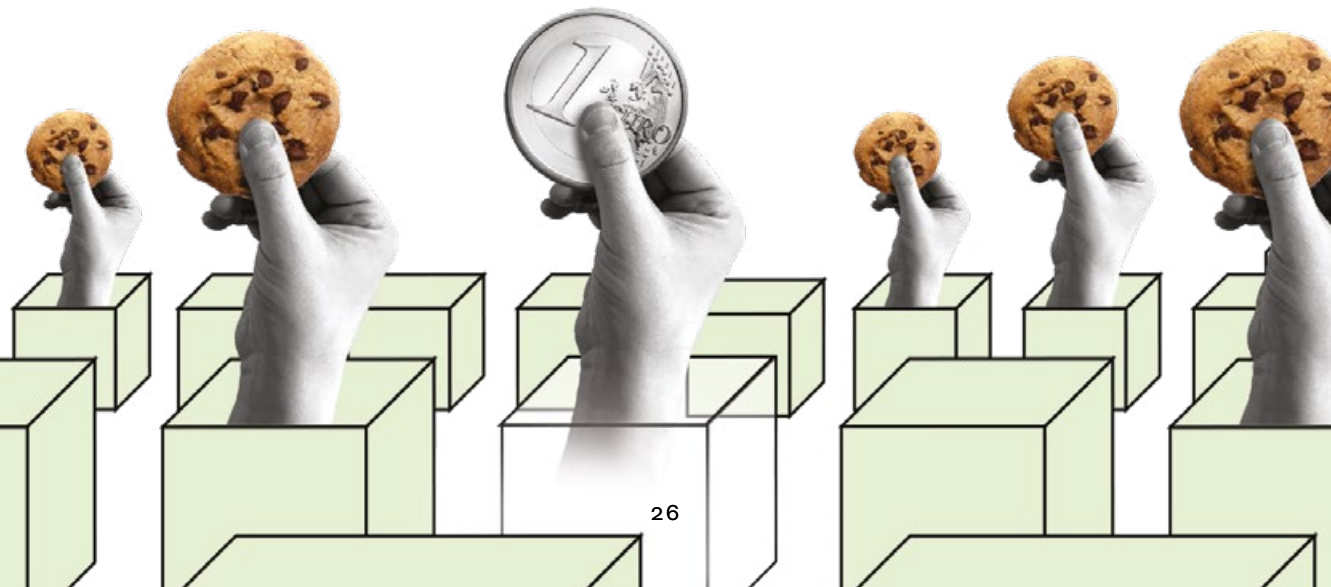
3 To support the national Covid-19 strategy, we swiftly brainstormed and funded pilot projects that used digitisation and supported the construction of Finland's test-trace-isolate-treat operating model.

WHAT TO EXPECT IN 2021

1 From the beginning of 2021, the fair data economy was made one of the three major themes in Sitra's strategy. With joint European projects, we will be able to influence international development in the field and share the lessons learned from our previous work.

2 Sitra has long-term experience in the use of health data and digitisation, on top of which we are building the new Health Data 2030 project. In addition to EU co-operation, we are seeking and experimenting with new solutions in co-operation with businesses, public authorities and academia.

3 The joint European GAIA-X project exploring Europe's digital future is an important initiative from the point of view of the strategic objectives of Finland as well as Sitra. Sitra will investigate the role and opportunities of Finnish parties in the project and has preliminarily promised to be the national Gaia-X co-ordinator.



The world's most valuable resource

The fair data economy is about sharing data in accordance with common rules so that all parties concerned benefit from its use. People receive targeted services that support their day-to-day lives and well-being and information flows in a transparent manner. For businesses – and also for Finland – data opens doors to new business, innovation and growth.

Sitra is building a human-driven, fair data economy based on European values as an alternative to a state-driven or data monopoly-driven data economy. We are advocating changes in rules and regulations to increase people's opportunities to influence the use of their data and providing companies operating in the data market with practical tools.

Artificial intelligence needs data as its raw material, a commodity that is increasingly being accumulated from all aspects of human activity. Therefore, the use of data offers opportunities in all sectors, from health care to mitigating climate change, and from food security to smart traffic systems.

Considered to be the world's most valuable resource, data currently benefits a few large corporations the most, as they collect data on the users of their services and do whatever they please with it. In a fair data economy, the benefit obtained from collected data is returned to the individuals themselves.

Until recently, the direction of the European data market has been decided by a few large multinational corporations. Now is the time to take the development into our own hands and define fair rules based on European values for the collection and use of data. For instance, the data strategy published by the EU Commission in early 2020 charts a new direction for the EU's member states.

Through its various projects, Sitra has been building a human-driven data economy for several years. Currently, we are strengthening the European reach of our work. In fact, we can offer the EU and the extended international community proven fair data economy concepts tested in Finland. At the same time, we can increase global awareness of Finland and Finnish parties as developers of fair operating models for the data economy.

Foundation for a just approach

The IHAN® – human-driven data economy project builds rules and tools for a fair data economy. Ideally, digital services are based on trust and create added value for everyone. The key stakeholders of the IHAN project are international and Finnish decision-makers, individuals, companies and other organisations. The commitment and co-operation of all of these parties is needed for the change to take place.

Action proposals for the EU's data strategy

When the European Commission published the EU Data Strategy early in the year, Sitra and the A New Governance initiative identified 35 proposals to make the European data strategy work. The proposals were aimed at the commission as well as EU member states, businesses, those working with sharing data and scholars. One of the key messages was that the EU's strategy should take greater account of personal data that transcends sectoral boundaries.

Europeans actively use digital services and the authorities collect the world's highest-quality data, but we have fallen behind the competition in using that data. A joint European governance model is needed to support the data market. To encourage discussion on the

governance model, we found out what could be learned from the experiences of the financial and telecoms sectors. It turned out that through legislation and regulation, authorities could open up new opportunities and provide support, but the development of services is ultimately the task of businesses.

Standardisation is an essential part of the tools of a fair data economy, as it improves the compatibility of different services. The pre-standardisation work relating to the fair data economy led by Sitra was handed over to the European Committee for Standardization (CEN) for further development.

Digiprofile test to support people

Our every movement online is noted and accumulates data. A digiprofile test was published on Sitra's website at the start of the year. Answering the test's questions results in the user gaining specific and customised tips on how, and with which choices, to influence the volume of data accumulated and how the data is moved on the internet. By the end of the year, the test had already been taken approximately 17,000 times.

In addition, we investigated the digital footprint of six test persons with different digital profiles. The results of the On the trail of personal data report can be summed up as follows: it is impossible for people to find out what data about them has been collected and who has access to the data.

Innovation power for companies

Data is a footprint resulting from digital activity that has no intrinsic value. Value emerges only when data is refined into information and innovations or is used for developing operations. In fact, companies play a key role in developing fairer digital services.

Sitra's IHAN business programme helped SMEs to create data-based business. The training programme made use of the lessons learned, tools and materials from the IHAN project. A total of 22 companies from different industries were chosen to take part in the six-month programme based on applications.

The Ministry of Economic Affairs and Employment of Finland will continue the development of the programme piloted by Sitra in 2021. The ministry aims to help companies to renew and grow with data: according to the preliminary plan, the programme will have aided some 4,000 SMEs in using data in their business by 2026. This would account for approximately one in five of Finnish companies with between 10 and 250 employees.

Sitra's IHAN website (ihan.fi) provides free tools for companies of all sizes to help them build fair data economy services. The Rulebook for a fair data economy provides the framework, agreement templates and tools for building and joining a data network. In addition, it describes the legal, business, technical and administrative principles, as well as ethical guidelines, to be followed by organisations when sharing data with each other.

The site also features a test platform that the Finnish Tax Administration have already tested for the development of digital services. Wärtsilä and SEB tested a digital letter of credit process as an alternative to the manual process based on physical documents. In spring 2021, the platform will be supplemented with a self-assessment tool that companies can use for analysing their data use and for finding ways to reach their goals.

All companies should also review data as part of their corporate responsibility. Sitra and the sustainable business accelerator FIBS co-ordinated a series of workshops on making data

part of CSR in 2021, based on which we managed to collect good examples of data-responsible practices. The lessons learned from the workshops were compiled into the Corporate social responsibility encompasses data publication.

Opening the window of influence to Europe

The Health Data 2030 project launched in late 2020 promotes the use of health data in co-operation with businesses, authorities and other involved parties.

At the request of the EU Commission, the Ministry of Social Affairs and Health of Finland appointed Sitra as the party responsible for TEHDAS, the Joint Action Towards the European Health Data Space, focusing on creating rules for the use of health data. The project will start in early 2021, and the EU Commission will fund it with slightly over four million euros. Sitra will co-ordinate the co-operation between 26 countries and mediate the EU funding.

This is a natural task for Sitra, as we have long-term experience and a track record in the use of health data and digitisation. We were involved in the development of a service channel that makes it easier to transmit authorities' data between different systems and rules for the secondary use of health data (Isaacus project), from which the Findata data permit authority emerged.

GAIA-X is another joint European project in which Sitra will be taking part. The initiative builds standards and an infrastructure for sharing data based on European values. Country-specific GAIA-X hubs will be responsible for co-ordinating the development work taking place in different countries. Sitra and its partners are preparing the initiative in Finland at

the request of the Ministry of Economic Affairs and Employment. In conjunction with this, we will start co-operation with European innovation ecosystems in spring 2021.

Finland is in an excellent position to be a pioneer in the use of health data in the EU. At the core of European development work, we will be able to influence the rules of the industry and predictability of the operating environment, which contributes to strengthening Finnish companies' competitiveness in the European market.

Swift experiments to support Covid-19 tracing

In response to the Covid-19 pandemic, Sitra joined the first phase of the development of a coronavirus mobile app. The Ketju ("Chain") application tracing coronavirus exposures was piloted at the Vaasa Central Hospital in May. Over 30 hospital employees took part in the test. The aim was to test how the selected technology is suited for storing encounter data and tracing infections with it.

