

SITRA

ACTIONS FOR THE FUTURE

Annual report and financial statements 2024



What is **Sitra**?

THE FINNISH INNOVATION FUND SITRA helps Finland to reform. We anticipate the future. We develop solutions to tomorrow's challenges in collaboration with our partners. We promote Finland's well-being and accelerate sustainable economic growth.

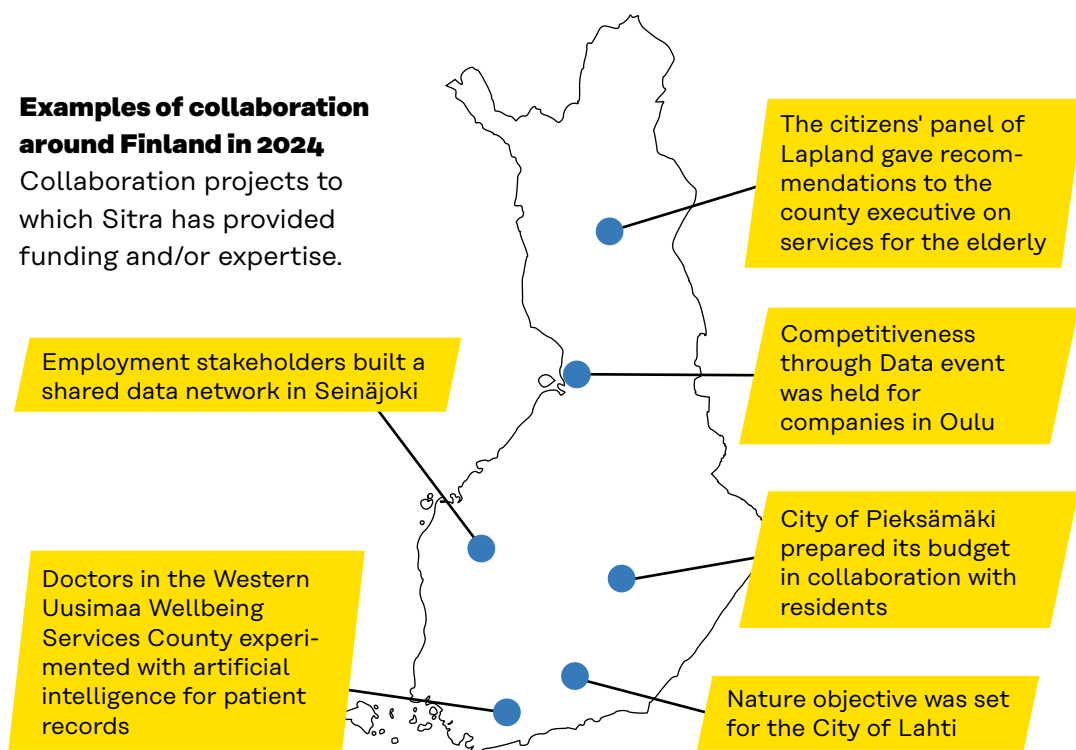
Sitra has more than 50 years of experience working for Finland and the future. Our offices are located in the Ruoholahti district of Helsinki, but we work with local partners throughout Finland and internationally.

As a fund under the authority of the Finnish Parliament, Sitra does not use tax revenue from the national budget. Our work for the future is primarily financed by returns from investing the fund's assets. Pursuant to the Act on Sitra (717/1990), Sitra's purpose is to promote the stable and balanced development of Finland and quantitative and qualitative economic growth and to explore future development options.

A better future demands action today.

Examples of collaboration around Finland in 2024

Collaboration projects to which Sitra has provided funding and/or expertise.



**2024 ANNUAL REPORT
OF SITRA, THE FINNISH
INNOVATION FUND**

TO THE 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 2024 to the Finnish Parliament.

Helsinki, 8 April 2025

On behalf of Sitra's
Supervisory Board

MIKA LINTILÄ
CHAIRPERSON

JORMA JAALIVAARA
SECRETARY

Looking to the future, acting today

SITRA promotes Finland's well-being and economic growth – and helps our country renew itself. This is the guiding principle of the Future Fund's new strategy, which we approved in June 2024.

In practice, this means that Sitra enhances our understanding of the conditions for sustainable economic growth and develops solutions to Finland's most critical long-term challenges. Sitra continuously identifies key areas of focus through foresight methods.

The task is demanding, but fortunately, Sitra has the necessary tools: strong expertise in foresight, extensive domestic and international networks, and the ability to bear financial risks on behalf of others. Another key strength is Sitra's decades of practical experience in developing Finnish society.

It is not realistic to expect Sitra to renew Finland alone. However, as a partner to both the private and public sectors, Sitra plays many roles. As an interpreter of future trends, a facilitator of change and a financial supporter, it can provide added value to its partners – and to Finland – that few others can match.

In the coming years, Sitra plans to significantly increase its funding for other actors. It aims to help scale and embed best practices identified through experimentation across society.

FINLAND'S PROLONGED ECONOMIC WEAKNESS is being felt both in public finances and in citizens' wallets. For this reason, accelerating sustainable economic growth is becoming an even stronger guiding principle for all of Sitra's activities and decisions.

This shift is evident, for example, in the renewed focus on research and development. In 2024, Sitra initiated and coordinated discussions on the development of Finland's R & D system and its strategic priorities.

Meanwhile, experiments conducted in the autumn demonstrated that public administration productivity can be improved using artificial intelligence (AI). In 2024, Sitra piloted AI-assisted tools for legislative drafting in collaboration with Finnish ministries. Three wellbeing services counties also tested AI for patient documentation in social welfare and healthcare, a task that consumes a significant portion of doctors' working hours. The results from both experiments have been promising, with further development planned.

SITRA HAS STRENGTHENED ITS INTERNATIONALLY RECOGNISED

foresight expertise and will take on a greater role in developing the national foresight network. This is good news, as in these uncertain times, there is a growing

need for future insights and their practical application in society and decision-making.

In 2024, Sitra's foresight experts focused particularly on the future of broad-based security issues, alternative economic scenarios, and challenges related to the well-being of children and young people.

Sitra has also supported promising democratic innovations in collaboration with municipalities and wellbeing services counties. Examples include citizen panels and the Polis online platform for constructive dialogue, which has already enabled more than 12 000 Finns to share their perspectives on decision-making in their wellbeing services counties.

Without nature, there is no economy – nor much else. Researchers from the Natural Resources Institute Finland (Luke) and the Finnish Institute for Health and Welfare (THL) conducted a study commissioned by Sitra on the health effects of nature. Their findings revealed that access to local nature could yield annual benefits worth hundreds of millions of euros, which should be harnessed for public good. Among other benefits, nature can contribute to the prevention and treatment of depression and type 2 diabetes.

AS A RESULT of the organisational reform, Sitra will seek international funding for its international activities, with a goal of covering 80 per cent of its international work through external financing. This work continues in areas such as the circular economy and health data. One testament to Sitra's global recognition is the launch of the European Union's new Circular Economy Resource Centre (EU CERC) in January 2025 under Sitra's leadership. The centre provides circular economy expertise

to the Global South, creating new opportunities for Finnish companies developing related solutions and technologies.

In 2024, independent consulting firms 4Front and Owl Group conducted an external evaluation of Sitra's role and strategic position. The evaluation concluded that the need for Sitra's future-focused work is greater than it has been in a long time. We readily concur with this assessment. The evaluation also identified areas for improvement, but the good news is that most of the recommendations have already been incorporated into Sitra's new strategy.

THE MARKET VALUE of Sitra's investment assets fluctuates annually and stood at approximately EUR 986 million at the end of 2024 (EUR 965 million on 31 December 2023). The return on investments for the year was 6.0% (5.7% in 2023).

The Supervisory Board considers Sitra's finances and operations to be well managed. At its meeting on 8 April 2025, the Supervisory Board approved Sitra's income statement and balance sheet in accordance with the auditors' proposal. At the same meeting, the Supervisory Board decided, based on the Board of Directors' proposal, that the 2024 surplus of EUR 12.2 million will be transferred to the retained surplus/deficit account.

Helsinki, 8 April 2025

Mika Lintilä, Mika Kari, Janne Jukkola, Pihla Keto-Huovinen, Sari Sarkomaa, Laura Huhtasaari, Ari Koponen, Veijo Niemi, Miapetra Kumpula-Natri, Antti Kaikkonen, Oras Tynkkynen, Mai Kivelä, Otto Andersson and Peter Östman
./. Jorma Jaalivaara

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The year 2024 was a watershed for Sitra

IN THE SPRING OF 2024, WE PREPARED A NEW STRATEGY

and engaged in change negotiations. The implementation of the new strategy began properly in September concurrently with a transition to a new operating model.

The need to renew Sitra arose from the changes taking place in Finland and around the world. Finland's situation is alarming, and the world around us has become considerably more unstable. Moreover, the efficiency and effectiveness of Sitra's operations required changes – not only in the eyes of Sitra's own people but also among our stakeholders.

Our strategy is based on – I dare say – an exceptionally strong analysis. More than 800 decision-makers responded to our stakeholder survey. Sitra's staff, Board and Supervisory Board developed the strategy in several workshops. We also analysed the operations of our international counterparts: how do similar world-leading organisations implement change and measure impact?

We had access to preliminary data from an independent evaluation of Sitra's operations. We aimed to ensure that even the most critical observations in the evaluation were addressed in the strategy.

The decisions made represent the greatest change in Sitra's operations in years, if not decades.

The new strategy restores the pursuit of sustainable economic growth as Sitra's core mission, placing it at the centre of all our

activities. Of course, we continue to recognise that the ultimate goal is sustainable well-being within the limits of nature's carrying capacity.

We have moved away from our previous organisational structure, which focused on and allocated resources to specific strategic themes. With the new operating model, we aim to be able to respond more readily and swiftly to societal issues deemed important.

Becoming an innovation leader does not happen overnight, but it is our goal.

In the area of foresight, we maintain our strong position while investing in a deeper understanding of undesirable trends.

FOR FINLAND'S SERIOUS CHALLENGES, we seek solutions through joint efforts with other actors. And when these solutions are found, we focus on scaling up innovations into significant societal changes.

Our international programmes – which have earned recognition and success in recent years – were separated into their own unit in September, and they now aim to secure funding for their activities from abroad.

Following the new strategy, Sitra's Board and Supervisory Board approved an operational and financial plan that includes the goal of reducing our domestic staff and achieving cost savings of one million euros. These measures will enable a significant boost in Sitra's capacity to fund other societal players. The amount of funding is expected to quadruple from the 2024 level by 2026.

Changes do not happen on their own or without hardship. The change negotiations of spring 2024 and the implementation of the new operating model represent a major challenge for Sitra, its staff and its leadership. In Finland, we live in the midst of public sector austerity, and the change facing Sitra is among the most demanding.

This understandably led to uncertainty and concern among our personnel. However, it has been wonderful to see that as 2024 drew to a close, the new strategy began to inspire more and more Sitra employees.

ONE EXAMPLE OF OUR NEW INITIATIVES is the development of Finland's innovation system – a project carried out in collaboration with the Research and Innovation Council. In the autumn, we explored how we could help public administration use AI and data, and we considered ways to address the outlook shaped by declining birth rates, immigration, regional segregation and stagnating education levels. The well-being of young people is a central focus for us. The transition to sustainability also remains on our agenda.

We prepared significant new initiatives to understand and influence Finland's long-term growth prospects.

The good news is that trust in Sitra has already increased significantly. Finland now expects more from Sitra – and we must meet those expectations.

A SPECIAL THANKS TO SITRA'S PEOPLE for above and beyond in a year of major changes and to our stakeholders for their cooperation!



Atte Jääskeläinen
President, Sitra



Solutions for Finland

The new Sitra strategy that was confirmed in the summer of 2024 provides guidelines for how we can best succeed in building a prosperous and thriving Finland in a difficult social and economic environment. Our focus is on the future, yet our actions take place right here and now.

All of Sitra's activities aim to create value for Finland and Finnish people: we support renewal, promote well-being and accelerate economic growth.

We serve society primarily by anticipating future trends, supporting the use of futures knowledge and strengthening our capacity for change and renewal.

