



panostaja

**RESPONSIBILITY
ANNUAL REVIEW
2023**

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1

Our thoughts on responsibility

Next, we will talk about our thoughts on responsibility, sustainability and impactful business.



1

The importance of responsibility will increase significantly in our society

In 2023, we made comprehensive efforts to improve our understanding of the operating environment and stakeholders, which made us even more confident in our notion that sustainability will continue to gain importance. Responsibility and sustainability are overarching themes in many notable megatrends that affect us and are affected by us. Responsibility has strong links to financial success, which also came up in our stakeholder analyses.

2

Responsibility is a competitive factor that creates new business opportunities

Our core mission is to cultivate competitive companies and identify new business opportunities that support success and growth. Responsible and sustainable business is a key driver of value for future success stories as stakeholder expectations are strongly related to it. Wide-reaching corporate responsibility and increasing company value are not mutually exclusive goals. Instead, they support each other. Risk management is important in responsibility work, but it is at least equally important to take advantage of the good business opportunities it yields. “What good can be provided to people and the environment?” is a question that needs answers.

3

Strong responsibility is part of our company’s value creation process

To support responsibility efforts, Panostaja has put together an operating model based on the core idea of making responsibility an essential element in enabling extensive value creation. Impactful responsibility work starts with an understanding of the operating environment and stakeholder expectations and leveraging them in analyzing the company’s business and clarifying its value promise in terms of the type and extent of the value the company intends to generate for its operating environment and various stakeholders. This understanding also creates the motivation for the efforts. Responsibility work does not yield results on its own. Instead, it is essential to integrate it into all thought processes and activities.

2

Our focus areas

Next, we will talk about the work we have carried out around responsibility themes in 2023.

In addition to this, we will describe the focus areas that we have formed as part of the process of identifying responsibility and sustainability impacts and how our operating model is linked to them.



1

An analysis of the operating environment and extensive effectiveness.
Charting and assessing the business opportunities and risks related to responsibility and sustainability.

2

Identifying stakeholders and charting, analyzing and assessing stakeholders.
Stakeholder dialogue as a strong part of the process.

3

Identifying the focus areas of the responsibility work and integrating the work in the company's value creation and operating goals.

We thoroughly examined the effectiveness of our operations and defined our essential impact according to Sitra's megatrends 2023 model:

Human sustainability: Comprehensive human well-being, the quality and significance of life, diversity, inclusivity, communality, life and working life skills, learning and development

Economic sustainability: Strengthening and revitalizing economic structures, companies as providers of solutions for people, society and the environment, raising human and environmental values alongside financial value, persistent goal orientation, value-based fund direction

Administrative sustainability: Participation and influencing opportunities, strong trust, structures that bolster equality, non-discrimination and diversity, openness and transparency

Digital sustainability: A humane and human-oriented approach, transparency, resource wisdom, democracy, inclusivity and safety in the utilization of digital solutions, ethics and values as the building blocks of shared rules, using digital solutions to improve human and environmental well-being

Environmental sustainability: Product and service solutions to build environmental well-being, strong value chain understanding and collaboration to support ecological rebuilding and resource wisdom in the use and care of environmental resources

We identified our key stakeholders by means of a stakeholder analysis:

- **Our key stakeholders:** Current and potential owner partners, the management, staff, financiers, investors, partners and talent networks of our segments
- **Our other important stakeholders:** Organizations and associations that we are involved with or that operate within our value chains, analysts, media representatives, target company customers and partners, authorities

We explored the expectations of our various stakeholders through management team work in three workshops for Panostaja's management and responsibility team. We also asked stakeholder representatives directly about their expectations:

- **External stakeholders:** As regards external stakeholders, we conducted an extensive study by means of interviews with 129 stakeholder representatives.
- **Internal stakeholders:** In terms of internal stakeholders, we sent an extensive survey with multiple-choice and open questions to 1,237 respondents.

Our core mission is to create value in our segments. It is equally important to us to generate value to our stakeholders through our operations. Based on our operating environment and stakeholder analysis, we drew up a value promise for our key stakeholders. Read more about the content of our value promise on page 17.