The Vaasa pilot was one of the first in Europe. The lessons learned from it and the source code developed as part of the project were published for nationwide use. The Koronavilkku contact tracing app was later adopted in Finland, and well over two million Finns had downloaded it by the end of 2020.

Healthcare processes associated with tracing coronavirus infection chains were piloted in the South Karelia Social and Health Care District (Eksote). The experiment showed that the use of new technology and integrating systems used for managing the epidemic with social and healthcare systems would improve the resilience of health care in a state of emergency. The data has also been used later in nationwide development work.

EXAMPLE

TAX ADMINISTRATION

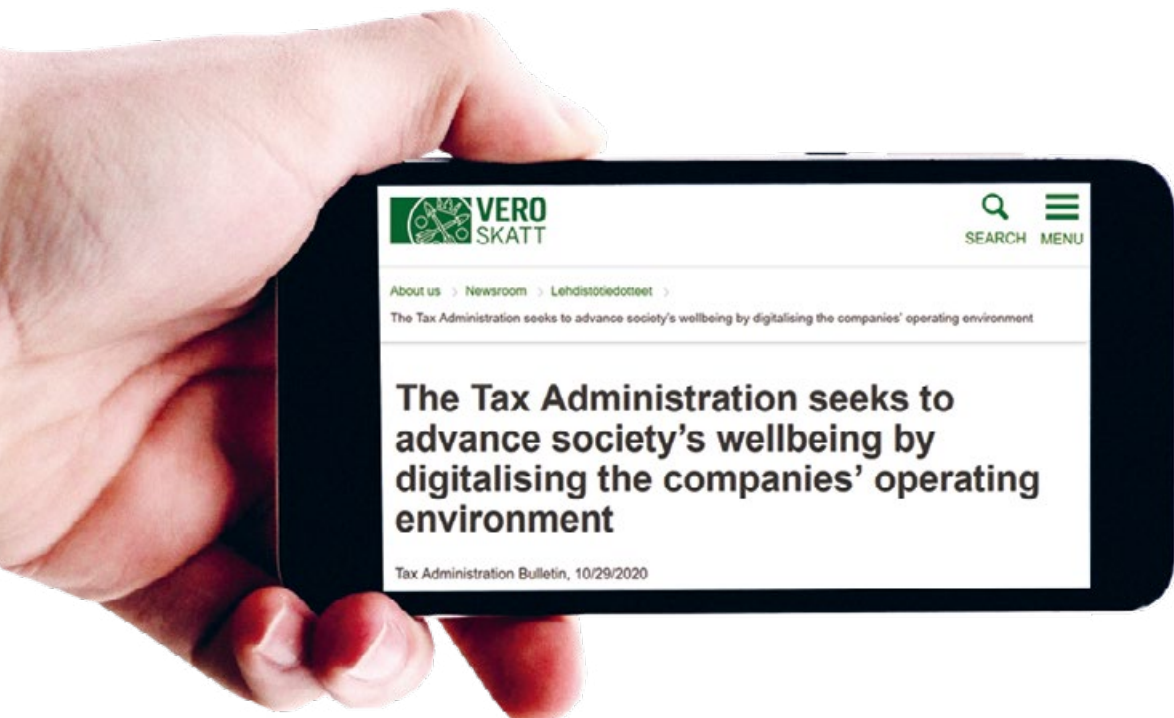
A major advance in digitising business

The Finnish Tax Administration was the first to test using Sitra's fair data economy test bed IHAN for service development, in autumn 2020. Its aim was to develop an electronic service to make it easier to establish a company in Finland from abroad.

A digital identity and an electronic authentication method were created for company representatives during the experiment. Using them makes it possible to found a company in Finland and establish an accounting

firm in Finland, for instance, without having to enter the information many times into different forms.

“The experiment showed that services provided for foreign and domestic companies can be quickly improved if machine-readable business data can be transmitted between different operators based on an authorisation granted by a company's representative,” the Tax Administration stated in its press release.



Both private and public data was used in the experiment with the permission of companies. For example, a company's public registered information was imported to the service from the Finnish Patent and Registration Office.

One of the obstacles to the growth of companies is the shortcomings in terms of digital basic infrastructure in Finland. Currently, financial and company information does not flow in real time between private and public services. This affects both the competitiveness of Finnish companies and how attractive Finland is to international investors and companies.

As the tax administration pointed out: "In order for companies and investments to grow and boost well-being in Finland, we need a new national architecture for controlled data sharing and a digitalisation platform that is open to all operators in the private sector as well as in the public sector."

The theme of the real-time economy is also written into the Government Programme. In practice, the real-time economy means the availability of up-to-date financial data in machine-readable form, which in turns makes it possible to use automation to improve the efficiency of the processes of financial management and taxation. The data sharing model created in the autumn experiment makes it possible to meet the real-time economy objectives regarding taxation, e-receipts and e-invoices. In addition, the model also brings major improvements to the automation of services provided by banks, accounting firms and insurance companies.

Real-time services can significantly lighten the administrative burden of companies. They could simplify the daily routines of up to 400,000 companies, improve the efficiency of their transactions and facilitate considerable cost savings.

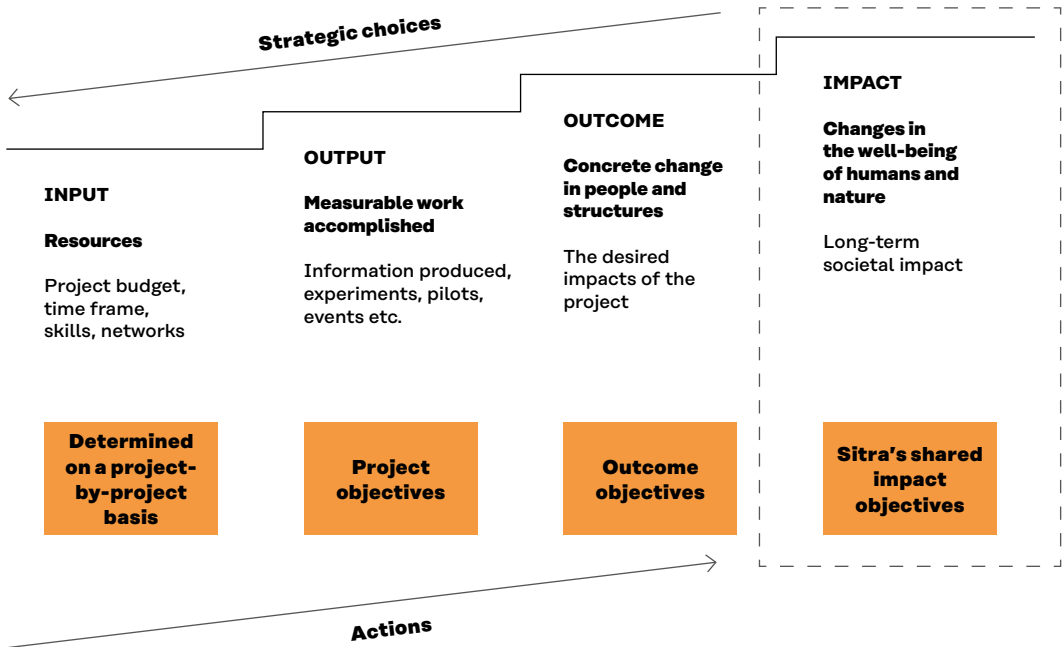
In addition to the Finnish Tax Administration, the Finnish Patent and Registration Office, Sitra, the Digital and Population Data Services Agency, Digital Living and Nixu took part in implementing the experiment.

The tools and model applications of a fair data economy can be found at ihan.fim which uses the "one-stop shop" principle to support the service development. The first version of the website was launched in June 2020 and the rest of the features will be published in spring 2021.



Monitoring and impact assessment

THE IOOI CHAIN USED BY SITRA



The future fund works with wicked problems that call for systemic changes. These are changes that are typically complex and long term in nature. Systemic change requires collective action, and solutions are typically generated in networks of different actions, actors, and environmental factors. When the operating environment is ever-changing, it is impor-

tant to set clear goals for desired impact and for intended outcomes and activities, and they all need to be reviewed and evaluated systematically.

As the results of societal future-oriented work cannot often be measured in monetary terms or using other quantitative short-term indicators, analysis must be carefully linked to

the context and different sources of information and analyses must be used diversely. External assessments and internal audit are therefore an important part of continuous monitoring and development. This work is also supported by Sitra's international expert panel that provides an international insight into Sitra's strategic choices as an independent party.

In order for impact thinking and assessment to support management and the development of operations, it is necessary to invest in four things: 1) looking forward and paying attention to the direction and pace 2) contextualization and overall view 3) smart indicators and diverse methods; 4) decision-making based on extensive knowledge.

As the objective of our work, impact requires functional practices for implementing and assessing projects and communicating their results. In 2021, we will invest in the development of our Sitra impact model to support and implement our new strategy in the best way possible. We will use the impact model to measure and assess the results and impacts and develop our operations further.

The goals of the Sitra's impact development work include:

1. Development of the methods of social impact and change. We will strengthen and support Sitra's capability to promote future-related knowledge and thinking as well as capacity for change and co-operation.
2. Organisation of assessment activities and steps for preparing project assessment plans. We ensure that assessment data is accumulated and used in projects and at the level of Sitra.

3. Project management and information systems support the management and validation of societal impact.

Requirements for impact are increasing

The requirements for impact have increased both in Finland and internationally, and have expanded into new areas (such as foundations). Impact and "financial game sense" are ethical responsibilities of a public operator, going hand in hand with transparency and openness.