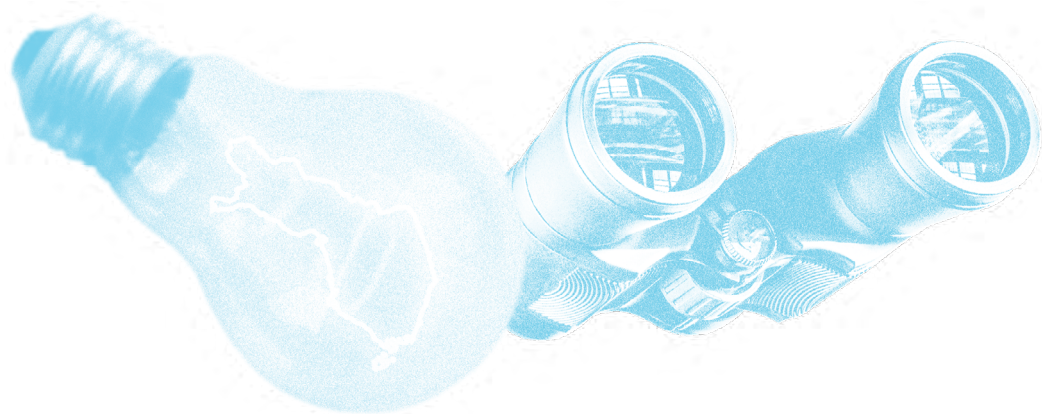
In addition, our goal is to generate significant societal innovations that benefit Finland and to support their widespread adoption.

We implement bold ideas and experiments in collaboration with various partners. Finland's challenges will not be solved – and even the best solutions will not take off – without broad cooperation and a commitment to change.

We will increase funding to other societal players to discover new solutions. We will direct resources to initiatives that advance Sitra's strategy and objectives. In addition to funding, we can support collaboration and shared success through the diverse expertise and methodological skills of Sitra's people.

We are working to ensure that an increasing number of actors in this country – whether in the private, public or third sector – can identify the need for change, develop solution alternatives and drive transformation forward. Futures thinking and foresight capacity are essential skills for decision-makers to ensure that the perspectives of future generations are also taken into account.

The more we have those who innovate and embrace change, the more certain we are that we can build a better tomorrow for everyone together.



MISSION

We accelerate well-being and economic growth for Finland within the limits of nature's carrying capacity.

VISION

We have boldly reformed society.

STRATEGIC IMPACT GOALS

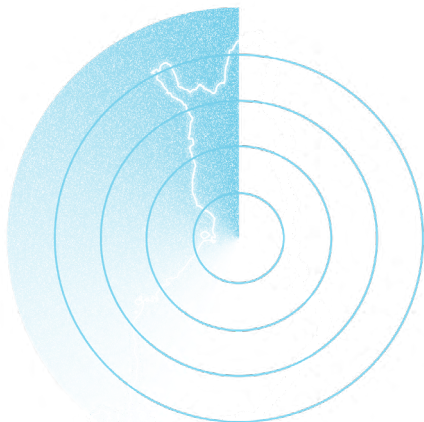


We strengthen futures thinking in society and enhance foresight capabilities in decision-making.



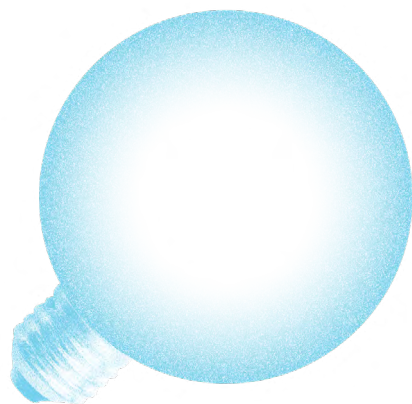
We produce significant social innovations and strengthen Finland's innovation capabilities.

SITRA'S THREE ROLES



Futurist

We produce knowledge about key developments affecting the future of Finland. We strengthen futures thinking in Finnish society and support the use of foresight information.



Innovation partner

We develop, implement and finance insightful and innovative solutions to the complex societal challenges of today and tomorrow in collaboration with our partners.



Funding partner

We fund and conduct cutting-edge experiments to find the best solutions.

SITRA IS NOW ADDRESSING THESE CHALLENGES:

ECONOMIC GROWTH –

because Finland's economy and productivity have hardly grown in nearly 20 years.

SUSTAINABILITY TRANSITION –

because Finland's economy and productivity have hardly grown in nearly 20 years.

DATA AND ARTIFICIAL INTELLIGENCE –

because the era of these technologies is just beginning.

DEMOCRACY AND POLARISATION –

because the foundations of democracy are being challenged and societal polarisation is increasing.

WHAT ARE SOCIETAL INNOVATIONS?

Societal innovations provide solutions to complex societal challenges. They can be products, services, policies or structural reforms. Generating societal innovations often requires collaboration between different actors and new approaches to solving problems.

When successful, they have an impact on society and contribute to sustainable growth, productivity and democracy.

All of Sitra's activities aim to create value for Finland and Finnish people: we support renewal, promote well-being and accelerate economic growth.

Examples of Sitra's work and results in 2024

More and more voices join the futures discussion

Sitra assisted 15 teams in implementing practical experiments related to the power to define futures. The power to define futures refers to the ability to influence what is considered possible or desirable. For example, the Deaconess Foundation developed a method that can be used to spark futures discussions with diverse groups. In FCG Finnish Consulting Group's project, children and young people expressed their views on urban planning.

We trained decision-makers in future leadership

More than one hundred Finnish decision-makers and influencers participated in training sessions organised by Sitra. The popular *Leadership training for sustainable economic policy* and the *EU future leadership training* provide up-to-date information, opportunities for dialogue and tools for driving change.

We support the national debate on strategic RDI policy

We launched a discussion on the development needs of the research and innovation system and provided stakeholders with timely information to underpin strategic research, development and innovation (RDI) decisions. Among other outputs, we produced a synthesis outlining what the strategic priorities of Finland's RDI policy could look like.

Economic instruments to combat biodiversity loss

We gathered examples of how financial mechanisms have been employed to combat biodiversity loss in Finland and globally. We also identified alternative approaches that Finland could consider.

We strengthened the financial sector's expertise in nature-related issues

It is essential that financial decision-making pays attention to nature. We organised a training course for Finnish financial companies on the implementation of international nature-related reporting (Taskforce on Nature-related Financial Disclosures, TNFD). Our vision is for both Finland and the Finnish financial sector to be pioneers in nature-related issues.

Experiments in deliberative democracy around Finland

In 2023 and 2024, Sitra's funded and provided expert support to a total of 14 citizen panels and 32 constructive online discussions in municipalities and wellbeing services counties using the Polis participation platform. Through this platform, more than 12,000 residents have already voiced their opinions in the decision-making processes of wellbeing services counties.

Young people's voting advice application was a success in the EU elections

With our partners, we developed a voting advice application designed especially for young people, created in collaboration with them. In the EU elections of the spring 2024, the innovative video-based voting advice application was used more than 20,000 times, while a more traditional text-based version was accessed approximately 25,000 times.

AI experiments to strengthen productivity in the public sector

We funded and provided consultancy to the central government in experiments that

developed an AI-based tool to support the work of law drafters. We also tested the use of AI in the processing of health records with three wellbeing services counties. The processing currently takes up a significant portion of doctors' working hours.

Sitra is ready for the EU Circular Economy Resource Centre

Sitra prepared the EU Commission's new Circular Economy Resource Centre, which began operations in January 2025. Led by Sitra, the resource centre offers circular economy expertise to countries in the Global South and is closely linked to the World Circular Economy Forum (WCEF), which Sitra initiated.

Figures from 2024

110

110 stakeholder events

55

55 publications

89

89 funded projects

98

98 futures speeches in 29 localities

25

25 expert statements to the Finnish Government and Parliament



FORESIGHT AND TRAINING

What and why?

We produce knowledge about key developments affecting the future of Finland. We identify societal innovation needs and recognise challenges and phenomena that require new solutions both in the short and long term.

We strengthen futures thinking in society and support decision-makers in using foresight information and weighing different options, as it is also essential to consider future perspectives when making decisions.



Broader and more targeted future insights

Sitra produces knowledge about key developments affecting the future of Finland. Under our new strategy, we also focus on emerging phenomena and more specific topics and conduct in-depth analyses of them.

Security-related issues were a major theme in Finnish discussions in 2024, which is why we prepared an analysis of the transformation of the security environment. We compiled our findings into a new type of foresight review that provides an overall picture of these transformations. We also examined the EU crisis resilience report by President Sauli Niinistö and the US elections from a foresight perspective.

In addition, we published an article on the futures of children and young people in collaboration with the Iitla Children's Foundation during the annual Children's Rights Week.

In the autumn, we released a memorandum discussing significant questions concerning the future of the European Union in collaboration with the Finnish Institute of International Affairs (FIIA). The memorandum is titled *Millaisen EU:n haluamme?* (*What kind of EU do we want?*).

Recognition for Sitra's Power to Define Futures programme

One of Sitra's foresight goals is to make futures thinking a common activity and inspire a wider audience to engage in discussions about the future. The future belongs to us all, yet not all voices are heard when we talk about the future.

The power to define futures refers to the ability to influence what is considered possible or desirable. We published a memorandum on the Power to Define Futures, which explains the concept and its significance, and a practical

tool for examining the power to define futures and the choices associated with it.

As part of the one-year Power to Define Futures programme, we mentored and funded teams that tested ways to expand the power to define futures in practice. Out of 180 applications, 15 teams were selected, representing organisations, universities, businesses and public administration.

For example, FCG Finnish Consulting Group ran a project in which children and young people expressed their views on urban planning. The *Suomen kylät* (Finnish villages) association explored ways to amplify rural voices in futures discussions, while the municipality of Tuusula aimed for a more inclusive municipal strategy.

Sitra's Power to Define Futures programme received the Foresight Act of the Year 2024 award. This annual award, presented at the national regional foresight seminar, honours an initiative that has significantly advanced the accessibility or use of futures knowledge.

We trained around 100 Finnish decision-makers

Sitra has been bringing Finnish decision-makers together through its training programmes since 1977. Our leadership training for sustainable economic policy was launched in 2013 and has already trained nearly 600 decision-makers and influencers in sustainable economic policy. In 2024, forty-seven participants completed the programme. Following a competitive selection process, VTT Technical Research Centre of Finland was chosen to conduct an evaluation of the training.

In response to strong stakeholder demand, Sitra launched a new leadership training programme in autumn 2023. The leadership training for the future EU enhances Finnish

decision-makers' and influencers' ability to shape the future of the EU. In 2024, fifty participants from various sectors participated in two training courses focusing on the long-term challenges and opportunities facing the EU.

Ahead of the European Parliament elections, we examined media coverage and public discussions on EU-related topics. An analysis conducted by Meedius, a firm specialising in media analysis, highlighted the need for more forward-looking discussions about the EU's future, as media attention is often dominated by specific legislative initiatives and directives.

Practical solutions for data services and a sustainable everyday life

We ran two Sitra Lab transformation programmes in which we mentored selected teams, facilitated co-creation and funded experiments.

The Better Services through Data programme included initiatives such as

innovative data solutions for employment services, knowledge management in elderly care and a national sports data repository.

The Luonto osaksi arkea (Integrating nature into everyday life) programme supported local-level experiments related to outdoor activities, residents' well-being, and regional appeal and vitality.

Looking ahead to 2025

- We will publish our Futures Barometer, a survey assessing citizens' and regional decision-makers' thoughts and views on the future.
- We will explore different future scenarios related to economic growth and analyse barriers that prevent Finland's economy and productivity from improving.
- We will further develop the national foresight network (KEV) in collaboration with the Prime Minister's Office.
- We will produce our Megatrends 2026 report.

WHAT WE ARE WORKING ON

HUH, WHAT? COULD THIS BE A WEAK SIGNAL?

A ban on mobile phone use in public spaces. Luxury perfumes for babies. Digital versions of deceased loved ones. All of these are already reality somewhere in the world.

In an era of surprises, we need the ability to envision different futures, and weak signals offer one way to do this. Weak signals are surprising, thought-provoking phenomena that challenge current thinking and may foreshadow significant changes.

At the beginning of 2025, we published a guide and tools to help individuals and organisations get started with identifying weak signals. In May, we will release an updated Weak Signals study.

Why spot weak signals? 1. Identify creeping changes. 2. Expand your thinking. 3. Innovate.

READ MORE: [Weak signals from the future](#)

GROWTH

What challenge?

Finland's economic growth has been weak for a long time, and labour productivity is lagging behind. A labour shortage caused by an ageing population and low birth rates is further undermining growth prospects. Our companies are not investing, and innovations are failing to translate into products and services

that enhance competitiveness. Our ability to finance even the most essential public services is at risk.

How can we reverse the economic trend and make Finland thrive while ensuring that growth is sustainable and remains within the limits of nature's carrying capacity?



TANGIBLE ACTIONS TO ACCELERATE GROWTH

Economic growth is closely linked to the growth of labour productivity, which in Finland has stagnated at levels of nearly 20 years ago. This weak productivity development is exceptional even by international standards.

Research and development investments by Finnish companies have also declined significantly.

The situation is serious, and all available means must be used to steer our society towards sustainable, long-term growth and prosperity.