Our value promise to stakeholders forms a commitment on the good we want to build and foster through our operations. Responsibility is integrated into the operations genuinely when it is connected to the capabilities and operating methods of the company. We have described and detailed our operating model on pages 8–9 and connected our key capabilities, attainable benefits and our operating method to the desired responsibility impacts and the UN Sustainable Development Goals.

The responsibility focus areas formed based on the work in 2023 are presented on page 7. Related goals, measures and indicators are described separately for each focus area on pages 11–14.

Our focus areas defined based on the materiality analysis and strategy review

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Financial responsibility and value creation

- Our operations are guided by goal-oriented value creation and the achievement of profitability expectations
- We have a positive impact on social development through the responsible channeling of capital
- Strong financial management is at the core of building sustainable business

Social responsibility and vitality

- We develop vital work communities where well-being and growth enable profit generation
- We are a responsible and humane owner
- We respect and promote human rights in all our activities; our work community is equal and non-discriminatory

Good governance and management

- Our operational structures are based on strong trust and transparency
- We strengthen the practices of good governance in our own operations and those of our segments
- We promote equality, diverse competence, openness and participation

Responsibility for the environment

- When making an investment we consider the company's role in the promotion of the green transition
- Broadly speaking, responsibility for the environment means affecting the value chain: we understand the impacts that the products and services of our segments have on the environment
- Through the business solutions of our segments, we are involved in supporting the promotion of the green transition

The responsibility impact of our value creation model

Our key capabilities for responding to stakeholder expectations

In-depth sector-specific expertise

Strategic competence

Growth management competence

The sought benefits of successful operations

- Excellence and uniqueness within the sector
- Vitality and the ability to evolve in the midst of change
- Developing diverse competence and life-long learning
- Identifying business opportunities and threats and clarifying the best potential
- Focusing on the essential, streamlining
- Succeeding in the implementation of goals and plans

- The sensitivity to identify needs and anticipate
- The right resources with the correct scaling and timing
- The ability to reinvent
- Result orientation in goal achievement

Our operating method in ensuring success

- Our focus on the software and service business makes it possible to build understanding more effectively.
- We work together to build an efficient strategy for sustainable growth.
- We build paths toward achieving goals and engaging our stakeholders.
- We plan the kinds of capabilities, competencies, resources, processes and partnerships we need together
- We provide resources at a cost-efficient and situationally suitable manner.

The sought responsibility impact

- Highlighting threats and opportunities.
- Impacting the development of a fair, transparent and diverse digital realm.
- Integrating responsibility and sustainability thinking closely and comprehensively in the business strategy as part of the operations.
- Steering the operations of the company strongly based on a model that improves well-being.
- We monitor and measure the value generated extensively.
- Growth thinking based on sustainability and responsibility. Responsibility and sustainability assessment is integrated into all of our processes from evaluating segments to finding new owners for our segments.

Fulfilling the UN Sustainable Development Goals



Our key capabilities for responding to stakeholder expectations

Long-term work approach

- Optimal results for everyone
- Capacity in challenging situations
- Ideal scaling of the ownership period

A corporate culture and management model that boost vitality

- Strong trust that supports, guides, generates positive energy and engages both individuals and communities

Strong financial guidance

- Sustainable growth
- New business opportunities
- Investments

The sought benefits of successful operations

- Optimal results for everyone
- Capacity in challenging situations
- Ideal scaling of the ownership period
- Strong trust that supports, guides, generates positive energy and engages both individuals and communities

- Sustainable growth
- New business opportunities
- Investments

Our operating method in ensuring success

- We are not bound to a predetermined ownership period. We manage based on knowledge, competence and experience. We are constantly in motion and we act as the situation requires.
- We build vital communities that are provided with the conditions and energy to achieve amazing results.
- Models for good management and developing work communities and competence
- We have compiled our expertise and experience in the Panostaja Playbook.
- We bring people together through a variety of networks:
- We provide financial expertise, processes, systems and networks.
- We bring our financial resources to the table and channel our capital to areas that generate increasing and sustainable value.

The sought responsibility impact

- The long-term approach to work enables true corporate responsibility.
- We measure things that make a long-term impact.
- Human well-being and health are handled by investing in the right kind of work atmosphere and corporate culture.
- We monitor our vitality indicators and invest in strengthening vitality on a personal and community level.
- Financial well-being for a wide range of stakeholders: owner partners, investors, staff, customers, society.
- Financial investments provide profitable and efficient yields for building a sustainable society.
- Good corporate citizenship.