Sitra is renowned for implementing and accelerating societal change. In addition, Sitra can be considered a national and even an international pioneer in impact thinking and evaluation. Practices for assessing goals and evaluating impact have been developed for the last decade. In the period 2016–2019 Sitra increased its effort for evaluating the impact of its work, which has also been noted internationally (e.g. Royal Society of Arts (RSA) 2020, and peer-reviewed articles

Improving changemaking ability is one of the focal points of our strategy. We aim to use and develop our expertise and lessons learned more systematically, thereby also responding to the development proposals that have emerged in assessments.

The planning, management and assessment of Sitra's activities are based on impact thinking, known by the abbreviation IOOI (input, output, outcome, impact). We revised our impact objectives in conjunction with the strategy update in 2020. The impact objectives indicate the kind of societal change and impact we pursue through our work.

Changemakers of the future fund

During the year of Covid-19, there was naturally a strong emphasis on human resources (HR) and aspects of well-being. Joint work to update Sitra's strategy and operating model increased the moments of joint development of our work.

Sitra is a specialist organisation with slightly under 170 employees, with everyone's work aiming to achieve societal change or supporting it. Anticipating the future and implementing complex societal projects require employees to have in-depth expertise in their own fields and a broad understanding of societal activities, co-operation and the implementation of changes. Reform and societal change are in the DNA of every Sitra employee.

The work of the future fund is largely project-based advisory work guided by a shared vision, strategy and objectives specified for each project. Because of the project-based nature of

the work, almost one in two Sitra employees are fixed-term employees. This is both a strength and challenge in day-to-day work.

Digital advances in exceptional times

At the end of 2020, Sitra had 168 employees (2019: 166; 2018: 179). The average number of employees during the year under review was 165.23 and the number of person-years was 152. A total of 32 new employment contracts began during 2020. Of Sitra's staff, 58% were on permanent contracts and 42% on fixed-term employment contracts. The proportion of part-time employees in the total number of personnel was 8%. People at Sitra have traditionally been highly educated: 84% of Sitra employees have a higher education degree and 15 people also have a licentiate or a doctoral degree.

In 2020, 67% of Sitra's employees were women and 33% were men. In the management group, the respective proportions were 50% women and 50% men. At the end of 2020, the average age of Sitra employees was around 46 years, and the age breakdown was broad: 9% were aged under 30, 27% were aged 30 to 39, 27% were between 40 and 49, 23% were 50 to 59 years old and 14% aged over 60.

The year 2020 saw some major changes, especially with regard to ways of working. A strong base for the digital advance required by the transition to remote work already existed in terms of systems, for example, but the rapid



migration also required swift solutions technology from the point of view of processes and operating models. For example, electronic signature and fully virtual meetings and workshops became part of day-to-day work. A virtual process was also adopted in recruiting.

In the exceptional times, investments were made in HR, well-being and working community communications by supporting supervisory work in many ways, increasing flexibility, making co-operation with occupational healthcare services closer and communicating more actively about the changes brought about by the crisis situation and proven practices and ideas. Those willing were offered the opportunity to start using the holistic Firstbeat Life well-being service, for instance.

Updating the strategy and operating model was a joint effort

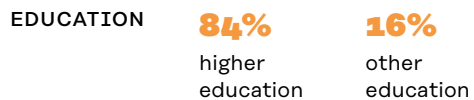
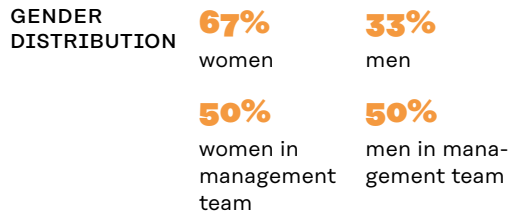
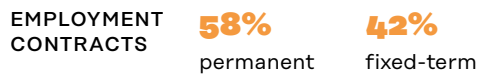
The update of the strategy and operating model that started in early spring 2020 continued throughout the year. The process began at the same time as the Covid-19 situation worsened into a pandemic, and therefore it was carried out remotely from start to end. Workshops and other work integrated seamlessly with other work, and all Sitra employees took part in the development effort – some only in workshops, some in cross-organisational development teams and some in agile operational experiments. The revised strategy and operating model supporting it took effect on 1 January 2021.

The key reforms in the operating model were concentrating project decisions and portfolio reviews to four times a year, changing key areas into projects and reforming the personnel forums. The development of operating models will continue next with the further specification of the life-cycle model of projects.

With regard to other internal development projects, the biggest were projects associated with the accessibility of online services and the information management model. Additional flexibility introduced by the new Working Hours Act was negotiated on throughout the year, and the new Working Hours Act allowed the increasingly flexible use of flexi-hours at Sitra as well.

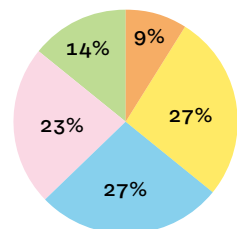
The HR and communications strategies, among others, will be updated during 2021 to match the new strategy, and policies on Sitra’s EU co-operation and international operations will be defined.

SITRA EMPLOYEES BY PERCENTAGE



AGE DISTRIBUTION

- aged under 30
- aged 30–39
- aged 40–49
- aged 50–59
- aged over 60



Responsibility and sustainability

For a future fund like Sitra, responsibility is the starting point of all activities, from internal procedures to external development work. It is about the systemic choices that help us to build a prosperous Finland of tomorrow and the continuous assessment and development of the impact of our work.

Measures to mitigate Covid-19

The Covid-19 pandemic was declared in March 2020. Above all, our task is to be a foreseer of future development, a promoter of sustainable development, an executor of agile experiments and a builder of extensive co-operation. The crisis highlighted Sitra's fundamental role as a societal change agent and a builder of tomorrow's prosperous Finland.

We set out to implement projects to support the management of the pandemic and our society: we brainstormed, co-ordinated and funded experiments supporting coronavirus tracing, emphasised the importance of the tools for sustainable recovery and foresaw the long-term impacts of the pandemic.

One of our main messages during the exceptional year was that Covid-19 will transform our society in many ways and there will be no return to the times before it. Therefore, we encouraged both people and organisations to think about what the world changed by Covid-19 will be like – and what kind of a world we want to build.

Our role in bringing people and organisations together became even more important in the exceptional circumstances. Sitra's online events

attracted even more participants than normal and reached new audiences across Finland.

Also, as an organisation, Sitra took part in the joint Covid-19 effort by carefully adhering to the recommendations and guidelines issued by the authorities and by supporting the well-being of personnel in the exceptional circumstances.

Work for sustainable development and responsibility practices

With our work, we also support the realisation of global development goals. The Agenda 2030 has become a framework against which companies, organisations and the public sector benchmark their sustainability. Also, Sitra chose it as the benchmark for its sustainability reviews.

We published an internal survey of the link between the UN's Sustainable Development Goals (SDGs) and Sitra's objectives and operations. Sitra has particularly dedicated efforts to Finland's key issues of concern in sustainable development, including climate action (SDG No. 13), decent work and economic growth (No. 8) and reduced inequalities (No. 10), as well as reforming the strengths of Finland, such as quality education (No. 4) and peace, justice and strong institutions (No. 16). The most essential target for development concerned improving the state of nature (No. 14, life below water and No. 15, life on land). Following the survey, Sitra has strengthened its work to safeguard biodiversity. The survey was carried out in 2019.

Another example concerns the *Corporate social responsibility encompasses data* workshops, which we organised in co-operation with the corporate responsibility network FIBS, businesses and the public sector during the year under review. The importance of data in guiding and developing business activities is increasing continuously, as are the demands of customers for the transparent use of data. The best practices and examples of the sustainable use of data identified in the workshops were compiled into the Corporate social responsibility encompasses data publication.

Estimate of the sustainability of Sitra's investments

Sustainable development and a low-carbon environment are the guiding principles behind Sitra's investment activities. We require that our investments and asset managers are responsible and compliant with international standards, such as the UN's Principles of Responsible Investment.

Sitra annually reports on the implementation of the guidelines for responsible investment to the UN Principles for Responsible Investment (PRI) network. In spring 2020, PRI's scores of Sitra's strategy for responsible investment, choice and monitoring of asset managers and active ownership were strengthened consistently.

Next step will be to update the HR strategy

The future, independence and responsibility are at the core of Sitra's work, whether it concerns personnel, procurement, communications or finances.

We will update Sitra's HR strategy during 2021. Skilled, engaged and committed Sitra employees with a sense of well-being facilitate

both our future-oriented work and the development of our working community. The HR strategy will help Sitra and its employees to implement the revised strategy and ensure societal impact.

The year of Covid-19 changed the ways of working and the expectations for the fund's physical working premises. In spring 2021, we will renew Sitra's premises so that they will better support our common activities and work after the Covid-19 pandemic.

We emphasise openness, transparency and integrity in our operations and communications. We actively work against the spread of lies and hate speech and emphasise the importance of constructive dialogue. Several Sitra employees took part in Lockdown Dialogues organised in 2020. The Lockdown Dialogues on life during the pandemic and in the future were a joint project of the Dialogue Academy, the Timeout Foundation and the Ministry of Finance, and we were one of the organisers of the dialogue events. The dialogues made use of the Timeout method for constructive societal dialogue developed by Sitra.



Investment activities

In 1967 the Bank of Finland and the Finnish Parliament gave Sitra an endowment capital of approximately 84 million euros. This endowment capital has laid the foundation for Sitra's current investment assets, the returns on which provide financing for the future-oriented work at Sitra.

The year 2020 ended largely as it started from an investor's point of view: valuation levels were at an all-time high in many equity and fixed-income markets. This is surprising to some extent, as the year featured the worst global pandemic in a century, considerable lockdowns of economies, the collapse of share indices in March, negative economic growth and record-high growth in unemployment.