The acceleration of economic growth is at the core of Sitra's new strategy. With our partners, we are seeking tangible solutions which may include initiatives related to research and development, the sustainability transition, or the use of data and artificial intelligence. Rather than focusing on the next quarter, we are taking a long-term perspective with the goal of achieving sustainable growth that respects the limits of nature's carrying capacity.

Our work on growth challenges began in autumn 2024 and will be further refined in 2025 as we develop a clearer understanding of the necessary actions.

Leading the discussion about RDI system development

In the coming years, Finland will invest an unprecedented amount in research, development and innovation and aims to increase RDI investment to four per cent of GDP by 2030.

It is crucial that these additional investments are allocated as effectively as possible to maximise societal value.

In the spring of 2024, Sitra launched discussions on developing Finland's research and

innovation system in collaboration with key stakeholders in the field. The objective is to identify challenges in RDI and find solutions in collaboration with the Research and Innovation Council, Finnish businesses and other stakeholders.

In 2024, we produced an exploratory summary of what Finland's strategic priorities in research and development could look like. A key takeaway from this exercise was that choices should address both global and national challenges while relying on existing strong Finnish expertise.

The government's record-breaking investments require companies to increase their own RDI spending as well. Public support is conditional on private sector investment: for every euro provided by the government, private companies are expected to invest two euros. We conducted a survey with 1,200 business decision-makers to understand their plans: 60 per cent of the respondents believed that the government's promised support would encourage them to increase their own RDI investments. Small businesses and companies with strong growth ambitions were particularly eager to follow the government's lead in investing.

What can we learn from other countries?

To support national development, we analysed the choices made by Finland's peer countries in RDI focus areas and the processes through which these were determined. The countries studied were the Netherlands, Ireland, Japan, Norway, Sweden and Denmark. In addition to that, we organised a study visit to Amsterdam for stakeholders to explore the Netherlands' strategic approach to RDI policy.

A common feature among these countries is that they typically plan RDI investments

across multiple government terms and that public administration, businesses and research communities collaborate in these efforts. This creates a stable and predictable environment that helps attract both international talent and investments.

In addition, Johnny Åkerholm, a public official with extensive experience in both Finnish and international administration, prepared a memorandum for Sitra comparing Finland's and Sweden's investments in intangible capital such as IT software, brands and data. His findings show that while these investments have declined in Finland in recent years, they have strongly supported economic growth in Sweden.

Driving growth in the health sector through RDI

Finland has promoted RDI in the health sector for a long time. Sitra and the Ministry of Social Affairs and Health hosted a series of expert discussions about enhancing the growth of the health sector. Potential solutions include the use of health data and artificial intelligence, RDI collaboration between wellbeing services counties and businesses, and health sector knowledge hubs.

Sitra is no stranger to research and development. In its early years, Sitra was particularly known as a research and development funder, and the Future Fund has played a role in several Finnish success stories from the development of xylitol to the global expansion of elevator company Kone.

Looking ahead to 2025

- We will experiment with new ways to enhance RDI collaboration between research institutions and businesses.

- We will analyse Finland's productivity drivers and compare different immigration scenarios to assess their impact on the economy and employment.
- We will explore various economic futures to promote a broad and diverse discussion on growth.

WHAT WE ARE ADDRESSING

SHORTAGE OF RDI TALENT – BUSINESSES SEEK STRONGER RESEARCH COLLABORATION

From the perspective of business leaders, the most significant barriers to research and development are related to financing and the shortage of skilled professionals. This insight comes from Sitra's extensive business survey conducted by Taloustutkimus which interviewed 1,200 business decision-makers from various industries and regions.

Enhancing collaboration between businesses, universities and research institutions emerged as the second most important area for improvement after funding.

Sitra has prepared experiments for 2025 to identify the best ways to strengthen collaboration between research institutions and businesses.

READ MORE:

[Sitra survey: Growth-oriented and small businesses most interested in R & D investments](#)

SUSTAINABILITY TRANSITION

What challenge?

The health, well-being and economy of Finnish people are entirely dependent on nature. Nature provides us with food, raw materials and sources of energy. It sustains essential services such as a liveable climate and the pollination of crops. However, we are

placing an unsustainable burden on nature, which threatens our own future.

How can we change our ways so that we build a good life, successful businesses and a sustainable public economy within the limits of nature's carrying capacity?



HARNESSING NATURE'S HEALTH BENEFITS TO REDUCE SOCIAL WELFARE AND HEALTHCARE COSTS

Public finances are struggling with a health-care funding crisis, making the need for cost-controlling solutions more urgent than ever. Mental health disorders, cardiovascular diseases, asthma and allergies alone cost society an estimated EUR 17 billion annually.

Research shows that spending time in nature can help protect against depression, reduce stress and prevent cardiovascular diseases. A groundbreaking study funded by Sitra found that the economic value of nature's health benefits could amount to hundreds of millions of euros per year in Finland, just by considering the impacts on depression, type 2 diabetes and asthma. The actual figure is likely even higher if other common diseases are taken into account.

The study was conducted by the Natural Resources Institute Finland (Luke) and the Finnish Institute for Health and Welfare (THL). The researchers propose the establishment of a national nature health programme for Finland to integrate nature's health benefits into everyday life and the social welfare and healthcare system. Sitra is ready to support this initiative.

In the wake of Russia's war of aggression and the increasingly tense global situation, it is even more important for Finland to ensure sufficient domestic protein production under all conditions. At the same time, new dietary recommendations encourage people to shift towards plant-based diets for health reasons.

A study funded by Sitra and conducted by Luke found that domestic plant-based proteins may play a significant role in ensuring Finland's protein self-sufficiency and healthy nutrition in the future. Domestic plant protein production could be tripled by 2040 compared to today. This will require major efforts, such as diversifying farming, improving profitability and building value chains.

Making nature's economic value visible

The economic value of ecosystem services provided by nature has been estimated at USD 125 to 150 trillion per year – more than the combined economic output of the entire world. Yet biodiversity loss continues to accelerate due to human activity. One major reason is the distorted economic incentives that make damaging nature appear cheap while restoring it seems costly.

Many countries have economic incentives in place to recognise nature's economic value. A memorandum published by Sitra highlighted some of the most interesting international solutions.

For societies to protect natural capital, decision-makers need reliable data on nature's economic importance and the impact of policies on nature. One important tool for this is natural capital accounting, which is being implemented in EU countries. Sitra's working paper proposed that Finland should also fully implement natural capital accounting.

Competitive advantage from nature-positive business

Companies can create new business opportunities through circular economy solutions and combat biodiversity loss at the same time. This was revealed by a list of 30 pioneering European companies compiled by Sitra, which included several Finnish businesses. The list was published at the World Circular Economy Forum (WCEF2024) in Brussels where Sitra also launched a handbook that helps companies develop circular business models that support biodiversity.

We also supported the Finnish financial sector's expertise in addressing nature-related issues. To adapt to a nature-positive future and remain competitive, Finland's financial sector must integrate nature considerations into decision-making. One key tool for this is the Taskforce on Nature-related Financial

Disclosures (TNFD), an international framework for nature-related reporting.

To facilitate the adoption of TNFD, we organised a training programme for Finnish financial companies in autumn 2024. The training materials were compiled into a comprehensive guide which was made freely available for all stakeholders.

Looking ahead to 2025

- We will support the launch of a national nature health programme and explore cost-effective nature-based solutions in other sectors.
- We will develop an operating model with businesses to help them move towards nature-positive business operations.
- We will provide strategic foresight information about climate change impacts and adaptation in Finland.

WHAT WE INVESTIGATED

ECONOMIC INSTRUMENTS TO COMBAT BIODIVERSITY LOSS

Around the world, governments and businesses use a wide range of environmental damage fees, subsidies and voluntary corporate initiatives to restore ecosystems or reduce harm to nature. Sitra's study outlined 17 of these mechanisms with examples from

countries such as the UK, the US, Australia and Mexico.

Economic instruments should be applied even more extensively. Our study lists options that Finland could also consider.

READ MORE: [Carrots and Sticks – Economic mechanisms for safeguarding and financing biodiversity and ecosystem services](#)

DATA AND ARTIFICIAL INTELLIGENCE

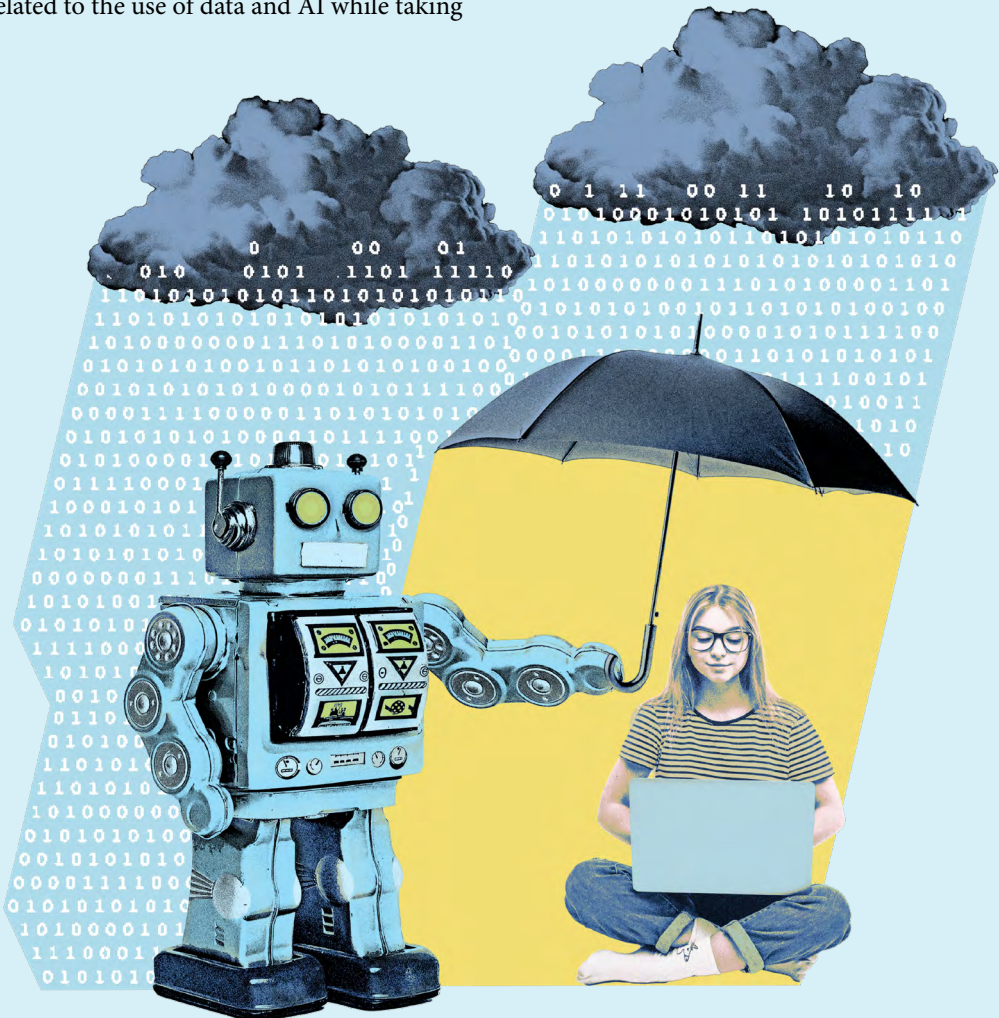
What challenge?

Making better use of data and artificial intelligence (AI) is crucial for enhancing well-being and accelerating sustainable economic growth.

How can we overcome the challenges related to the use of data and AI while taking

advantage of the opportunities they offer?

How do we ensure that we retain the ability to choose the digital solutions we wish to use and integrate into our daily lives?



BOOSTING EFFICIENCY WITH DATA AND AI

The public sector, particularly the social welfare and health care system, faces major challenges in the coming years, and there is an urgent need to identify cost-saving measures. By using data and AI, we can streamline the work of professionals, improve efficiency and service quality, and reduce public expenditures.

In 2024, Sitra funded and provided consultancy to the central government in generative AI experiments. Among other initiatives, we helped to develop an electronic tool to assist in legislative drafting. These experiments involved the Ministry of Transport and Communications, the Prime Minister's Office and the Ministry of Justice.

Legislative drafting is a complex process, and generative AI can help by analysing large volumes of data. The results showed that AI can be useful for experts, but Finnish-language AI models still require further development.

The electronic tool provided a better overall image of the progress, timelines and resource needs of legislative projects. This is valuable because careful planning improves legislative quality and enhances transparency and accountability.

