

Personnel

Human resource management

As an employer, Finnfund acts responsibly and with a long-term view, encouraging its personnel in continuous learning and professional development.

The Management Team makes decisions concerning personnel policy, while operative responsibility lies with the Director of Administration. Decisions about the remuneration and incentive systems and the salaries of the Management Team members are made by the Board of Directors.

Since 2012, management and leadership have been developed through management team self-assessments, carried out with the assistance of outside consultants, and with comprehensive 360-degree feedback. In an organisational reform carried out at the end of 2015, management methods were reviewed and modernised, placing special emphasis on work systematisation and long-termism.

Personnel goals

Every year, Finnfund carries out a cooperation procedure in order to prepare a personnel and training plan for the coming year. The company also engages in annual development and goal-setting discussions with all employees, identifying their training needs, following up on the achievement of the previous year's goals and setting new goals for the coming year.

In addition, Personnel Development and Planning Days are held for all employees where current topics are discussed with the aim of promoting interaction between staff and management.

Number and structure of personnel

At the end of 2015, the company employed 57 people. During the entire year, the average number of employees was 56. All employees work in Finland at the company's office in the centre of Helsinki.

During 2015, one permanent employee left the company and two joined. Exit and entry turnovers were therefore 1.75 per cent and 3.5 per cent.

The following shows permanent employees grouped according to years of service in the company:

0-1	2-5	6-10	11-15	16-20	21-25	26-30	31-34
2	15	18	7	1	3	4	2

The average duration of employment among permanent employees is 11 years.

In terms of age, the structure of permanent employees is as follows:

25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-
0	9	7	3	11	8	11	3

The average age of employees is 46.

The company did not reduce the number of its employees or make any other adjustments in 2015.

In 2015, personnel expenses amounted to EUR 5.6 million, including pension expenses, other social security expenses and voluntary personnel expenses. The company paid wages and salaries totalling EUR 4.5 million in 2015.

Equality

At the end of 2015, the company employed 40 women (70.2 percent of all employees) and 17 men (29.8 per cent).

Four of the members of the company's Board of Directors were women (57.1 percent) and three were men (42.9 percent).

Three members of the company's internal Management Team were women (37.5 percent) and five were men (62.5 percent).

Finnfund has an equality plan that emphasises the equality and parity of employees. The fulfilment of the obligations set forth in the Act on Equality between Women and Men is a part of Finnfund's personnel policy and operating culture, both of which are based on transparency, justice, equality and the protection of privacy.

Remuneration

Finnfund's remuneration system consists of three parts: basic salary, fringe benefits and short-term incentives.

At Finnfund, payroll primarily consists of fixed monthly salaries based on the complexity of duties and the employees' competence and performance. All duties are classified into job grades every few years, and a pay comparison is conducted annually with an external

consultant in order to assess the market level.

The company has an incentive system covering the entire personnel, with the exception of the Managing Director. Employees can receive an incentive bonus corresponding to, at most, 1½-2 months' salary if the annual targets are met. The incentive system is based partially on the achievement of company-level goals and partially on function-specific goals.

In addition, an individual employee can receive an incentive bonus of up to 1½ months' salary for an exceptional, above-target achievement. The Board of Directors decides annually on the incentive system and its main conditions.

In terms of cost effect, the incentives paid in 2015 amounted to approximately 9.7 percent of the entire payroll.

Competence development and training

The entire personnel of Finnfund participates in development discussions every year.

Development discussions are carried out in spring, by the end of February, using special forms developed for this purpose. The forms were updated in 2014 in connection with management and leadership development measures. The discussions focus on matters related to professional competence, quality in work, development and motivation, and consistency with Finnfund's values. They also involve assessing the achievement of the personal goals set in the previous year and setting new personal goals for the coming year.

During the development discussions, all employees have the opportunity to provide feedback on the behaviour and management skills of their supervisor, either directly to the supervisor or to the Director of Administration or the Managing Director.

Finnfund perceives training as a means of implementing its personnel policy and achieving the set goals, and therefore the company has adopted a positive approach to training its employees and continuously developing their competence.

New employees are inducted into the organisation and their duties as they begin working at Finnfund (induction training). During employment, the company aims to maintain and develop the competence of its personnel by offering different types of supplementary and language training as well as training related to current affairs. The training plan and areas of focus at company and function level are reviewed annually as a part of the cooperation procedure and, more specifically, the preparation of the personnel and training plan. The training needs of individual employees are addressed by the employees and their supervisors in annual development discussions, while also agreeing on personal training plans, if necessary.

Occupational well-being, health and safety

Finnfund always pays attention to its employees' well-being and ability to cope at work as well as their job satisfaction. Job satisfaction and work atmosphere are evaluated from time to time, and the feedback is used in planning operational changes.

Finnfund carries out regular evaluations of the employees' well-being with the health care service and retirement pension insurance providers. Since 2015, the opportunity to provide feedback has been increased by regularly asking employees for their responses to rapid questionnaires, and other such methods. The company has a systematic approach to work in this area. Developments are monitored continuously and it tries to respond rapidly to deviations.

Employees also have an opportunity in development discussions to raise questions of occupational well-being and job satisfaction, and to provide anonymous feedback via the company's intranet.

The Director of Administration, acting as a labour protection officer, is responsible for occupational health and safety management together with the rest of the company's management. The labour protection committee convenes to deal with matters falling within its field of competence.

The labour protection organisation has assessed the risks of the workplace. It concluded that the most significant safety risks were related to the safety of travel, the health risks associated with frequent travel and ergonomic issues. In the same context, measures were agreed in order to manage and prevent these risks.

The company updates its workplace risk assessments from time to time and aims to respond without delay to changes in risk levels as well as possible new risks.

At the start of 2016 the company acquired additional space at its present offices. This was combined with the space that it began to occupy at the start of 2014. Since this time, all employees have been working in the same office premises.

Ergonomics is reviewed periodically when new employees join the company or changes are made to workstations. Every employee is offered an electrically adjustable desk so as to avoid the health problems of excessive sedentary work.

The employer is not aware of any accidents during working hours or otherwise related to work, nor have there been any deaths related to work.

Finnfund monitors the number of sickness absences, developments in the number of sickness absences and the identified reasons for sickness absences continuously in cooperation with the company providing occupational health care services. As a whole, the number of sickness absences is at a normal level and has not changed dramatically over the years.

Finnfund encourages its employees to look after their health and well-being by offering more comprehensive occupational health care services than required by law and by supporting its employees' hobbies related to sports and culture.

The occupational health care services include the limited right to seek specialist medical care and dental care as well as reimbursement for prescription medicine expenses, among other things. Furthermore, people travelling frequently for work purposes have the opportunity to have regular health examinations in order to prevent travel-related health hazards.

In 2015 the work fitness model for early support and intervention was modernised. A programme for preventing and treating substance abuse was developed, discussed by the occupational health committee and explained to all employees.