Enormous stimulus measures taken by central banks and governments significantly supported the development of the investment market. Towards the end of the year, favourable news of Covid-19 vaccines and the outcome of the US presidential election underpinned the strong increase in share prices.

The rise in the equity market that began in March was largely driven by high-tech growth companies, whose business operations did not directly suffer from the Covid-19-related restrictions. Tourism, the energy sector and the financial sector did not recover from their rock-bottom position in March as well as the technology sector.

The year was eventful in the fixed-income market as well. In March, the uncertainty of companies' outlooks, increase in cash reserves and simultaneous transition of fixed-income

trading professionals to remote work resulted in liquidity disappearing from the corporate bond market. Some fixed-income funds even had to discontinue redemptions and subscriptions due to the lack of reliable price information. Strong support measures by central banks brought the situation back to normal. The US central bank FED also extended its asset purchase programme to high-yield corporate bonds for the first time and adopted listed ETF products as its tool. Meanwhile, the European Central Bank created the pandemic emergency purchase programme (PEPP) for private and public-sector securities.

At the end of the year, the market value of Sitra's investments was 976 million euros (942 million euros on 31 December 2019). The return on investment was 11.0% (portfolio benchmark index 7.0%). Equity investments yielded a return of approximately 17.9%, fixed-income investments 2.2% and other investments 10.2%. The five-year average return on investment was 7.4 per cent.

The allocation of investment assets at the end of the year was as follows: shares 46.0% (2019: 47.6%), fixed-income instruments 30.5% (31.6%) and other investments 23.5% (20.8%). The investment assets are mainly invested in funds. Sitra makes the decisions on the allocations, but the funds decide on the individual investment targets independently, as per the fund's rules.

In August, 33.3 million euros was withdrawn from Sitra's investments as part of the non-recurring allocation totalling 100 million



euros to capitalise universities. The sum paid to the State Treasury was the first of two instalments.

In the challenging market environment, the aim was to keep the allocation of investment assets in line with the investment plan. Sitra completely withdrew from its direct holding of Nokia shares. A new investment was made in the OP-Euro fund during the year to support the management of liquidity. A commitment of seven million euros was made at the end of the year to the Mandatum Life Private Debt IV investment basket, continuing the diversification of fixed-income investments in private loan instruments. More assets were also allocated to alternative investments.

Real estate investments were increased with a commitment of seven million euros to the CapMan Nordic Real Estate III fund that invests in offices and residential properties in the Nordic countries. Sitra was also an investor in CapMan's previous Nordic Real Estate I and II funds. The share of listed real estate investments (Real Estate Investment Trust) in the portfolio was also increased towards the end of the year.

One investment commitment of three million euros was made to the venture capital fund portfolio. Bocap SME Achievers Fund III Ky will continue with the same strategy as the previous fund in which Sitra was also an investor. The fund supports growing Finnish SMEs through its investments.

An investment commitment of one million euros was made in the FIM Työllistäminen I Ky fund, which supports the employment of the long-term unemployed. The aim of the impact investing fund is to offer and develop employment-promoting services for the long-term unemployed across Finland.

Sitra's investment portfolio only has eight portfolio companies left. Four companies were divested during the year. New investments in portfolio companies have not been made after 2014.

Responsibility in investing

Sitra invests its assets responsibly while aiming for profit. For Sitra, responsible investing means taking account not only of the return and risk but also of the environmental, social

and governance (ESG) factors in all investment decisions.

In 2015, Sitra committed itself to the UN's Principles for Responsible Investment (PRI), and Sitra has been a member of Finland's Sustainable Investment Forum, FINSIF, since 2013.

In practice, the implementation of responsibility in investing is based on the guidelines confirmed by Sitra's Board of Directors, which were updated in autumn 2019. In 2020, the focus was on implementing the guidelines and discussions with asset managers, especially in relation to industry and breach of standards screening.

The following examples of companies are excluded from Sitra's investment universe: 1) manufacturers of tobacco products if the tobacco products account for more than 50% of their turnover; 2) companies manufacturing controversial weapons; 3) companies with more than 30% of their turnover linked to coal production or coal use in power generation without a clear strategy to reduce coal use; and 4) companies that have violated internationally accepted norms (concerning human rights, the environment, corruption and working conditions) and have not done enough to compensate for the violations.

The reporting reform implemented with Investment Research Finland in 2020 makes monitoring the above-mentioned exclusions and more comprehensive ESG reporting possible. We are regularly informed of any deviations of the funds from the guidelines with regard to listed equity and fixed-income investments. In case of deviations, talks will immediately commence with the asset managers. Selling a fund is the last resort if improvement is not achieved with our engagement. Sitra's current fund investments

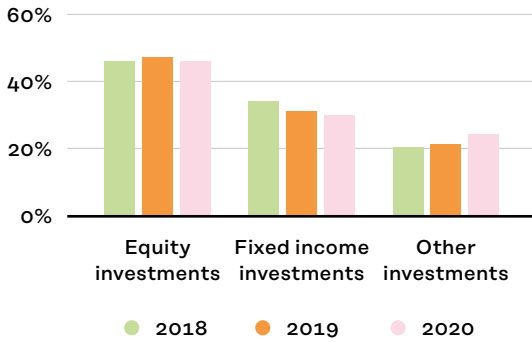
are subject to a two-year transition period to reflect industry exclusions; in practice, the portfolio must be aligned with the guidelines by autumn 2021 at the latest.

In addition to discussions with asset managers, impact work is carried out by taking part in investor initiatives. In March 2020, Sitra joined the Climate Action 100+ initiative. This is an investor-driven project to encourage companies to commit themselves to emission-reduction goals aligned with the Paris Agreement and report on the risks of climate change to their business.

Sustainable development and a low-carbon environment are the guiding principles behind Sitra's investment activities. We aim to understand and take into account the risks and opportunities of climate change and the ongoing energy transformation in our investments. The aim is to integrate climate change-related risk management into all investment activities. In 2021, a climate strategy will be prepared for Sitra's investment activities to make the matter more concrete.

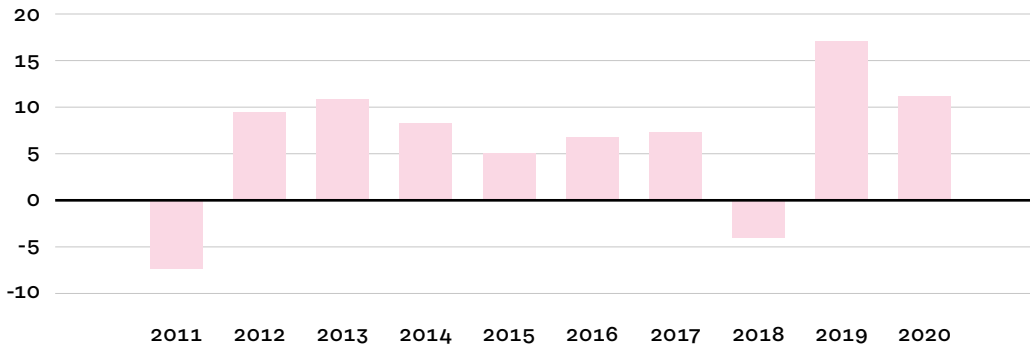
Sitra annually reports on the implementation of the guidelines for responsible investment to the UN Principles for Responsible Investment (PRI) network, which also assesses the reports submitted to it. The most recent report is from spring 2020, when the assessments of Sitra showed consistent improvement: the strategy section was rated A+ (A in 2019), selection and monitoring of asset managers rated A (B in 2019) and active ownership rated C (D in 2019). PRI reporting is an investor tool that helps to develop the practices of responsibility in investing. It allows benchmarking one's own activities with the best industry practices.

INVESTMENT ALLOCATION

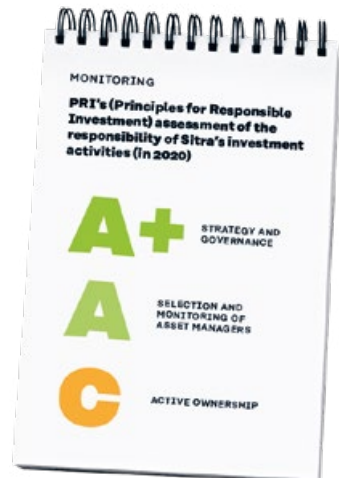
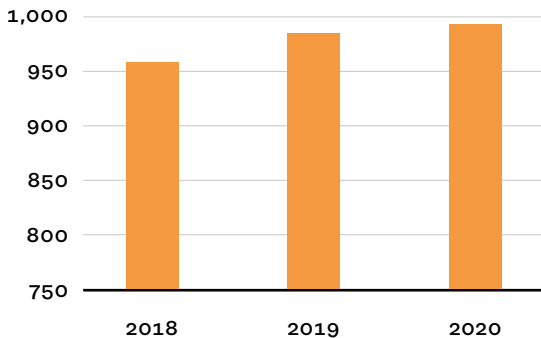


Sitra's investment assets are mainly invested in funds.

RETURNS ON ENDOWMENT CAPITAL INVESTMENTS 2011–2020 , %



MARKET VALUE OF INVESTMENTS, M€



Finances

The annual budget that Sitra uses for its operations varies year by year and is typically between 30 and 40 million euros. Operations are funded entirely by returns from investment activities. Returns from investment activities totalled 55.7 million euros in 2020, while investment expenses totalled approximately 2.8 million euros.

The balance sheet total was 706 million euros, a slight decrease on the previous year (714 million euros). The deficit for the financial year was 7.7 million (the surplus for 2019 was 0.8 million euros).

In 2020, operational expenses amounted to 60.7 million euros (34.2 million euros). The level of expenses being significantly higher than normal was due to Sitra's Supervisory Board decision of December 2019 on a non-recurring allocation of 100 million euros to capitalise universities. The first instalment of 33.3 million euros was remitted to the State Treasury in August 2020 and the remaining 66.7 million euros will be paid in 2022.