Benefits of AI in social welfare and healthcare services

Patient care would benefit from more efficient planning, especially with patients who require multiple social welfare and healthcare services simultaneously. Sitra published a working paper titled *Efficiency from data models to the social and healthcare system* (a summary is available in English), which recommended the adoption of harmonised data models to

enable the use of data from different systems and to improve patient care planning.

We funded pilot projects in three wellbeing services counties to explore whether AI could generate cost savings. These pilots focused on streamlining patient record keeping and assessing and improving the functional capacity of older people. The projects were carried out in the wellbeing services counties of North Ostrobothnia, Kanta-Häme and Western Uusimaa.

AI can also help shift healthcare towards a more predictive approach. For example, it will be possible to analyse health data to assess disease risk in the future. We prepared a funding call to encourage social welfare and healthcare organisations to experiment in this area.

Improving productivity is one way to balance the public economy. However, this requires the development of operating processes and an efficient allocation of workforce resources.

In autumn 2024, Sitra launched the *Älykäs julkishallinto* (Smart public administration) project, which funds AI- and data-driven measures to improve public sector productivity. We aim to identify key development needs and enable rapid action in collaboration with our partners.

Providing businesses with knowledge about the data economy

The use of data offers businesses a competitive edge and productivity gains. We organised regional events around Finland to discuss the state of the data economy, practical lessons and opportunities with local businesses and organisations. At these events, we

introduced open-access data economy tools developed by Sitra in collaboration with businesses and ecosystems.

One initiative is digital product passports which compile data about product sustainability, materials and raw materials. These passports provide one solution to accelerate the circular economy and, in the future, almost all products entering the EU market will require one. This presents opportunities for developing new services around product data.

To support companies in this transition, Sitra funded experiments concerning digital product passports in the textile, battery and logistics industries. The lessons learned from these experiments were compiled into a working paper titled Digital Product Passports to support the upcoming EU regulations. We have also shared Finnish insights with the European Commission which has incorporated them into the development of product passports.

Building data sharing networks

The Gaia-X Finland project aimed to establish a collaborative model between the private and public sectors to ensure Finnish organisations' participation in the common European data spaces. Data spaces are frameworks with agreed principles and rules that facilitate data sharing and exchange within and between industries.

The project, which concluded in June 2024, was funded by Sitra and resulted in the creation of four internationally significant data space initiatives in the areas of maritime transport, air transport, agriculture and human resources development. The work started by Sitra is now being continued by Data Spaces Alliance Finland and coordinated by Technology Industries of Finland and TIEKE.

Looking ahead to 2025

- We will launch funding calls related to public sector productivity to identify areas of development and opportunities for cost savings through the use of data and AI.
- We will strengthen expertise in businesses by developing training materials on evolving EU legislation and the operating environment.
- We will explore the potential of predictive social welfare and healthcare and open a related funding call for the wellbeing services counties.

WHAT WE EXPERIMENTED

AI STREAMLINES PATIENT RECORD KEEPING

Social welfare and healthcare professionals spend up to three hours and 15 minutes per day on patient record keeping. With Sitra's support and funding, three wellbeing services counties tested AI solutions for patient record keeping in 2024. These public sector experiments demonstrated that AI can free up doctors' working time for other tasks.

The promising results led the Ministry of Social Affairs and Health to grant EUR 550,000 to the Western Uusimaa Wellbeing Services County for further development of AI-assisted documentation in 2025.

READ MORE:

[News story from the Western Uusimaa Wellbeing Services County](#) (9 January 2025, in Finnish)

DEMOCRACY AND POLARISATION

What challenge?

Political discourse has become increasingly polarised, and Finnish people's values are diverging. As media consumption has become more individualised, people are exposed to very different realities. As a result, it has become more difficult to engage in constructive dialogue and make responsible decisions about Finland's future. Participation and

people's belief in their ability to influence issues that are important to them have also declined. However, solving major challenges requires trust in democratic institutions and collective, well-founded decisions.

How can we reform democracies? How can we strengthen inclusion and trust in an increasingly digital world?



TOOLS TO STRENGTHEN FINNISH DEMOCRACY

We worked with municipalities and wellbeing services counties to develop new ways for citizens to contribute to a representative democracy. One such method is deliberative citizen panels in which a randomly selected group of ordinary citizens gather to discuss a specific political issue. The panels produce recommendations which are then published and submitted to decision-makers for consideration.

In 2024, we funded and provided expert support for deliberative democracy experiments in four wellbeing services counties: Central Uusimaa, Pirkanmaa, Central Finland and Lapland.

The Central Finland wellbeing services county was the first to assess the impact of its citizen panel held in spring 2024. The evaluation found that the panel's statement played a major role in shaping the service network decision in the county. As a result, a follow-up panel has been proposed.

Citizen panels were also piloted in four municipalities: Jyväskylä, Turku, Salo and Rautalampi. This initiative launched by Sitra allows municipal residents to participate in budget planning and decision-making at various stages of the process. In Jyväskylä, the citizen panel expressed its views on the city's cost savings programme.

In autumn 2024, dozens of Finns deliberated over the sustainable use of forests and government policy measures to make forest management more environmentally friendly. The Sitra-funded citizen panel was implemented by the Finnish Environment Institute (Syke) and the Natural Resources Institute

Finland (Luke). Sitra also advised the City of Helsinki in planning a resident panel linked to its carbon neutrality strategy.

More than 12,000 Finns have tried the Polis participation platform

The purpose of the Polis participation platform is to enable anonymous and constructive public discussions. For the past few years, Sitra has been adapting Polis for Finnish needs in collaboration with DigiFinland Oy.

In Polis discussions, participants anonymously respond to various statements regarding a specific topic. The discussions generate insights into areas of agreement and disagreement, and how participants are grouped based on their views.

Between 2023 and 2024, we conducted 32 Polis experiments with municipalities and wellbeing services counties. Through the platform, more than 12,000 residents have already voiced their opinions in local decision-making processes.

Based on the experiences from these experiments, DigiFinland redesigned the user interface of the platform in 2024. Next, the platform will be tested by organisations such as the Digital and Population Data Services Agency, the VATT Institute for Economic Research, the South Karelia wellbeing services county and the Ministry of Agriculture and Forestry.

Young people need encouragement to participate

Democracy can thrive and evolve only if each new generation feels included in its processes. We published a study, Democracy as a part of everyday life, which found that many young adults aged between 20 and 30 feel they

lack knowledge and skills to participate in societal issues. They perceive political engagement as complicated and requiring excessive responsibility. The study includes recommendations for decision-makers and organisations on how to lower the barriers to young people's participation.

Research shows that voting advice applications influence voting decisions, particularly those of younger generations. We co-developed a video-based voting advice application with young people and our partners for the European elections in spring 2024. The application was used 20,000 times, while the traditional text-based version was accessed 25,000 times.

Lessons from citizens' initiatives in Estonia

Citizens' initiatives are gaining popularity, but Finland's system could be improved.

A comparison of citizens' initiative systems in Finland and Estonia suggests that Finland could learn from Estonia's approach. In Finland, tracking the progress of citizens' initiatives is complex and requires knowledge of parliamentary procedures. In contrast, Estonia's system ensures that initiatives are processed within a set time frame and provides a single service for tracking their progress.

Looking ahead to 2025

- We will support the digitisation of government decision-making processes to make policymaking more open and transparent.
- We will further integrate citizen panels and the Polis participation platform into national and regional decision-making.

JOIN OUR FREE ONLINE COURSE!

HOW ARE DECISIONS MADE IN THE EUROPEAN UNION?

Did you know that up to 80 per cent of Finland's legislation originates from the European Union?

Do you know how you can influence decisions made in Brussels?

Sitra has developed an online course open to all that provides a step-by-step guide to the EU legislative process, using practical examples to explain how EU regulations become part of Finnish law.

This training promotes transparency in decision-making and enhances citizens' ability to influence policies. *The EU-lainsäädännön ABC (Basics of EU legislation) course* is available on the eOppiva platform provided by the Finnish Institute of Public Management (HAUS).

READ MORE: [EU-lainsäädännön ABC \(Basics of EU legislation\) online course](#)

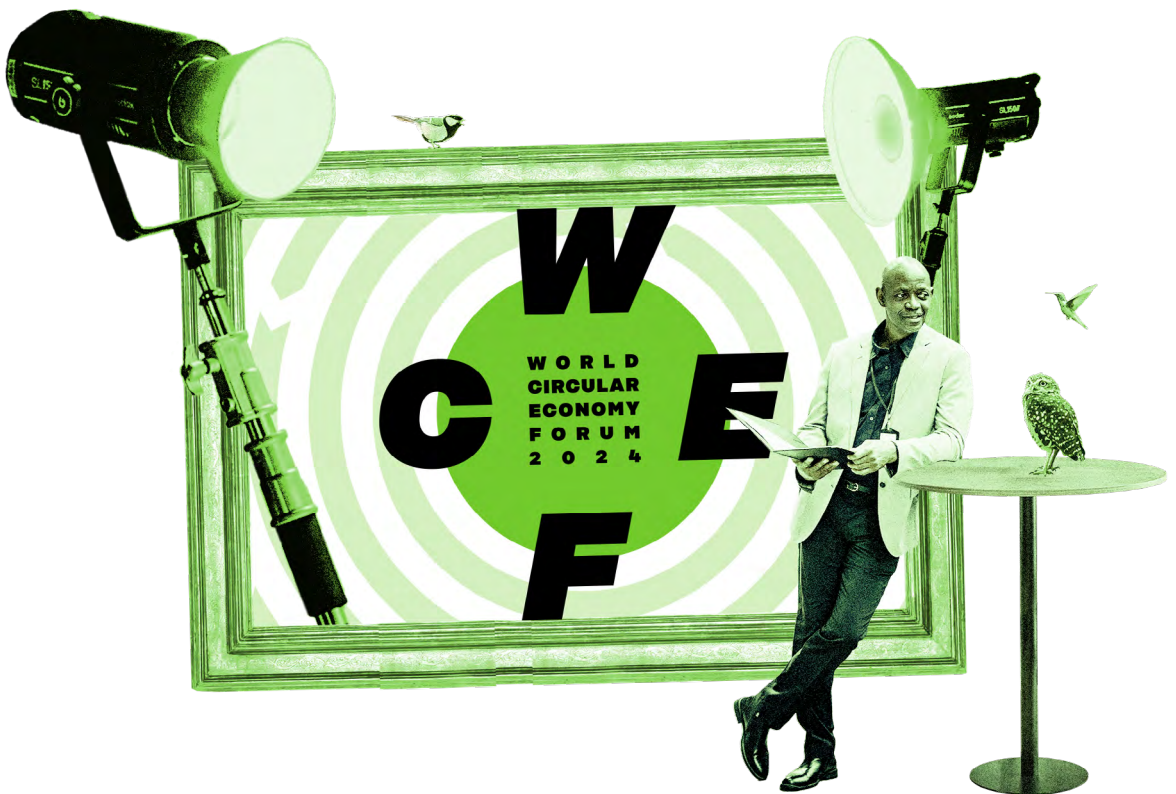
Sitra International Programmes

What does Sitra do?

Sitra's international programmes develop solutions to global societal challenges. Our key international initiatives currently include the World Circular Economy Forum (WCEF), which is the world's leading circular economy event; the EU Circular Economy Resource Centre (EU CERC) funded by the European

Commission; and projects related to the use of health data and sustainable lifestyle choices in the EU and Nordic countries. Our health data projects are titled TEHDAS2 and VALO.

In the future, Sitra's international activities will primarily be funded through international sources.



International collaboration for shared benefits

A new EU Circular Economy Resource Centre (EU CERC), funded by the European Commission and led by Sitra, began operations in early 2025.

The circular economy is a key priority for the EU as it builds global partnerships. The centre's mission is to support the development and implementation of policies and business models that promote the circular economy worldwide.

The European Commission has allocated EUR 15 million over five years to fund the centre, with an additional EUR 2 million from the Finnish government.

In April 2024, the World Circular Economy Forum (WCEF2024) brought together global circular economy leaders in Brussels. The event attracted nearly 10,000 participants from 168 countries, both in-person and online. A summary report was published, presenting more than 25 practical outcomes from the forum.

During WCEF2024, Sitra launched a list of Europe's leading nature-positive circular economy solutions. Of the 30 pioneering companies featured, 17 were from Finland. These businesses provide inspiring examples of how circular economy solutions can create

new business opportunities while tackling biodiversity loss.

We also published an innovative handbook for businesses that offers practical steps and models for developing nature-positive, circular economy-based business strategies.

The circular economy also helps address other challenges facing Europe, including strengthening its competitiveness and strategic autonomy. In September 2024, Bruegel – one of Brussels' leading think tanks – published a Sitra-commissioned study analysing the EU's internal market for circular economy from an economic security and competitiveness perspective.