Fulfilling the UN Sustainable Development Goals



3

Goals, measures and indicators

Next, we will talk about the goals, measures and indicators we have set for our responsibility efforts.



FOCUS AREA

FINANCIAL RESPONSIBILITY AND VALUE CREATION

GOALS

- Goal-oriented value creation and meeting profitability expectations
- Responsible steering of capital
- Strong financial management

MEASURES

- Profitability expectations have been set for each of our segments, and we are responsible for them to our owners and financiers.
- We are constantly developing the wide-ranging monitoring of our operations to be able to efficiently identify the development of value-generating factors and the success of the strategy.
- We are committed to the UN Principles for Responsible Investment (PRI). We include responsibility and sustainability criteria in processes and decision-making.
- We assess our own operations continuously by charting our own success from the perspective of our stakeholders so that we can support the prevalent business needs even better than before.

INDICATORS AND RESULTS

- Goals for profitability expectations (monitored annually and communicated upon segment divestment)
- 2023 80% of our key processes and decision-making situations have been reviewed and developed in terms of responsibility and sustainability assessment. Our goal for 2024 is 100%
- 2023 The cooperation survey index was 3.9 (scale 1–5). Our goal for 2024 is 4.0.

FOCUS AREA

SOCIAL RESPONSIBILITY AND VITALITY

GOALS

- We develop vital work communities where well-being and growth enable profit generation
- We are a responsible and humane owner
- We respect and promote human rights in all our activities; our work community is equal and non-discriminatory

MEASURES

- We regularly and comprehensively measure the overall well-being of our work communities and develop the indicators to form a wide-ranging view of factors related to vitality.
- We support overall well-being in a diverse manner, with respect to the balance of private and working life.
- We support the development and utilization of the capabilities, strengths, competencies and skills of individuals.
- We are committed to the UN's human rights commitments and monitor their fulfilment across our entire value chain.
- In cooperation with our stakeholder groups, we strengthen our operating methods and channels toward interaction that supports trust and openness.

INDICATORS AND RESULTS

- 2023 Panostaja Group's Pulssi index was 4.6 (scale 1–6). Our goal for 2024 is 4.8.
- 2023 Absence rate was 3.7%. Our goal for 2024 is to get below 3.5%.
- 2023 The number of reports on concerns, discrepancies, negligence and violations regarding human rights, equality and non-discrimination was 0. Our goal for 2024 is 0.

FOCUS AREA

GOOD GOVERNANCE AND MANAGEMENT

GOALS

- Our operational structures are based on strong trust and transparency
- We strengthen the practices of good governance in our own operations and those of our segments
- We promote equality, diverse competence, openness and participation

MEASURES

- We have determined the principles of good leadership, which we are committed to respecting and promoting. There are channels for voicing confidential matters, and possible undesirable situations are reacted to appropriately.
- The achievement of good governance is monitored through the Pulse survey each quarter.
- We cooperate with our work communities to prepare ethical principles which all members of our work communities undertake to observe.
- We regularly monitor the experience of our stakeholders with regard to trust, openness and transparency.
- Competence diversity is developed in connection to recruitment and as part of the continuous development of our staff. We use the Talent Management program to develop the necessary competence in our segments. In addition to this, we bring together a variety of expertise for workshops and discussion events.

INDICATORS AND RESULTS

- 2023 Panostaja Group's Pulssi index was 4.6 (scale 1–6). Our goal for 2024 is 4.8.
- 2023 72% of the employees of our segments have trained on ethical principles. Our goal for 2024 is 85%
- 2023 There were eight events and workshops for managers and supervisors with a focus on developing competence and management. Our goal for 2024 is at least 5.

FOCUS AREA

RESPONSIBILITY FOR THE ENVIRONMENT

GOALS

- When making an investment we consider the company's role in the promotion of the green transition
- Broadly speaking, responsibility for the environment means affecting the value chain: we understand the impacts that the products and services of our segments have on the environment
- Through the business solutions of our segments, we are involved in supporting the promotion of the green transition

MEASURES

- We always prepare an analysis of the environmental impact and risks of a potential investment target. The analysis covers the following terms, for example: sources and use of energy, resource-wise and ecological raw materials and their use, promoting the circular economy, emissions and environmental damage from operations. We work to continuously expand our criteria, especially from the perspective of the value chain.
- We identify the essential development targets in terms of environmental responsibility and consider the related goals in the segment's strategic planning and shared goals, to which all parties commit when the investment decision is made.
- We encourage our segments to develop their operating methods, agreement templates and commitments in a way that makes environmental matters a part of the continuous client and supplier cooperation and its development.
- We encourage our segments to deepen the integration of their own value chains.