After the non-recurring allocation, the main expense items were personnel expenses (13.7 million euros), financing activities (4.9 million euros) and advisory services (4.8 million euros). Expenses (excluding the non-recurring allocation of 33.3 million euros) decreased by a total of 6.7 million euros year on year: personnel expenses by

0.8 million euros and other expenses by 6.0 million euros.

Projects are an important basic unit of Sitra's future-oriented work. Project expenses totalled 9.5 million euros in 2020 (14.4 million euros). Of them, 52%, or 4.9 million euros, was spent on direct funding of projects, while the rest was used on procurement to promote projects.

Of the project expenses, 4.7 million euros (49%) was spent on experiments and pilot projects, 1.6 million euros (17%) on training and events and 2.1 million euros (22%) on surveys and reports. The biggest items were associated with the circular economy, the data economy and public-sector leadership training. Project expenses are published on Sitra's website annually.

The Supervisory Board decided to make Sitra's non-recurring allocation to capitalising universities gradually to ensure that its impact on the independence and impact of Sitra's operations is as small as possible. The non-recurring allocation has a direct impact on the value of Sitra's investment assets. Sitra's operations are funded by returns on these investment assets. Because of that, the non-recurring allocation has also been prepared for in Sitra's budget by adjusting operations in the long term. It is estimated that in 2022, operational expenses will be approximately 28 million euros.

Administration

Board of Directors

Sitra's Board of Directors convened eight times in 2020. Its members at the first meeting were Permanent Secretary **Martti Hetemäki** (chairperson), Permanent Secretary **Jari Gustafsson** (vice-chairperson), Permanent Secretary **Anita Lehtikoinen**, **Kirsi Sormunen** and Professor **Markku Wilenius**.

Sitra's Supervisory Board elected a new Board of Directors for the term of office from 1 April 2020 to 31 December 2021. The members of the Board of Directors are Permanent Secretary **Anita Lehtikoinen** (chairperson), Permanent Under-Secretary **Päivi Nerg** (vice-chairperson), former President of the Republic of Finland **Tarja Halonen**, Rector **Keijo Hämäläinen**, MSc in Engineering Physics, MSc in Political Science **Jorma Ollila** and Under-Secretary of State **Petri Peltonen**. Head of Legal Affairs **Jorma Jaalivaara** acted as the secretary to both Boards of Directors.

During the year, the Board of Directors' Audit Committee met once with the old composition and two times with the new line-up. The members of the old Audit Committee were **Kirsi Sormunen** (chairperson), **Martti Hetemäki** and **Markku Wilenius**. The members of the new line-up of the Audit Committee are **Päivi Nerg** (chairperson), **Keijo Hämäläinen** and **Petri Peltonen**.

Supervisory Board

The Act on Sitra was amended in 2019 and as the amended act entered into force on 1 January 2020, a new Supervisory Board, separate

from the Parliamentary Supervisory Council, was appointed for Sitra in February 2020. During the year under review, the Supervisory Board met once with the old composition and seven times with the new line-up. The secretary to the Supervisory Board was **Anton Mäkelä**, LL.M. The members of the old Supervisory Board were Members of Parliament **Antti Lindtman** (chairperson), **Jani Mäkelä** (vice-chairperson until 26 September 2019), **Toimi Kankaanniemi** (as of 27 September 2019; vice-chairperson as of 25 October 2019), **Mari Holopainen**, **Kalle Jokinen**, **Markus Lohi**, **Markus Mustajärvi** (as of 5 November 2019), **Petteri Orpo**, **Pia Viitanen** and **Ville Vähämäki**.

The members of the new Supervisory Board are Members of Parliament **Tarja Filatov** (chairperson), **Riikka Purra** (vice-chairperson), **Janne Heikkinen**, **Eveliina Heinäluoma**, **Katja Hanninen**, **Antti Lindtman**, **Markus Lohi** (as of 15 September 2020), **Veijo Niemi**, **Pirkka-Pekka Petelius**, **Joakim Strand**, **Sari Tanus**, **Matti Vanhanen** (until 5 June 2020), **Anu Vehviläinen** and **Anne-Mari Virolainen**.

Auditors

At the end of 2020, the following individuals appointed by the Finnish Parliament were Sitra's auditors: chair **Mika Kari**, **Jukka Kopra** (deputy member: **Jukka Mäkynen**), **Katri Kulmuni** (deputy member: **Raimo Piirainen**), **Lotta Kauppila**, APA (deputy member: **Hannu Riippi**, APA) and **Timo Tuokko**, APA (deputy member: **Anna Lind**, APA). Professor

Markku Koskela, APA, acted as the secretary to the auditors. BDO Oy acted as Sitra's assisting auditor, and **Tiina Lind**, APA, CFPA, as the principal auditor.

Internal audit

Internal audit is part of Sitra's internal governance and control system. It supports the acting management in reaching the objectives by issuing recommendations for developing the operating methods. Internal audit also assesses the appropriateness and effectiveness of Sitra's control, management and administration processes and risk management, as well as the realisation of good corporate governance.

KPMG Oy Ab, an outsourced party appointed by the Supervisory Board through tendering, was responsible for Sitra's internal audit in practice. The principal auditor was **Harri Leppiniemi**, CIA, CCSA, CRMA.

Risk management

Risk management is part of Sitra's internal control and good corporate governance. Risk management supports the achievement of objectives and guarantees that operations are continuous, uninterrupted and safe and that the fund's operating preconditions are maintained.

The principles of risk management, confirmed by Sitra's Board of Directors, describe the objectives, responsibilities and roles of risk management and how risks are identified, assessed and monitored at Sitra. Risks are divided into strategic, operational and financial risks. The situation of risk management is reported on twice a year to Sitra's management team and at least once a year to Sitra's Board of Directors.

An audit of financial administration and a follow-up audit of procurement activities were implemented and reported on during 2020. In addition, internal audit and assisting audit were subjected to tendering.

The objects of internal audit in 2021 included, besides regular measures, compliance with the GDPR and Sitra's co-operation and joint projects with the EU.

Sitra's Board of Directors, audit committee and senior management supervise to ensure, with the assistance of internal audit, that risk management has been carried out in accordance with the risk management principles and decisions made.

Financial statements

2020

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INCOME STATEMENT

EUR		Realised 2020	Realised 2019
ACTUAL OPERATIONS			
	Income	38,481.25	420,441.81
	Expenses		
	Personnel costs	1 -13,691,187.74	-14,469,641.31
	Depreciation	0.00	-7,332.43
	Other expenses	2 -47,051,965.75	-19,720,975.62
		-60,743,153.49	-34,197,949.36
	Surplus/deficit	-60,704,672.24	-33,777,507.55
INVESTMENT ACTIVITIES			
	Income from investment activities	3 55,735,428.83	44,038,454.76
	Expenses from investment activities	4 -2,761,138.49	-9,509,987.54
		52,974,290.34	34,528,467.22
	Surplus/deficit for the financial year	-7,730,381.90	750,959.67

BALANCE SHEET

EUR		Realised 2020	Realised 2019
Assets			
FIXED ASSETS			
	5	158,501.44	197,077.02
	6	699,835,860.16	709,028,659.19
		699,994,361.60	709,225,736.21
CURRENT ASSETS			
	7	1,125,954.26	1,489,104.90
		4,989,537.89	3,458,748.29
		6,115,492.15	4,947,853.19
Total assets		706,109,853.75	714,173,589.40
Equity and liabilities			
EQUITY			
		235,463,097.04	235,463,097.04
		473,051,982.76	472,301,023.09
		-7,730,381.90	750,959.67
		700,784,697.90	708,515,079.80
LIABILITIES			
	8	5,325,155.85	5,658,509.60
		5,325,155.85	5,658,509.60
Total equity and liabilities		706,109,853.75	714,173,589.40

CASH FLOW STATEMENT

	2020	2019
SURPLUS FROM ACTUAL OPERATIONS	-60,704,672	-33,777,508
Receivables associated with actual operations 31 December	-230,940	-394,769
Receivables associated with actual operations 1 January	394,769	542,307
Liabilities associated with actual operations 31 December	5,325,156	5,547,233
Liabilities associated with actual operations 1 January	-5,547,233	-6,156,421
Depreciation from actual operations	0	7,332
Cash flow from actual operations	-60,762,920	-34,231,826
Cash flow from operations		
Cash flow from actual operations	-60,762,920	-34,231,826
Cash flow from operations (A)	-60,762,920	-34,231,826
Cash flow from investment activities		
Receivables associated with investment activities 31 December	-895,015	-1,094,336
Receivables associated with investment activities 1 January	1,094,336	103,621
Liabilities associated with investment activities 31 December	0	111,277
Liabilities associated with investment activities 1 January	-111,277	-106,170
Investments in investment assets	-79,153,329	-108,079,016
Disposals of investments, yield and refunds from venture capital funds	139,718,534	141,750,879
Dividends	1,730,695	1,481,067
Other income	227,233	231,180
Asset management fees	-317,468	-511,915
Cash flow from investment activities (B)	62,293,709	34,910,415
Change in cash and cash equivalents (A + B) increase (+) / decrease (-)	1,530,789	678,589
Cash and cash equivalents 1 January	3,458,748	2,780,159
Cash and cash equivalents 31 December	4,989,538	3,458,748
	1,530,790	678,589

ACCOUNTING PRINCIPLES

Presenting the financial statements

Section 14 of the Act on Sitra, the Finnish Innovation Fund: the provisions of the Accounting Act (1336/1997) are followed in the accounting of the fund where applicable.

The financial statements for 2020 have been prepared in accordance with the Accounting Act and Decree.

The financial period of the Fund is the calendar year.