The popular Lifestyle Test expands to new countries

In autumn 2023, Sitra updated its Lifestyle Test as part of the EU-wide PSLifestyle project, which Sitra coordinates. The new version was initially launched in eight European countries. In 2024, two new countries, Poland and Norway, joined the initiative.

The Lifestyle Test has now been taken more than 340,000 times in EU countries. The new version allows users to calculate their carbon footprint and receive tailored tips to create a personalised plan for reducing their climate impact.

We also published an innovative handbook for businesses that offers practical steps and models for developing nature-positive, circular economy-based business strategies.

We advanced the use of health data

New EU legislation on health data (European Health Data Space) took effect in March 2025 and improve the use of health information. Sitra coordinates TEHDAS2, a joint project involving 29 European countries, which is developing guidelines for implementing the new legislation.

We are also leading the VALO (Value from Nordic Health Data) project funded by the Nordic Council of Ministers. In VALO, Finland, Sweden and Iceland are preparing for the implementation of the European Health Data Space with a Nordic approach. Among other activities, the project is testing secure

cross-border use of health data. Norway and Denmark participate as observers.

Looking ahead to 2025

- The ninth World Circular Economy Forum (WCEF) will take place in May 2025 in São Paulo, Brazil.
- We will publish anonymised data collected from the Lifestyle Test, providing insights into respondents' carbon footprints, sustainable choices and challenges.
- The TEHDAS2 project will publish guidelines for implementing the European Health Data Space. The VALO project will conduct a pilot study on lung cancer treatment.

WHAT WE LEAD

THE EU CIRCULAR ECONOMY RESOURCE CENTRE CAN OPEN DOORS TO FINNISH COMPANIES

The EU Circular Economy Resource Centre (EU CERC) was initiated by Sitra that also leads the centre's operations. It was officially launched in early 2025 and has a team of approximately 15 experts based in Helsinki and Brussels.

The centre supports the development and implementation of circular economy policies and business models, particularly in the Global South where the majority of the world's population and natural resources are

located. Partnerships between the EU and Global South countries can also boost the export of Finnish circular economy expertise and technology.

The circular economy aims to maximise the value of products and materials for as long as possible, helping to address the sustainability crisis. The most significant annual event in the field, the World Circular Economy Forum (WCEF), was also launched based on Sitra's initiative.

READ MORE:

[A new EU resource centre promotes the export of Finnish circular economy solutions to developing countries' markets \(in Finnish\)](#)

How Sitra operates

The year 2024 was a turning point for Sitra. As part of our strategic reform, we adopted a new operating and organisational model to enhance our agility and commitment to continuous learning.

We replaced our previous thematic units with four new units: *Foresight and Training*, *Innovations*, *Programmes* and *Sitra International Programmes*.

1. We **anticipate** societal challenges

We anticipate possible and seemingly impossible futures and desirable and undesirable developments, and work to strengthen society's capacity to act on foresight knowledge. Our work includes analysing megatrends, weak signals and different narratives. This work is led by Sitra's *Foresight and Training* unit.

2. We **develop solutions** to Finland's key challenges

We bring stakeholders together to co-create insights into selected challenges and explore potential solutions. We experiment and test these solutions with our partners, and Sitra is positioned to take risks on behalf of others when necessary. This work is led by Sitra's *Innovations* unit.

3. We **support the implementation of the solutions** to benefit society

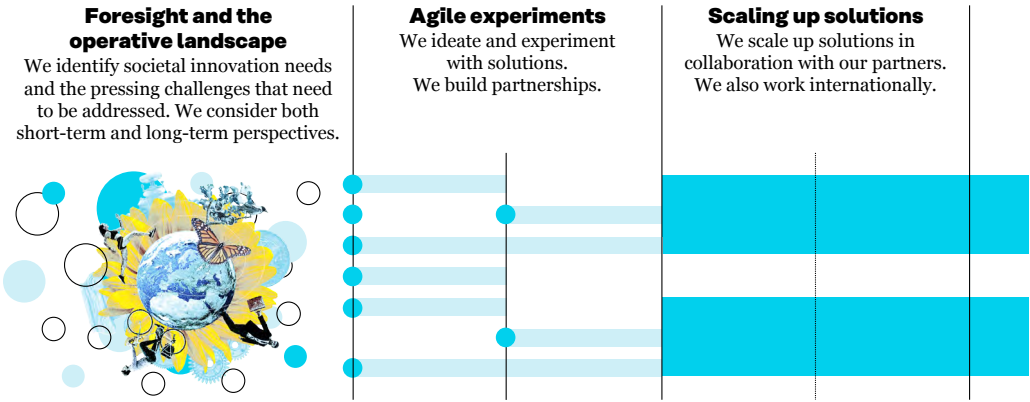
When a solution has proven effective and has the potential to bring significant benefits, we support its scaling and widespread adoption. We advance to this stage when we have a committed partner or partners whose operations and capacity to create change we can strengthen. This work is led by Sitra's *Programmes* unit.

3. We **leverage international cooperation**

Finland's trickiest challenges cannot be solved through national efforts alone. By collaborating with the European Union, UN-affiliated organisations and other global partners, we can shape future developments not only in Finland but also across Europe and worldwide. Sitra is a highly regarded international partner and, in the future, our global influence work will primarily be funded by external sources. This work is led by the *Sitra International Programmes* unit.

Each year, we evaluate our priorities. Sitra's financial and operational plan for 2025 identifies key challenges for Finland's future that all the units described above will focus on in their activities. These challenges are economic growth, the sustainability transition, strengthening democracy and reducing polarisation, and harnessing data and artificial intelligence.

Sitra’s operating model



Our values

RESPONSIBILITY is embedded in all we do from strategic decisions to investment activities and day-to-day operations. We ensure that our choices and actions respect the limits of nature’s carrying capacity.

INCLUSION means that a prosperous Finland of the future must be built together. Our goal is for Finnish society and

decision-making to be strongly rooted in inclusion, trust and equal opportunities. We also listen to young people who will live with the consequences of today’s decisions, and we strive to engage the most skilled professionals in shaping the future with us.

INDEPENDENCE in both our finances and decision-making enables us to act boldly as a driver of societal change.

PRINCIPLES OF RESPONSIBILITY

To support our operations, we defined our principles of responsibility in 2024 as follows:

1. We make strategic decisions transparently, prioritising broad societal benefits.
 2. We use our expertise and resources effectively and responsibly.
3. We drive societal change through diverse partnerships.
 4. We enhance inclusion, support skills development and promote equality among our personnel.
 5. We actively work to reduce our carbon and environmental footprint.

Sitra's impact is continuously evaluated

All of Sitra's future-oriented work is designed to ensure that we can verify its impacts, outcomes and benefits. Sitra's evaluations are based on internationally recognised standards, norms and criteria, and they also consider the synergies between our foresight, futures thinking and evaluation activities.

In line with our new strategy, we are further reinforcing Sitra's impact thinking and systematic monitoring of progress towards our goals and the results of our work. Real-time evaluation during ongoing projects, combined with independent assessments at later stages, help guide our activities towards greater effectiveness and support continuous learning within the organisation. Evaluations also help us anticipate and manage risks.

To enhance planning, monitoring and evaluation, Sitra adopted the OKR (Objectives and Key Results) method in autumn 2024. We also updated our evaluation approach, which was published in early 2025 and describes in more detail how Sitra's impact, activities and strategic success will be evaluated in the coming years.

A key focus of our evaluation work is the development of capabilities required for societal change – both within Sitra and among our partners and stakeholders.

Evaluation findings were incorporated into our strategy

Sitra undergoes external evaluations that cover all our operations every five years. The latest comprehensive evaluation was designed to support our strategy reform and was completed in spring 2024. It assessed Sitra's role, strategic choices and position as a future-oriented organisation and driver of societal change. Following an open competitive process, the evaluation was conducted by 4FRONT Oy in collaboration with Owl Group Oy.

According to the evaluation report, Sitra successfully executed its strategic choices, strengthened its international presence and maintained high credibility as an expert organisation during the 2019–2023 period.

However, areas for improvement were also identified, particularly in driving

The evaluation emphasised that the need for Sitra's future-focused work is greater than it has been in a long time.

fundamental societal transformations and enhancing agility.

The report recommended that Sitra should focus on societally significant initiatives and increase efforts to drive large-scale societal renewal. It also suggested clarifying Sitra's role as a funder.

The evaluation emphasised that the need for Sitra's future-focused work is greater than

it has been in a long time. The report provided recommendations for the next five years, which have already been incorporated into Sitra's new strategy.

In addition, in autumn 2024, an evaluation of Sitra's leadership training for sustainable economic policy was launched, conducted by VTT Technical Research Centre of Finland. The results will be published in spring 2025.

Key findings from Sitra's evaluation that have been incorporated into the new strategy

1

Sitra's visibility and relevance have declined

According to stakeholders, Sitra's overall position – its visibility and significance – has slightly declined in recent years.

2

Unclear position as a funder

The volume of project funding is relatively small and distributed across multiple small projects.

3

Focus on significant initiatives

In terms of significance, the challenges Sitra addresses should reflect its national mission. Sitra should prioritise societally significant and transformative initiatives.

4

Activities in relation to core mission

In line with its core mission, Sitra should clarify in its communications how its activities also contribute to economic growth, stability and competitiveness.

Sitra's people

The year 2024 was a year of major transformation for Sitra. In the spring, we worked collectively as an organisation to shape our new strategy, and all employees had the opportunity to participate in defining it.

The strategy was approved by Sitra's Board of Directors on 5 June 2024 and confirmed by the Supervisory Board on 11 June 2024. The implementation of the new strategy and organisational structure began on 1 September 2024.

The reform required change negotiations, which took place in late spring. As a result, new units were established in line with the updated strategy, and all employees were offered roles within the new structure. For many, this meant changes in teams, responsibilities and work assignments.

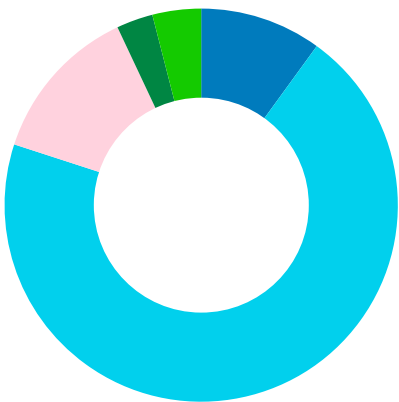
During the autumn, we adopted the new way of working while continuing our efforts in previous thematic areas. We now operate in nine units, with an emphasis on strong collaboration between them.

We defined our strategic capabilities

Our future-oriented work is fundamentally collaborative and involves various partners and stakeholders. This work demands a broad set of skills ranging from envisioning future scenarios to driving innovation and managing projects.

In 2024, our competence development focused on artificial intelligence and digital skills. The strategy process itself was also a major learning experience for the entire organisation.

The academic backgrounds of Sitra's personnel (highest qualification) 31.12.2024



- 70 % Master's degree
- 10 % Doctorate
- 13 % Bachelor's degree
- 4 % Vocational qualification, matriculation or specialist vocational qualification
- 3 % Post-secondary qualification

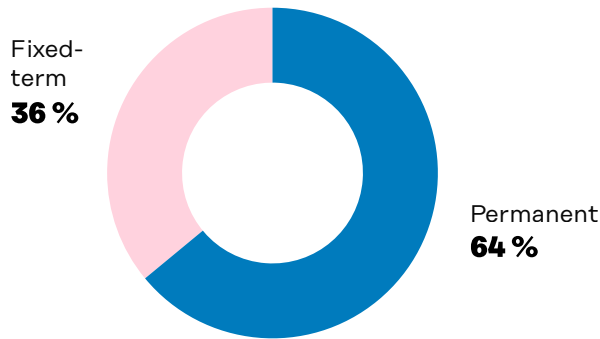
The development of Sitra's strategic capabilities began in late 2024 and will continue in 2025.

In 2024, Sitra employed an average of 171 highly skilled professionals. By the end of the year, 93% of our personnel had a higher education degree, and the average age of employees was 45.5 years. Twenty-five new employees joined, while 25 moved on to new opportunities. Due to Sitra's project-based nature, 36% of employment contracts were fixed-term contracts.