INDICATORS AND RESULTS

- Our environmental impact based on the EU Taxonomy: summarized information from the financial statements
- Our own energy consumption, energy sources and carbon footprint: information from the financial statements
- 2023 100% of the assessments of new investment targets have covered environmental impact and risks. Our goal for 2024 is 100%
- All of our segments that have identified environmental impacts essentially related to their own operations have set goals from the perspective of environmental responsibility in 2024.

4

Next steps

In this section, we will talk about our next steps in building a responsible and sustainable future.

At the end, we will summarize 2023 in the form of a value promise to stakeholders. These value promises will guide our responsibility efforts in the future.



1

Responsibility work grows and deepens.

Panostaja's own responsibility work will continue toward the goals and measures that align with the focus areas. In terms of measures, the focus is especially on reviewing and developing our own processes, decision-making models and operating principles, and developing monitoring and indicators. Panostaja also actively supports the work in segments.

Our segments will carry out the same work that Panostaja did in 2023, with a particular focus on materiality assessment, stakeholder analysis and identifying focus areas. Gaining more understanding increases commitment to responsibility work.

Stakeholder participation is strengthened by involving key operators of the segment value chain. We also develop our stakeholder dialogue to gain information on the success of our operations.

2

Responsibility and sustainability are firmly integrated into goals, corporate strategies, processes and reporting at Panostaja and its segments.

We have identified the processes and capabilities that are related to our responsibility efforts. We are progressing toward concrete measures to strengthen responsibility in our processes and capabilities.

We are particularly bolstering the sustainable and responsible financial capital management of our work communities, the vitality of the work communities, good governance and humane ownership.

We also record operating principles based on joint work. We confirm our joint commitment to them. We communicate about them openly.

Our reporting is strengthened particularly from the perspectives of social responsibility and vitality.

3

Responsibility work becomes a clear and managed part of the work efforts of the management and staff. Competence related to responsibility and sustainability grows and spreads extensively.

The responsibility discussion in various contexts is increased and deepened. Learning and experiences are shared.

The work community is involved in the discussion as much as possible, which strengthens trust, participation and openness.

The impact of responsibility work on job descriptions and tasks begins to crystallise. Practices become more established and part of day-to-day activities.

The experience that doing good across a wide spectrum improves our success is strengthened. Positive feelings and thoughts related to the responsibility discussion are increased.

Our value promise to our key stakeholders

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Talent networks

“We want to grow and evolve with you. By bringing together a variety of valuable competence, we enable challenging goals and successes in them. We value you, because you are a part of us.”

Those seeking an owner partner

“We want to distinguish ourselves from the masses.-We understand money, but we also understand a whole lot more. Money is a tool and an end result. The heart for the work comes from other things. As an owner partner, we work according to our values, building confidence and good cooperation.”

Segment management

“We support, encourage and help you, whatever you may face-Our competence and resources are available to you. We support your decision-making and help find solutions.”

Personnel

“We want to provide professionals with a vital community in which they can do well and thrive on their own strengths, doing significant work and being valued parts of a community that succeeds in its goals and provides support in all situations.”

Investors

“We want to provide opportunities to be involved in business operations that generate good and is built on a solid foundation that will last far into the future. Our value creation is persistent and extensive, and it is part of our risk management. We aim for significant value potential when selecting our investment targets and in our strategy work.”

Financiers

“We want to show that we can deliver on our promises and do our best in all situations to secure your interest and be worthy of your trust, since you have trusted us with a lot. We offer you the opportunity to be involved in impactful and profitable business and further your goals.”

Owner partner

“We want to be a partner that provides you with exactly what you need on your road to success. Managing change and growth is part of our core expertise. Efficient and resource-wise operations that suit each situation are our starting point. Everything is based on the company life cycle understanding and respecting it.”