The profit and loss account is reported using the Profit and Loss account formula for non-profit organisations and foundations in compliance with chapter 1, section 3 of the Accounting Decree. The balance sheet is a condensed balance sheet.

Valuation and allocation principles

Pension expenses

The pension coverage of the fund's employees is provided through external insurance companies. Pension expenses are recognised on an accrual basis in the financial statements. The fund has an optional additional pension insurance policy that includes old-age, disabil-

ity and unemployment pension and death benefit. The retirement age is 65 years, and the pension is determined based on accumulated pension savings, which in 2020 amounted to 3% of the person's TyEL income for 2020.

Fixed assets and depreciation

Fund investments and other investments have been valued at the lower of original cost or current value. The current value of fund investments and unit-linked insurance is the NAV (net asset value) reported by the fund management company. The current value of loans is evaluated on the basis of the solvency of the debtor and, with regard to direct real estate investments, cash flows.

Investments in portfolio companies and venture capital funds are valued at the lower of original cost or sum determined by internal valuation. The internal valuation procedure is based on the reports of the portfolio companies and funds and Sitra's view on their future development and cash flows.

Other fixed assets are recognised at direct cost less planned depreciation. The cost limit of on-balance sheet fixed assets is 10,000 euros.

NOTES TO THE PROFIT AND LOSS ACCOUNT AND BALANCE SHEET (EUR 1,000)

Further details on the content of the items in the profit and loss account and the balance sheet are given in the notes.

The number presented in correspondence to the notes refers to the profit and loss account and the balance sheet.

1 Personnel costs

EUR 1,000	2020	2019
Wages and salaries	-11,477	-11,837
Pension expenses	-1,930	-2,325
Other statutory payroll expenses	-284	-307
Total	-13,691	-14,470

The personnel costs include an additional pension insurance of EUR 312,000.

The wages and remuneration of the management are included in personnel costs.

EUR 1,000	2020	2019
Supervisory Board	-102	-32
Board of Directors	-52	-46
President	-312	-239
Total	-467	-317

The personnel expenses for 2020 include compensation paid to external experts (0.1 million euros). External experts are not included in the headcount of personnel.

The number of personnel was 168 at the end of the financial year (166 in 2019).

The average number of employees during the financial year 2020 was 165.

No exceptional transactions were carried out with related parties.

2 Other expenses

EUR 1,000	2020	2019
Optional payroll expenses	-926	-1,094
Rent of premises and premises expenses	-1,304	-1,543
ICT equipment and expenses	-742	-634
Travel expenses	-140	-848
Entertainment expenses	-14	-47
Advisory services	-4,769	-4,469
Other operating expenses	-34,234	-1,499
Financing activities	-4,923	-9,586
Total	-47,052	-19,721

OTHER EXPENSES BY FUNCTION

EUR 1,000	2020	2019
Foresight and insight		
Function level	-46	-111
National foresight and insight	-148	-67
Learning+	-104	-79
Reformers of the Future	-126	-15
Finished projects	0	-361
Total	-424	-633
Capacity for renewal		
Theme level	-884	-1,099
Public-sector leadership	-968	-610
Updating Democracy	-629	-254
Finished projects	-97	-695
Total	-2,578	-2,658
A carbon-neutral circular economy		
Theme level	-376	-916
Carbon-neutral industry	-346	-361
Climate and nature solutions	-294	-377
International co-ordination team	-449	-534
Sustainable everyday life	-405	-1,441
Circular economy	-407	-4,654
Competitive and fair circular economy	-376	-11
Total	-2,653	-8,294

EUR 1,000	2020	2019
New working life and a sustainable economy		
Theme level	-9	-64
Well-being ecosystem	-23	-17
IHAN® – human-driven data economy	-3,451	-2,210
Lifelong learning	-153	-292
Support for impact investing	-81	-496
Finished projects	0	10
Total	-3,717	-3,069
Fair data economy		
Health Data 2030	-1	0
Total	-1	0
Societal training		
Function level	-73	-97
Sustainable economic policy	-77	-71
Sitra Lab	-188	-309
Finished projects	-1	-227
Total	-340	-705
Management	-33,321	-260
Strategy	-21	-297
Legal Affairs	-146	-157
Communications and Public Affairs	-461	-360
Administration	-3,030	-3,074
Investments	-361	-214
Total	-47,052	-19,721

3 Income from investments

EUR 1,000	2020	2019
Profits on the sale of investments	33,346	20,783
Interest income	43	88
Dividend income	1,731	1,481
Income from fund investments	18,380	10,531
Other income	953	2,031
Restorations	1,282	9,125
Total	55,735	44,038

4 Expenses from investments

EUR 1,000	2020	2019
Losses on realisation of investments	-136	-1,007
Expenses from fund investments	0	-64
Other expenses	-317	-460
Changes in value	-2,309	-7,978
Total	-2,761	-9,510

5 Tangible and intangible assets

Planned depreciation periods of fixed assets:

Other capital expenditures	straight-line depreciation	5 years
Renovation of office premises	straight-line depreciation	10 years
Machinery and equipment	straight-line depreciation	5 years
ICT equipment	straight-line depreciation	3 years

No fixed assets were acquired during the financial year.

EUR 1,000	Book value 1 Jan 2020	Increase	Decrease	Depreciation	Book value 31 Dec 2020
5.2 Tangible assets					
Machinery and equipment	0	0	0	0	0
Fixed assets shares and participations	9	0	0	0	9
Other tangible assets	188	0	-39	0	149
Total	197	0	-39	0	159

6 Investments

EUR 1,000	2020	2019
6.1 Fund investments	556,002	584,848
6.2 Private equity fund investments	121,840	103,634
6.3 Other investments	20,039	18,391
6.4 Investments in portfolio companies	1,748	1,949
	699,630	708,823

6.1 FUND INVESTMENTS

Fund investments	Registered office	Book value	Market value
Equity funds			
Aberdeen Global World Equity A2	Luxembourg	18,030	34,462
C Worldwide Emerging Markets	Luxembourg	6,575	8,839
Danske Invest Suomiosake IK	Finland	48,011	68,204
Elite Alfred Berg Suomi Fokus B	Finland	10,872	15,357
Fondita 2000+ B	Finland	18,271	43,493
Handelsbanken Eurooppa Indeksi (A1 EUR)	Sweden	10,593	12,803
Impax Environmental Markets Euro A	Ireland	23,027	50,387
JP Morgan Global Unconstrained Equity Fund X EUR	Luxembourg	51,407	89,142
JPM Emerging Markets Equity Fund I EUR	Luxembourg	31,518	51,647
OP-Suomi A	Finland	48,957	74,777
Bond funds			
Aktia Emerging Market Bond+ D	Finland	12,967	17,335
Bluebay Investment Grade Bond IB EUR	Luxembourg	37,162	45,573
Danske Invest Emerging Markets Debt K	Finland	9,709	12,757
Danske Invest Yhteisökorko K	Finland	59,328	59,574
Eveli European High Yield B	Finland	18,464	25,228
LähiTapiola Vastuullinen Yrityskorko A	Finland	39,359	48,342
OP-EMD Local Currency A	Finland	16,916	18,227
OP-Euro A	Finland	17,491	17,536
SEB Global High Yield B	Finland	17,682	24,203
SEB Microfinance Fund V	Luxembourg	2,777	2,777
SEB Microfinance Fund VII	Luxembourg	4,633	4,633
Other quoted investments			
BNP Paribas Property Securities Fund Europe	Netherlands	10,406	10,406
eQ Hoivakiinteistöt 1 T	Finland	12,089	13,929
Special Investment Fund eQ PE XI US LP	Finland	861	861
UB Global REIT K	Finland	13,604	14,416
UB Metsä I	Finland	8,000	8,483
Ålandsbanken Asuntorahasto			
Erikoissijoitusrahasto C	Finland	7,294	8,006
		556,002	781,400

6.2 PRIVATE EQUITY FUND INVESTMENTS

Private equity fund investments	Registered office	Book value	Market value
Venture capital funds			
AC Cleantech Growth Fund I Ky	Finland	1,250	2,200
Ardian Co-Investment Fund V	France	2,636	2,729
Baltic Investment Fund III L.P.	Jersey	233	231
Bocap SME Achievers Fund II Ky	Finland	1,686	1,463
Bocap SME Achievers Fund III Ky	Finland	35	0
Boston Millennia Partners II L.P.	Delaware, USA	0	111
Bridgepoint Europe V	England	3,701	4,974
Bridgepoint Europe VI	England	1,820	1,776
CapMan Buyout X	Finland	185	745
CapMan Buyout XI	Finland	139	139
CapMan Russia Fund L.P.	Guernsey	2,180	2,384
Capricorn Cleantech Fund	Belgium	750	1,554
Chrysalix Energy III Ltd	Delaware, USA	3,326	2,657
Circularity European Growth Fund I LP	England	848	854
Crescendo IV, L.P.	Delaware, USA	0	11
Edison Venture Fund IV L.P.	Delaware, USA	0	1
Environmental Technologies Fund 3 LP	England	1,731	1,455
Epique Kotouttaminen I Ky	Finland	376	379
EQT Mid Market Asia III Fund	Netherlands	3,307	3,473
Evolver Fund I Ky	Finland	580	593
FIM Lapset ja nuoret I Ky	Finland	340	295
FIM Työllistäminen I Ky	Finland	150	150
Folmer Equity Fund I Ky	Finland	0	684
H.I.G. Advantage Buyout Fund	Delaware, USA	1,018	1,013
HarbourVest Partners Co-Investment Fund V L.P.	Scotland	5,318	5,923
HealthCap VIII, L.P.	Delaware, USA	540	515
Innkap II Partners	Sweden	0	0
InnKap III Partners	Guernsey	0	1
Inventure Fund II Ky	Finland	1,812	4,898
Inventure Fund III Ky	Finland	1,641	1,703
Korona Fund III Ky	Finland	1,889	2,545
Life Sciences Partners 6 C.V.	Netherlands	1,023	1,256
Lifeline Ventures Fund I Ky	Finland	1,169	11,145
Lifeline Ventures Fund III Ky	Finland	2,382	4,578
Lifeline Ventures Fund IV Ky	Finland	637	563
MB Equity Fund V Ky	Finland	3,108	3,444
Nordia Rahasto Oy	Finland	2,755	4,000
Palvelurahasto I Ky	Finland	9	3,127