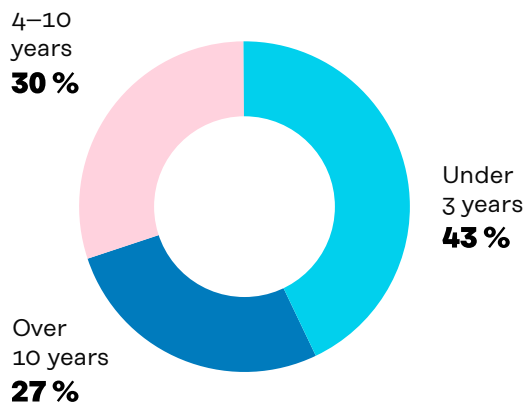
SITRA'S STRATEGIC CAPABILITIES

- Foresight and systemic understanding
- Capability to bring different actors together and facilitate change
- Capability to accelerate and scale up solutions

Employment relationship 31.12.2024



Duration of employment 31.12.2024



Investments

Sitra does not use tax revenue from the central government budget. Instead, all our future-oriented work is funded by income from our investment assets. The assets originate from the endowment capital originally received from the Bank of Finland and the Finnish Parliament, which we manage responsibly and profitably.

The 2024 investment market performed well overall, although returns varied significantly across different markets. The US equity market delivered over 30% returns in euros, driven by large technology companies, whereas the Helsinki Stock Exchange posted zero returns. In fixed income investments, corporate bonds performed well, while government bonds generated returns of around 2%.

The global economy was also divided. The US economy remained strong with annual GDP growth nearing 3%, which was supported by robust employment, strong private consumption and government stimulus measures, despite rising interest rates. The interest rate cuts and expected further cuts by the Federal Reserve also contributed to the economic development.

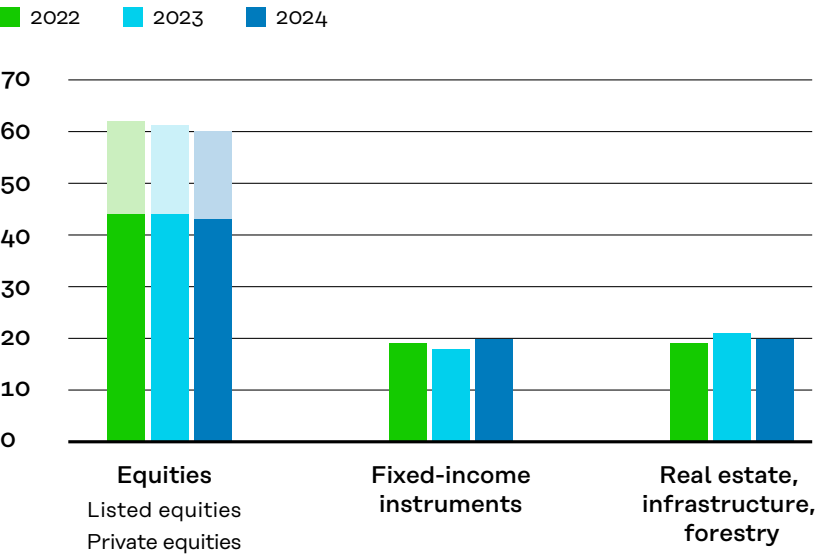
Elsewhere, growth remained weak. The eurozone recorded less than 1% growth, while Finland remained in recession. China met its 5% growth target, driven by strong year-end performance, but its economy continues to rely increasingly on government support. In the eurozone, interest rate cuts began in June, but their positive impact on the economy was not yet evident by the end of the year. Economic recovery is expected to materialise in 2025.

At the end of 2024, the market value of Sitra's investments was EUR 986 million (EUR 965 million on 31 December 2023). The return on investment was 6.0% for the year (5.7% in 2023). The return on equity investments was 7.2%, on fixed income investments 5.6%, and on other investments 2.9%. The five-year average return on investments was 6.3%.

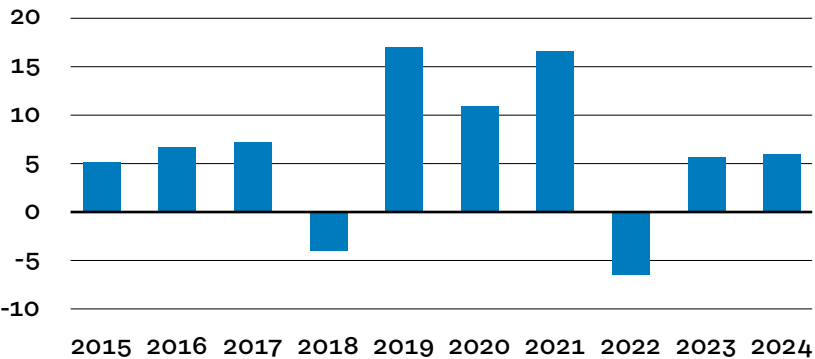
Sitra made new investment commitments totalling EUR 62 million (EUR 57 million in 2023) in real estate, infrastructure, forestry, private debt, private equity and venture capital funds. We also expanded our fixed income portfolio by adding a fund investing in emerging market government bonds.

Sitra does not use tax revenue from the central government budget. The future-oriented work is funded by income from investment assets.

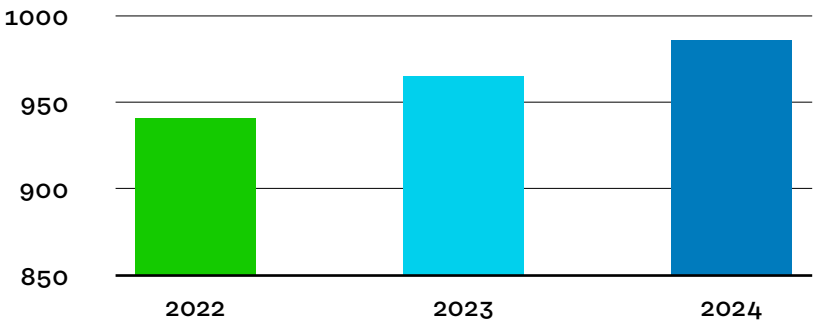
Investment allocation, %



Returns on endowment capital investments, %



Market value of investments, M€



First report on the biodiversity impacts of investments

Sitra invests responsibly while seeking returns. We are committed to the UN Principles for Responsible Investment (PRI) and the UN Global Compact sustainability principles.

At Sitra, responsible investing means considering not only financial returns and risks but also environmental, social and governance (ESG) factors in all investment decisions. Climate change mitigation is a key priority, and we aim to achieve a carbon-neutral investment portfolio by 2035.

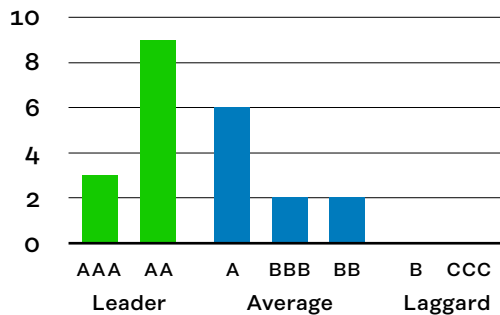
The analyst company MSCI evaluated Sitra's fund investments in 2024. The overall ESG rating of our portfolio remained at AA, which is the second-highest category. Most of the funds in our portfolio were classified as leaders, with no funds rated as laggards. The carbon risk of Sitra's investments decreased

compared to the previous year and reached approximately 80 tonnes of CO₂ equivalent per million euros of revenue.

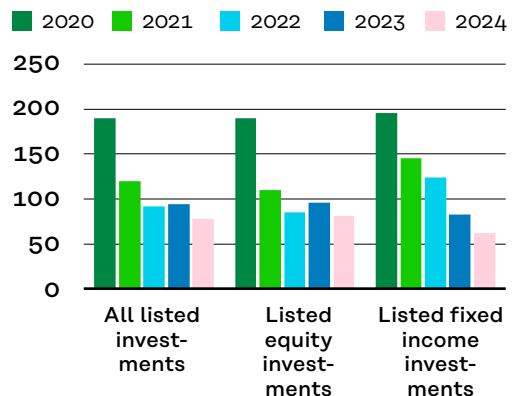
Biodiversity is an area of growing focus in our responsible investment activities. In spring 2025, we will publish our first report on Sitra's nature-related investment risks and opportunities. The report will cover the 2024 financial year and adhere to the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations.

We continue to enhance our expertise in ESG-related topics. In autumn 2024, Sitra's investment team participated in training on applying the TNFD framework in investment and financial decision-making. This training programme, organised by Sitra for Finnish financial professionals, included a series of workshops attended by more than 60 investors and asset managers.

ESG ratings of funds (number)



Carbon risk of investments (tCO₂e, M€)



Finances

In spring 2024, Sitra renewed its strategy, and in September, we adopted a new organisational model designed to support its implementation. During the first eight months of the year (from January to August), we operated under the previous organisational structure.

These changes also affected financial management. Sitra's domestic and international activities were more clearly separated, and their financial performance is now monitored independently. As part of this transition, we updated our practices concerning the allocation of shared costs.

Domestic operations

Sitra's domestic operations are fully funded by income from investments. In 2024, this income totalled EUR 55.2 million in revenue, while investment expenses amounted to EUR 8.3 million. These returns fluctuate significantly from year to year depending on the performance of the investment markets.

The surplus for the financial year was EUR 12.2 million (EUR 21.3 million in 2023), and the balance sheet total was EUR 733 million (EUR 728 million on 31 December 2023).

Investments in funds and other investments have been valued at the lower of original cost or current value.

The main expense items in Sitra's operations were personnel expenses (EUR 16.5 million), advisory services (EUR 4.8 million) and financing activities (EUR 2.7 million). The expenses from financing activities decreased by EUR 1.3 million compared to the previous year, and personnel expenses were reduced by EUR 0.9 million.

Most of Sitra's activities are carried out in collaboration with other partners and stakeholders. When we implement Sitra's strategy and pursue our objectives, we both make procurements as part of our own activities and fund the work of others. These funding allocations and procurements are monitored as separate projects.

In 2024, our project expenses totalled EUR 6.7 million (EUR 8.0 million in 2023), of which 40% (EUR 2.7 million) was allocated to funding partners' projects, and 60% (EUR 4.1 million) was used for project-related procurements. A total of 96 projects received funding during the year. The number of new projects

*Sitra aims to finance the majority
of its international programmes
with external funding.*

was lower than in the previous year owing to the transition to the new strategic period.

Information about funded projects, purchase invoices and partnerships is published annually on Sitra’s website.

Donations

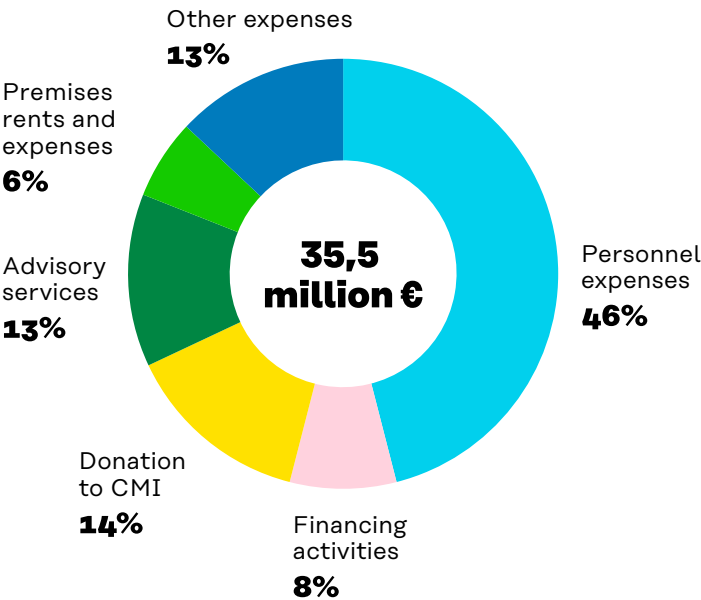
In 2023, Sitra decided to support the work of the peace mediation organisation the Crisis Management Initiative – Martti Ahtisaari Peace Foundation (CMI) by donating EUR 10 million to its Peace Fund. The first instalment

of EUR 5 million was paid in 2024, and the second instalment will be paid in 2025.

Sitra International Programmes

Sitra aims to finance the majority of its international programmes with external funding. In 2024, we received funding from the European Union for three collaborative projects and from the Nordic Council of Ministers for one project. The total amount of external funding was EUR 2.3 million, of which EUR 1.8 million was passed on to project partners.

Operational expenses 2024



Administration

Board of Directors

Sitra's Board of Directors met nine times in 2024.

The Audit Committee of the Board of Directors met three times. The members of the Audit Committee were **Susanna Huovinen** (chairperson), **Timo Jaatinen** and **Inka Mero**.

At the end of the year, the members of the Board of Directors were **Jorma Ollila** (M.Sc. in Engineering Physics, M.Sc. in Political Science) (chairperson) Under-Secretary of State **Susanna Huovinen** (vice-chairperson), former President of the Republic of Finland **Tarja Halonen**, Rector **Keijo Hämäläinen**, Permanent Secretary **Timo Jaatinen**, Permanent Secretary **Minna Kivimäki** and venture capital investor, Founder and Managing Partner of Voima Ventures **Inka Mero** (MSc in Economics and Business Administration).

The Board of Directors prepares the matters to be decided on by the Supervisory Board and is responsible for the overall management of the fund.

Supervisory Board

At the beginning of the year, the members of the Supervisory Board were MPs **Mika Lintilä** (Centre Party) (chairperson), **Mika Kari** (Social Democratic Party) (vice-chairperson), **Janne Jukkola** (National Coalition Party), **Pihla Keto-Huovinen** (National Coalition Party), **Pekka Toveri** (National Coalition Party), **Laura Huhtasaari** (Finns Party), **Ari Koponen** (Finns Party), **Veijo Niemi** (Finns Party), **Saku Nikkanen** (Social Democratic Party), **Annika Saarikko** (Centre

Party), **Oras Tynkkynen** (The Greens), **Mai Kivelä** (Left Alliance), **Joakim Strand** (Swedish People's Party of Finland) and **Peter Östman** (Christian Democrats).

At the end of the year, the members of the Supervisory Board were MPs **Mika Lintilä** (Centre Party) (chairperson), **Mika Kari** (Social Democratic Party) (vice-chairperson), **Janne Jukkola** (National Coalition Party), **Pihla Keto-Huovinen** (National Coalition Party), **Sari Sarkomaa** (National Coalition Party) (4 September 2024), **Laura Huhtasaari** (Finns Party), **Ari Koponen** (Finns Party), **Veijo Niemi** (Finns Party), **Mia-Petra Kumpula-Natri** (Social Democratic Party) (6 September 2024), **Antti Kaikkonen** (Centre Party) (4 September 2024), **Oras Tynkkynen** (The Greens), **Mai Kivelä** (Left Alliance), **Otto Andersson** (Swedish People's Party of Finland) (4 September 2024) and **Peter Östman** (Christian Democrats).

Senior Advisor **Jorma Jaalivaara** (Master of Laws, LL.M.) acted as the secretary to the Supervisory Board.

The task of the Supervisory Board is to supervise Sitra's administration and to decide on its operating principles.

President

Sitra's President is **Atte Jääskeläinen**, Master of Laws with court training, Doctor of Science (Economics and Business Administration).

Sitra's President is tasked with leading Sitra's operations in an efficient and result-oriented manner.

Auditors

At the end of 2024, the following individuals appointed by the Finnish Parliament were Sitra's auditors: chairperson **Markku Eestilä** (National Coalition Party) (deputy member: **Milla Lähdenperä**, National Coalition Party), **Sami Savio** (Finns Party), **Tuula Haatainen** (Social Democratic Party) (deputy member: **Eemeli Peltonen**, Social Democratic Party), **Tiina Lind**, APA, CFPA (deputy member: **Eeva Koivula**, APA, CFPA) and **Juha Kerimaa**, APA (deputy member: **Emma Lukkarinen**, APA). **Juha Kerimaa**, APA, acted as the secretary to the auditors.

BDO Oy acted as Sitra's assisting auditor, and **Tiina Lind**, APA, CFPA, as the head auditor.

Internal audit

An internal audit is part of Sitra's internal governance and control system. Its principles and procedures are defined in Sitra's internal audit charter. The internal audit evaluates the appropriateness and effectiveness of Sitra's control, management and administration processes, internal control and risk management. It also supports Sitra in achieving its goals by providing recommendations for developing its practices.

The practical execution of Sitra's internal audit was outsourced to KPMG Oy Ab, with **Harri Leppiniemi** (CIA, CCSA, CRMA) serving as the principal auditor. In 2024, the internal audit focused on Sitra's project portfolio management and goal-setting practices.

Risk management

At Sitra, risk management supports the achievement of our objectives and ensures that our operations are continuous, uninterrupted and safe, and that our operating conditions are maintained. It is part of our internal control and good corporate governance. Our principles of risk management, approved by the Board of Directors, define the objectives, responsibilities and roles of risk management, and how risks are identified, assessed and monitored at Sitra.

We classify risks into strategic, operational and financial risks. The status of risk management is reported to Sitra's management team and Board of Directors. With the assistance of an internal audit, Sitra's Board of Directors, the Audit Committee and senior management oversee risk management to ensure compliance with established principles and decisions.

FINANCIAL STATEMENTS

2024

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INCOME STATEMENT

EUR		Realised 2024	Realised 2023
Actual operations			
Income	1	2 659 072,51	2 355 758,39
Expenses			
Personnel costs	2	-16 497 179,04	-17 415 493,53
Depreciation		-5 515,20	-5 515,20
Other expenses	3	-20 800 840,68	-16 561 748,01
		-37 303 534,92	-33 982 756,74
Surplus/deficit		-34 644 462,41	-31 626 998,35
Investment activities			
Income from investment activities	4	55 158 284,32	58 092 896,29
Expenses from investment activities	5	-8 330 570,85	-5 120 301,05
		46 827 713,47	52 972 595,24
Surplus/deficit for the financial year		12 183 251,06	21 345 596,89

BALANCE SHEET

EUR		Realised 2024	Realised 2023
Assets			
Fixed assets			
Tangible assets	6	140 569,63	146 084,83
Investments	7	730 778 453,51	720 634 403,19
Total fixed assets		730 919 023,14	720 780 488,02
Current assets			
Current receivables	8	1 192 784,44	1 675 681,59
Cash and cash equivalents		8 304 402,14	5 444 799,75
Total current assets		9 497 186,58	7 120 481,34
Total assets		740 416 209,72	727 900 969,36
Equity and liabilities			
Equity			
Endowment capital		235 463 097,04	235 463 097,04
Surplus/deficit for previous financial years		485 270 881,55	463 925 284,66
Surplus/deficit for the financial year		12 183 251,06	21 345 596,89
Total equity		732 917 229,65	720 733 978,59
Liabilities			
Current liabilities	9	7 498 980,07	7 166 990,77
Total liabilities		7 498 980,07	7 166 990,77
Total equity and liabilities		740 416 209,72	727 900 969,36

CASH FLOW STATEMENT

	2024	2023
SURPLUS FROM ACTUAL OPERATIONS	-34 644 462	-31 626 998
Receivables associated with actual operations 31 December	-506 104	-625 900
Receivables associated with actual operations 1 January	625 900	507 059
Liabilities associated with actual operations 31 December	7 498 980	7 116 808
Liabilities associated with actual operations 1 January	-7 116 808	-7 200 814
Depreciation from actual operations	-5 515	-5 515
Cash flow from actual operations	-34 148 009	-31 835 360
Cash flow from operations		
Cash flow from actual operations	-34 148 009	-31 835 360
Cash flow from operations (A)	-34 148 009	-31 835 360
Cash flow from investment activities		
Receivables associated with investment activities 31 December	-686 681	-1 049 782
Receivables associated with investment activities 1 January	1 049 782	1 763 965
Liabilities associated with investment activities 31 December	0	50 183
Liabilities associated with investment activities 1 January	-50 183	-1 095 648
Investments in investment assets	-93 756 974	-113 088 143
Disposals of investments, yield and refunds from venture capital funds	125 352 820	138 594 541
Dividends	2 269 462	2 381 222
Other income	3 016 022	1 723 812
Asset management fees	-186 637	-562 578
Cash flow from investment activities (B)	37 007 611	28 717 573
Change in cash and cash equivalents		
(A + B) increase (+) / decrease (-)	2 859 602	-3 117 788
Cash and cash equivalents 1 January	5 444 800	8 562 587
Cash and cash equivalents 31 December	8 304 402	5 444 800
	-2 859 602	3 117 787

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 2024 have been prepared in accordance with the Accounting Act and Decree.

The financial period of the fund is the calendar year.

The income statement is reported using the Income statement formula for non-profit organisations and foundations in compliance with chapter 1, section 3 of the Accounting Decree. The balance sheet is an abridged 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 in the financial statements on an accrual basis. The fund has an optional additional pension insurance policy that includes old-age, disability and unemployment pension and death

benefits. The retirement age is 65 years, and the pension is determined based on accumulated pension savings, which in 2024 amounted to 3% of the employee's TyEL income for 2024.

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 the direct real estate investment is evaluated on the basis of 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 process is based on the reports from the portfolio companies and funds and Sitra's view of their future development and cash flows.

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

NOTES TO THE INCOME STATEMENT AND BALANCE SHEET

Further details on the content of the items in the income statement and the balance sheet are given in the notes. The number presented in correspondence to the notes refers to the income statement and the balance sheet.

1 Income

1 000 EUR	2024	2023
Publishing income and royalties	0	0
External project funding income	306	531
Redistributed external funding income	1 761	1 251
Other income	372	186
External project funding income per FTE	221	387
Total	2 659	2 356

Funding income includes EUR 1.8 million in EU project funding redistributed through Sitra (EUR 1.3 million in 2023). In the role of project coordinator, Sitra is responsible for ensuring that the amounts paid to the participants are correct and, where necessary, reimbursing the EU for excess payments.

2 Personnel costs

1 000 EUR	2024	2023
Salaries and bonuses	-13 573	-14 106
Pension expenses	-2 663	-2 740
Other statutory payroll expenses	-261	-569
Total	-16 497	-17 415

The personnel costs include voluntary supplementary pension insurance of EUR 396,000. The remuneration of the management is included in personnel costs.

1 000 EUR	2024	2023
Supervisory Board	-114	-106
Board of Directors	-68	-57
President	-253	-281
Total	-436	-444

The personnel costs for 2024 include compensation paid to external experts (EUR 225,000). External experts are not included in the headcount of personnel.

The number of employees was 184 at the end of the financial year (185 in 2023). The average number of employees during the financial year 2024 was 171 (178 in 2023).

No exceptional transactions were carried out with related parties.

3 Other expenses

1 000 EUR	2024	2023
Optional payroll expenses	-216	-199
Personnel services	-1 055	-1 062
Premises rents and expenses	-2 035	-1 946
ICT equipment and expenses	-1 070	-995
Travel expenses	-962	-690
Representation expenses	-86	-114
Advisory services	-4 851	-5 239
Other operating expenses	-1 109	-1 132
Redistributed external funding expenses	-1 761	-1 251
Donation to CMI	-5 000	0
Financing activities	-2 656	-3 933
Total	-20 801	-16 562

Other operating expenses include EUR 1.8 million in EU project funding redistributed through Sitra (EUR 1.3. million in 2023).

INCOME, EXPENSES AND THE DIFFERENCE BETWEEN THEM (=DEFICIT) BY FUNCTION

	2024	2023
Organisation 1 January to 31 August 2024		
Themes		
Sustainability solutions	-2 177	-4 299
Fair data economy	-2 582	-6 694
Democracy and participation	-1 949	-4 197
Capacity for renewal	0	73
Total	-6 708	-15 117
Organisation from 1 September 2024		
Foresight and Training	-4 081	-4 426
Innovations	-2 719	0
Programmes		
Function level	-1 891	0
Democratic Innovations programme	-1 007	0
Data and AI programme	-700	0
Sustainability programme	-1 285	0
Total	-4 884	0
Sitra International Programmes		
Function level	-1 376	0
Global circular economy	-2 637	-1 832
Future well-being solutions	-341	-157
Total	-4 354	-1 989

	2024	2023
Enabling functions	-5 864	-8 920
Investment activities	-1 035	-1 175
Donation to CMI	-5 000	0
Total	-34 644	-31 627

In summer 2024, Sitra adopted a new strategy. To support its implementation, we introduced a new organisational model in the autumn. As part of this change, we replaced our previous themes with four new functions: Foresight and Training, Innovations, Programmes and Sitra International Programmes. Some comparison data for 2023 is therefore not available.

During the fiscal year, allocation principles were also revised, so that from 1 September onwards, all costs related to the enabling functions (excluding financing and donations) are allocated to external work functions. Previously, these costs were only partially allocated. The allocated amount for the financial year was EUR 5.5 million (EUR 2.2 million in 2023). The enabling functions are Strategic Management Support, Communications and Public Affairs, IT and Digital Services, Finance and Administration and People and Culture.

4 Income from investments

1 000 EUR	2024	2023
Profits on the sale of investments	28 776	30 585
Interest income	2 846	1 562
Dividend income	2 269	2 381
Income from fund investments	18 078	16 612
Other income	1 077	612
Restorations	2 112	6 341
Total	55 158	58 093

5 Expenses from investments

1 000 EUR	2024	2023
Losses on realisation of investments	-723	-720
Asset management fees	-187	-563
Other expenses	0	0
Impairments	-7 421	-3 838
Total	-8 331	-5 120

6 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
Machinery and equipment	straight-line depreciation	3 years

During the financial year, Sitra purchased no fixed assets (purchases of fixed assets in 2023: EUR 10,000).