Private equity fund investments	Registered office	Book value	Market value
Power Fund III Ky	Finland	1,917	2,274
Sentica Buyout IV Ky	Finland	237	1,488
SET Fund II C.V.	Netherlands	782	846
SET Fund III C.V.	Netherlands	407	302
Social Impact Accelerator	Luxembourg	349	339
Spintop Investment Partners II AB	Sweden	206	1,544
Spintop Investment Partners III AB	Sweden	862	717
Standout Capital I AB	Sweden	1,779	2,591
Strategic European Technologies N.V.	Netherlands	0	50
Vaaka Partners Buyout Fund II Ky	Finland	161	3,544
Vendep Capital Fund II Ky	Finland	1,340	1,700
Ventech Capital V SLP	France	2,370	1,964
Verdane Capital IX (E) AB	Sweden	2,166	3,551
Verdane Capital VIII K/S	Denmark	2,886	7,170
Verdane ETF II SPV Ky	Finland	227	164
VisionPlus Fund I Ky	Finland	3,729	3,958
Real estate private equity funds			
Aberdeen Standard Property Fund Finland I Ky (APFF)	Finland	6,172	5,849
CapMan Nordic Real Estate FCP-SIF	Luxembourg	1,158	5,901
CapMan Nordic Real Estate Fund III	Luxembourg	344	332
CapMan Nordic Real Estate II FCP-RAIF	Luxembourg	3,439	4,190
Dasos Timberland Fund II	Luxembourg	3,603	4,868
EVLI Healthcare I Ky	Finland	4,668	5,135
ICECAPITAL Residential Property Fund I Ky	Finland	2,929	3,870
LähiTapiola Asuntorahasto Prime Ky	Finland	2,067	2,193
Northern Horizon Nordic Aged Care SCSp			
SICAV-SIF	Luxembourg	4,616	5,717
OP Toimitilakiinteistö Ky	Finland	3,000	3,019
Real Estate Debt and Secondaries Ky	Finland	537	535
Infrastructure funds			
BlackRock Global Infrastructure Solutions 3	Luxembourg	7,059	7,574
CapMan Nordic Infrastructure I	Luxembourg	2,533	2,698
Global Renewable Power Fund III	Luxembourg	1,060	950
Impax New Energy Investors III LP	England	2,643	2,597
Lending funds			
Armada Fund V	Finland	2,544	2,672
Armada Mezzanine Fund III Ky	Finland	1	208
Bridgepoint Direct Lending II Unlevered SCSp (previously EQT Mid-Market Credit II)	Luxembourg	3,230	3,253
Direct Lending Fund III	Luxembourg	1,987	1,985
NegaWatt Energiategohkuusrahasto 2 Ky	Finland	261	212
		121,840	169,530

6.3 OTHER INVESTMENTS

	Registered office	Book value	Market value
Unit-linked insurance			
Mandatum Life capital redemption policy	Finland		
Mandatum Life Private Debt II E	Finland		6,729
Mandatum Life Private Debt III E	Finland		4,196
Cash	Finland		163
		10,405	11,087
OP Henkivakuutus capital redemption policy			
Infrastructure investment basket	Finland		8,213
LeaseGreen Group Oy loan 30 June 2025	Finland		813
Cash	Finland		945
		7,985	9,971
Real estate investments			
Erottajan pysäköintilaitos Oy	Finland	1,377	2,238
Other investments			
Leverator Oy subordinated loan 8.162%	Finland	0	0
Leverator Plc unsecured loan 30 September 2024 8.162%	Finland	273	277
		273	277
		20,039	23,575

6.4 INVESTMENTS IN PORTFOLIO COMPANIES

Shares, participations and other investments held by Sitra	Holding	Investment
AW-Energy Oy	1%	4,039
Kuntien Tiera Oy	0%	3,957
MediXine Oy	11%	1,126
Mobidiag Oy	1%	5,801
Naava Group Oy	5%	623
ProFlax Oy	10%	148
Vivago Oy	39%	4,622
Vivoxid Oy	38%	5,243
Total		25,559
Investments in portfolio companies total		25,559
Cumulative change in value		-23,811
Book value		1,748

The market value of investments in venture capital funds is based on the latest NAV announced by the fund, adjusted for the cash flows between the date the value was calculated and the date of the financial statements. The book value may be higher than the market value if Sitra sees no grounds for a write-down at this stage, for example, if the venture capital fund is new and the NAV therefore low.

Holdings in other companies

EUR 1,000		Investment	Change in value	Book value
Name	Sitra Management Oy	275	-69	206
Registered office	Finland			
Holding	100%			
Equity	0			
Surplus/deficit for the financial year	0			

The latest adopted financial statements of Sitra Management Oy are from 2019.

Sitra has holdings in the following management companies through Sitra Management Oy:

Baltic SME Management B.V.
BIF Management Ltd

7 Current receivables

	2020	2019
Accounts receivable	1	1
Short-term investments	5	153
Other receivables	895	1,121
Accrued income and deferred charges	225	215
Total	1,126	1,489

8 Current liabilities

	2020	2019
Advance payments	0	29
Accounts payable	1,255	1,903
Other liabilities	329	447
Accrued expenses and deferred income	3,742	3,280
Total	5,325	5,659

9 Securities and contingent liabilities

	Maturing in 2021	Total liabilities
Fund commitments		115,406
Financial agreement fees	2,058	2,298
Unit-linked insurance premiums		19,608
Rental liabilities	994	3,696
Donation commitments		66,700
Total		207,708

Sitra's supervisory board decided in December 2019 to donate EUR 100 million to the Finnish state via the State Treasury for the purpose of the state making financial investments in capitalising universities as it chooses. A total of 66.7 million euros remains unpaid of the commitment, which is planned to be paid in 2022.

SIGNATURES TO BOARD REPORT AND FINANCIAL STATEMENTS

The Board of Directors proposes that the deficit of EUR -7,730,381.90 for the financial year be carried forward to the retained surplus/deficit account.

Helsinki, 9 March 2021



ANITA LEHIKOINEN



PÄIVI NERG



TARJA HALONEN



KEIJO HÄMÄLÄINEN



JORMA OLLILA



PETRI PELTONEN

AUDITORS' REPORT

As the auditors appointed by Parliament, we have audited the accounts, financial statements, annual report and administration of Sitra, the Finnish Innovation Fund, for the financial period 1 January to 31 December 2020, in accordance with good audit practices. The financial statements comprise a profit and loss account, balance sheet, cash flow statement and notes to the financial statements.

In our opinion, the financial statements and annual report give a true and fair view of Sitra's financial performance and financial position, pursuant to the rules and regulations on drawing up financial statements and annual reports that are in force in Finland. There are no inconsistencies in the information in the annual report and financial statements.

We recommend that the financial statements be adopted and that the members of the Board of Directors and President be discharged from liability for the financial year we have audited. We recommend that the deficit for the financial year is dealt with in the manner set out in the Board report.

Helsinki, 18 March 2021



MIKA KARI



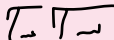
JUKKA KOPRA



KATRI KULMUNI



LOTTA KAUPPI, KHT



TIMO TUOKKO, KHT



MARKKU KOSKELA, KHT

secretary

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APPENDIX 1

PUBLICATIONS

- Tulevaisuus on toisenlainen: Toimintakertomus ja tilinpäätös 2019
- Framtiden är annorlunda: Verksamhetsberättelse och bokslut 2019
- The future will be different: Annual report and financial statements 2019
- Sitran strategia 2021–2024

Foresight and insight

- Megatrendit 2020. Mikko Dufva. Sitran selvityksiä 162
- Megatrendikortit 2020: Tunne tulevaisuutesi. Also in English. Också på svenska.
- Megatrendit 2020 -työpohja. Topias Dean, Mikko Dufva, Anna Solovjew-Wartiovaara
- Sivistysihanteen jäljillä: Sivistys on aina elänyt ajassa ja ollut mukana muutoksessa. Timo Miettinen. Muistio
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- Tulevaisuus usko hukassa? Nuoret ilmastoaktivistit ja keskustelu tulevaisuudesta. Mikko Piispa, Anni Ojajarvi, Tomi Kiilakoski. Muistio

Carbon-neutral circular economy

- Kestäviä toipumistoimia koronashokkiin. Mari Pantsar, Oras Tynkkynen. Työpaperi. Also in English. Också på svenska.
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- Turpeen käytöstä luopuminen: Keinoja Suomelle reilun siirtymän tukemiseen. Työryhmä: Tatu Leinonen, Outi Haanperä, Alexander Kohl, Mariko Landström, Tuuli Hietaniemi, Oras Tynkkynen. Työpaperi
- Turpeen rooli ja sen käytöstä luopumisen vaikutukset Suomessa: Tekninen raportti. Sampo Soimakallio, Paula Sankelo, Maria Kopsakangas-Savolainen, Camilla Sederholm, Karoliina Auvinen, Tero Heinonen, Annika Johansson, Judi Jachym, Santtu Karhinen, Suvi Lehtoranta, Satu Räsänen, Hannu Savolainen
- Haastattelututkimus turvetuottajien näkemyksistä ja tulevaisuuden odotuksista: Yhteenvetoraportti. Risto Haverinen (Sitowise Oy)

- How to create a national circular economy road map: a guide to making the change happen. Laura Järvinen, Riku Sinervo. Sitra Studies 170. Myös tiivistelmä suomeksi. Också sammanfattning på svenska.
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- Miten kansaa edustetaan?: Selvitys kansanedustajien työstä eduskuntatyön uudistamiseksi. Ville Aula, Lea Konttinen. Sitran selvityksiä 165
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- Henkilödatan jäljillä: Yksilöstä kertyvän tiedon kulku ja käyttö digitaalisissa palveluissa. Tiina Härkönen, Riitta Vänskä. Sitran selvityksiä 168
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- Miten tietoa käytetään päätöksenteossa?: Selvitys kansanedustajien tiedonkäytöstä lain-säädäntötyöhön liittyvässä päätöksenteossa. Joonas Leppänen, Ville Aula, Lea Konttinen. Sitran selvityksiä 172
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New working life and a sustainable economy

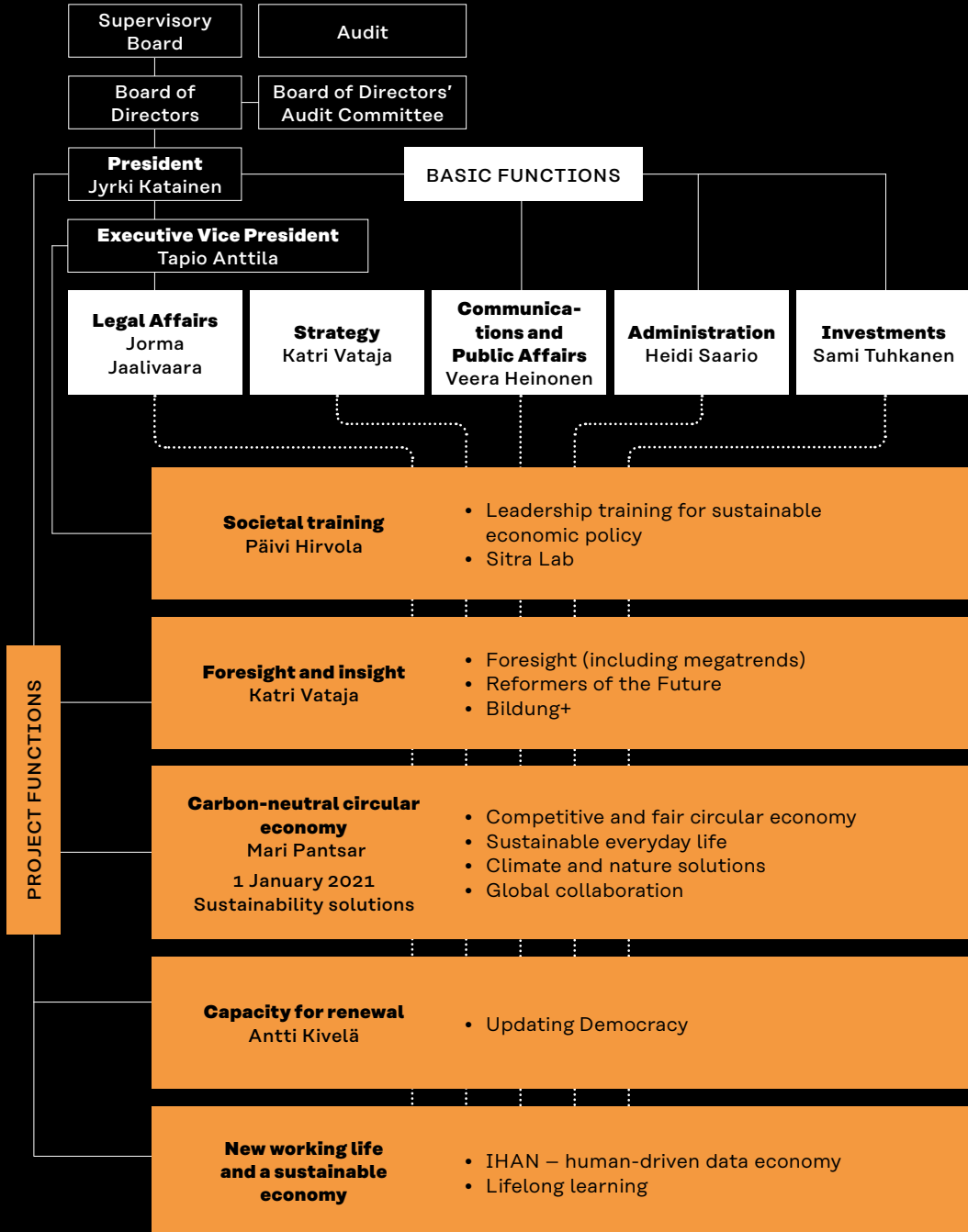
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- Väestöselvitys 2040: Ikäryhmäkohtaiset ja alueelliset väestöennusteet sekä uusien opiskelijoiden määrän ennuste kaikilla koulutusasteilla Suomessa 2019–2040. Timo Aro, Rasmus Aro, Iida Mäkelä. Sitran taustaraportit
- Mille väestölle?: Ikäryhmäkohtaiset ja alueelliset väestöennusteet sekä uusien opiskelijoiden määrän ennuste kaikilla koulutusasteilla Suomessa 2018–2040. Timo Aro, Rasmus Aro, Nina Honkala, Tapio Huttula, Iida Mäkelä. Sitran selvityksiä 167
- Ilmiölähtöisen johtamisen näkökulma elinikäiseen oppimiseen: Miten edistää systeemistä ajattelua?. Sinimaaria Ranki (toim.). Muistio

Societal training

- Nuorten demokratiaa ja osallisuutta vahvistamassa: Pizzademokratia-päivän malli. Tiina Ahonen. Muistio
- Radikaali epävarmuus vaatii radikaalia yhteistoimintaa: Askelmerkkejä systeemiseen muutokseen innovaatioportfolioilla. Mikael Seppälä. Muistio
- Talous tulevaisuuden palveluksessa: Kestävän talouden tilannekuva 2020-luvun taitteessa. Eeva Hellström, Mervi Porevuo. Työpaperi

APPENDIX 2

ORGANISATION 31 DECEMBER 2020



APPENDIX 3

PUBLICITY ANALYSIS

As part of the continuous analysis of Sitra's activities, we conduct a publicity analysis of how future-related themes spread and arouse discussion in society.

Our future-related topics can be reached by the Finnish public via editorial media every day. On average, Finnish printed and digital media reported on Sitra's future-oriented work in 10 articles every day in 2020, even though in the spring, as the pandemic accelerated, media use in Finland was dominated by the need to obtain information about the Covid-19 situation from the authorities, and, as a result, the coverage of Sitra's future topics remained slightly below the level seen in previous years. Nevertheless, our topics were also showcased on radio and television every other week on average.

In particular, our observations on the functionality of the EU General Data Protection Regulation attracted public attention early in the year when we published the first observations from the survey of digital footprints resulting from internet use. The results of the Lifelong learning in Finland survey also received attention around the same time. The start of the term of office of Sitra's new president also extensively interested the Finnish media.

In late spring, Finland sought solutions for tracing the coronavirus, and our experiment with the Hospital District of Vaasa concerning a preliminary coronavirus tracing app was showcased in the media. Early in the summer, our report indicating that there is little information about the environmental impacts of data use led to much public interest. Our working paper on discontinuing the use of peat gave rise to a lot of emotions and discussion nationwide and in the local media.

Towards the end of the year, the Updating Democracy survey of Finnish people's views on

the future of democracy, our report shedding light on the popularity of measuring health data, and the study of changes in sustainable lifestyles in Finland in light of the pandemic all attracted particular attention.

The February article in The Economist on the data economy, highlighting Sitra's fair data economy project as an inspiring example, was noteworthy for its international media visibility. The international list of the 39 most inspiring circular economy solutions published in connection with the World Circular Economy Forum (WCEF) in the autumn also attracted publicity, especially in US digital media where the North American solutions that made it onto our list gained coverage.

As with our mainstream editorial media, the year got off to a strong start in our digital channels: there was exceptionally large public demand for information about Megatrends 2020, our feat of foresight and insight published at the turn of the year. The publication was downloaded approximately 50,000 times from our website during the year. In addition, a social media campaign activated diverse stakeholders to think about the future. Another rush to our digital channels took place with the World Circular Economy Forum organised online in the autumn – it attracted more than 4,000 participants from over 110 countries. The online content of Sitra.fi was consumed by almost 800,000 visitors. The number decreased by approximately one fifth during the year of Covid-19 (1 000,000 visitors 2019). The most popular content included the Lifestyle test, originally published in 2019, which encourages sustainable lifestyles – it has already been taken over one million times – and the Digital profile test published in January, in addition to the topics presented above.

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FUTURES BAROMETER 2021

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How do Finns feel
about the future?

26%

Looking forward to it,
see lot of possibilities
there

51%

At times feels
exciting, at others
frightening

7%

Not interested

3%

Can't say

13%

It feels scary, see
lot of threats

Sitra's Futures Barometer survey, carried out in January, was answered by 3,800 Finns aged between 15 and 84. Due to the large number of respondents this time, the survey offered region-specific as well as nationwide results.

Read more:
<https://bit.ly/39r3LsV>

Sitra is a responsible and independent future fund that exercises influence both nationally and internationally and acts as a think tank, a promoter of experiments and operating models, and an accelerator of co-operation.

Our vision is that Finland will prosper by building a fair, sustainable and inspiring future that ensures people's well-being within the limits of the earth's carrying capacity. Our work focuses on three themes: finding solutions to the ecological sustainability crisis; promoting a fair data economy; and strengthening democracy and engagement.

Sitra's future-oriented work is based on foresight and societal training, with which we aim to increase knowledge about the future, future-oriented thinking, capacity for change and co-operation.


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ISSN 1797-5298