	Book value 1.1.2024	Increase	Decrease	Depreciation	Book value 31.12.2024
Tangible assets					
Machinery and equipment	22	0	0	6	17
Fixed assets shares and participations	0	0	0	0	0
Other tangible assets	124	0	0	0	124
Total	146	0	0	6	141

7 Investments

1 000 EUR	2024	2023
7.1 Mutual funds	499 250	498 099
7.2 Private capital funds	188 685	182 991
7.3 Other investments	41 901	36 510
7.4 Investments in portfolio companies	943	2 981
7.5 Holdings in other companies	0	54
	730 778	720 634

7.1 MUTUAL FUNDS

Mutual funds	Registered office	Book value	Market value
Equity funds			
C Worldwide Emerging Markets	Luxembourg	13 575	14 170
Danske Invest Suomiosake IK	Finland	27 254	33 881
Evli Suomi Select B	Finland	27 612	32 129
Fondita Global Megatrends B	Finland	16 352	38 874
Handelsbanken Global Index Criteria	Sweden	49 147	57 995
Impax Environmental Markets Euro X Acc	Ireland	18 093	41 531
JP Morgan Global Growth Fund X EUR	Luxembourg	21 604	52 174
JPM Emerging Markets Equity Fund I EUR	Luxembourg	28 570	39 261
OP-Suomi A	Finland	31 435	38 116
Schroder ISF Global Sustainable Growth	Luxembourg	39 974	58 345
SEB European Equity Small Caps	Luxembourg	20 228	22 247
Fixed income funds			
Aktia Emerging Market Bond+ D	Finland	10 075	11 177
Bluebay Investment Grade ESG Bond Fund	Luxembourg	5 476	6 023
Danske Invest Emerging Markets Debt K	Finland	8 964	8 964
Danske Invest Yhteisökorko K	Finland	23 089	23 769
Evli European High Yield B	Finland	14 194	19 876
LGT EM LC Bond SF	Ireland	10 000	10 283
LähiTapiola Yrityskorko ESG A	Finland	30 206	32 348
OP-Euro A	Finland	15 068	15 512
SEB Global High Yield B	Luxembourg	13 752	18 723
SEB Microfinance Fund VII	Luxembourg	217	217
Other quoted investments			
BNP Paribas Fund III NV- Global Property Securities Fund	Netherlands	6 482	6 482
Dasos Kestävä Metsä ja Puu III	Finland	4 581	5 683
Erikoissijoitusrahasto (DFFIII)			
eQ Yhteiskuntakiinteistöt 1 T	Finland	17 978	17 978
Erikoissijoitusrahasto eQ Asunnot II	Finland	3 750	3 750
Erikoissijoitusrahasto eQ PE XV US Feeder	Finland	1 681	1 681
Special Investment Fund eQ PE XI US LP	Finland	7 919	9 945
UB Global REIT K	Finland	12 985	14 953
UB Metsä I	Finland	8 000	10 140
Ålandsbanken Asuntorahasto			
Erikoissijoitusrahasto C	Finland	10 989	10 989
		499 250	657 217

7.2 PRIVATE CAPITAL FUNDS

Private capital funds	Registered office	Book value	Market value
Private equity and venture capital funds			
Ardian ASF IX	France	1 082	1 408
Ardian Co-Investment Fund V	France	3 881	6 574
Blackstone Energy Transition Partners IV (BETP IV)	Luxembourg	0	-86
Bocap SME Achievers Fund II Ky	Finland	25	560
Bocap SME Achievers Fund III Ky	Finland	1 866	1 593
Bridgepoint Europe V	England	835	2 315
Bridgepoint Europe VI	England	3 788	7 247
Bridgepoint Europe VII	England	3 172	3 092
CapMan Buyout X	Finland	227	187
CapMan Buyout XI	Luxembourg	4 155	4 618
Chrysalix Energy III Ltd	Delaware, USA	920	3 274
Circularity European Growth Fund I LP	England	1 286	1 443
Environmental Technologies Fund 3 LP	England	3 138	3 326
EQT Mid Market Asia III Fund	Scotland	3 885	4 511
Evolver Fund I Ky	Finland	1 628	3 235
Evolver Fund II Ky	Finland	366	366
FIM Lapset ja nuoret I Ky	Finland	895	993
FIM Työllistäminen I Ky	Finland	764	1 105
Folmer Equity Fund I Ky	Finland	0	746
Gilde Healthcare Venture & Growth VI	Netherlands	374	374
H.I.G. Advantage Buyout Fund	Delaware, USA	5 050	5 949
Hamilton Lane Club Fund IV	Luxembourg	5 613	7 697
Hamilton Lane Venture Capital Club Fund I	Luxembourg	2 760	3 186
Hamilton Lane Venture Capital Club Fund II	Luxembourg	0	0
HarbourVest Co-Investment VII Combined AIF SCSp	Luxembourg	0	0
HarbourVest Partners Co-Investment Fund V L.P	Scotland	4 668	7 714
HarbourVest Partners Co-Investment Fund VI L.P	Luxembourg	5 653	6 686
HealthCap VIII, L.P.	Delaware, USA	1 995	2 064
Inventure Fund II Ky	Finland	9	1 398
Inventure Fund III Ky	Finland	3 361	3 794
Inventure Fund IV Ky	Finland	1 731	1 548
Korona Fund III Ky	Finland	0	619
Korona Fund IV Ky	Finland	2 321	2 235
LGT Crown Global Secondaries VI (CGS VI)	Luxembourg	1 017	1 205
Life Sciences Partners 6 C.V.	Netherlands	1 558	1 852
Life Sciences Partners 7	Netherlands	1 136	867
Lifeline Ventures Fund I Ky	Finland	1 126	17 942
Lifeline Ventures Fund III Ky	Finland	2 440	9 124
Lifeline Ventures Fund IV Ky	Finland	3 638	4 031
Lifeline Ventures Fund V Ky	Finland	1 612	1 636
MB Equity Fund V Ky	Finland	107	2 792
Nordia Rahasto Oy	Finland	834	1 979
Power Fund III Ky	Finland	1 080	1 943
RG Growth Fund L.P. (f.d. CapMan Russia Fund L.P.)	Guernsey	0	71

Private capital funds	Registered office	Book value	Market value
Sentica Buyout IV Ky	Finland	0	1 189
SET Fund II C.V.	Netherlands	113	138
SET Fund III C.V.	Netherlands	1 983	2 868
Social Impact Accelerator	Luxembourg	509	611
Spintop Investment Partners II AB	Sweden	300	754
Spintop Investment Partners III AB	Sweden	1 892	1 776
Standout Capital I AB	Sweden	381	677
Standout Capital II AB	Sweden	1 596	1 534
Vaaka Partners Buyout Fund II Ky	Finland	0	876
Vaaka Partners Buyout Fund IV Ky	Finland	2 622	2 250
Vendep Capital Fund II Ky	Finland	1 676	2 620
Ventech Capital V SLP	France	4 335	6 413
Ventech Capital VI	France	495	405
Verdane Capital IX (E) AB	Sweden	1 706	1 516
Verdane Capital VIII K/S	Denmark	822	1 888
VisionPlus Fund I Ky	Finland	0	219
Real estate funds			
Campbell Global Forest & Climate Solutions Fund II	Luxembourg	2 797	2 731
Capman Nordic Real Estate FCP-SIF	Luxembourg	29	370
CapMan Nordic Real Estate Fund III	Luxembourg	3 631	3 612
Capman Nordic Real Estate II FCP-RAIF	Luxembourg	1 806	2 931
Dasos Timberland Fund II	Luxembourg	6 866	10 732
DEAS Property Fund Finland I Ky	Finland	8 205	8 094
European Opportunistic Property Fund V	Luxembourg	3 131	3 108
EVLII Healthcare I Ky	Finland	2 962	4 382
ICECAPITAL Residential Property Fund I Ky	Finland	2 906	3 599
KKR Real Estate Partners Europe II (EUR) SCSp	Luxembourg	7 060	7 043
KKR Real Estate Partners Europe III (EUR) SCSp	Luxembourg	0	-47
LähiTapiola Asuntorahasto Prime Ky	Finland	1 695	1 696
OP Toimitilakiinteistö Ky	Finland	2 794	2 771
Real Estate Debt and Secondaries Ky	Finland	188	186
Infrastructure funds			
BlackRock Global Infrastructure Solutions 3	Luxembourg	6 665	11 204
CapMan Nordic Infrastructure I	Luxembourg	5 024	7 211
Capman Nordic Infrastructure II	Luxembourg	1 889	1 725
FLAVEO III Energy SCS, SICAV-RAIF	Luxembourg	7 280	9 888
Global Renewable Power Fund III	Luxembourg	8 043	8 156
Impax New Energy Investors III LP	England	2 407	3 847
Impax New Energy Investors IV	Luxembourg	4 439	4 713
KKR Global Infrastructure Investors V	Luxembourg	0	121
Private debt funds			
Armada Fund V	Finland	3 660	4 086
Armada Fund VI Ky	Finland	667	602
Bridgepoint Direct Lending II Unlevered SCSp	Luxembourg	2 661	3 346
Direct Lending Fund III	Luxembourg	3 461	3 364
		188 685	268 418

7.3 OTHER INVESTMENTS

	Registered office	Book value	Market value
Unit-linked insurance			
Mandatum Life capital redemption policy	Finland		
Mandatum AM Private Debt II E	Finland		5 641
Mandatum AM Private Debt III E	Finland		7 436
Mandatum AM Private Debt IV	Finland		5 360
Mandatum AM Private Debt V	Finland		6 852
Mandatum AM Private Debt VI E2	Finland		4 088
Mandatum AM Direct Lending 2022 A	Finland		5 924
Mandatum AM Kansainväliset Kiinteistöt III E	Finland		6 848
		35 711	42 149
OP Henkivakuutus capital redemption policy	Finland		
Infrastructure investment basket	Finland		14 076
LeaseGreen Group Oy 10% 30 March 2026	Finland		41
LeaseGreen Group Oy 8% 30 June 2028	Finland		33
LeaseGreen Finance Oy 8% 30 June 2028	Finland		135
Cash	Finland		39
		4 892	14 324
Real estate investments			
Erottajan pysäköintilaitos Oy	Finland	1 298	2 638
		41 901	59 111

7.4 INVESTMENTS IN PORTFOLIO COMPANIES

Shares, participations and other investments held by Sitra	Holding	Investment
AW-Energy Oy	1 %	4 039
Kuntien Tiera Oy	0 %	662
MediXine Ltd	9 %	1 126
Vivoxid Oy	38 %	5 243
Total		11 070
Investments in portfolio companies total		11 070
Cumulative change in value		-10 127
Book value		943

The market value of investments in private 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 the stage in question (for example, if the private capital fund is new and the NAV therefore low).

7.5 HOLDINGS IN OTHER COMPANIES

The subsidiary Sitra Management Oy was dissolved on 27 May 2024. The company's distributable assets were allocated to its sole shareholder, Sitra.

8 Current receivables

	2024	2023
Accounts receivable	4	0
Short-term investments	2	379
Other receivables	712	729
Accrued income and deferred charges	475	568
Total	1193	1676

9 Current liabilities

	2024	2023
Advance payments	0	0
Accounts payable	1 633	1 595
Other liabilities	372	454
Accrued expenses and deferred income	5 493	5 118
Total	7 499	7 167

10 Securities and contingent liabilities

	Maturing in 2025	Total liabilities
Fund commitments		143 657
Financial agreement fees	1 166	1 705
Unit-linked insurance premiums		56 556
Rental liabilities	1 478	4 286
Donation to CMI	5 000	5 000
Total		211 203

At its meeting on 14 November 2023, Sitra's Supervisory Board of Sitra decided to support the work of the CMI – Martti Ahtisaari Peace Foundation by making a donation of EUR 10 million to CMI's long-term work for peace. The donation is made through the State Treasury in two instalments, the first in 2024 and the second in 2025.

SIGNATURES TO BOARD REPORT AND FINANCIAL STATEMENTS

The Board of Directors proposes that the surplus of EUR 12,183,251.06 for the financial year be carried forward to the retained surplus/deficit account.

Helsinki, 17 March 2025



Jorma Ollila



Susanna Huovinen



Tarja Halonen



Keijo Härmäläinen



Timo Jaatinen



Minna Kivimäki



Inka Mero

AUDITOR'S REPORT

To the Supervisory Board of Sitra, the Finnish Innovation Fund

Audit of the financial statements

We have audited the accounts, financial statements and administration of Sitra, the Finnish Innovation Fund, for the financial period from 1 January to 31 December 2024. The financial statements comprise a profit and loss account, balance sheet, cash flow statement and notes to the financial statements.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements and the report of the Board of Directors in Finland and comply with the statutory requirements. The Board of Directors shall ensure that the accounting complies with the law and is arranged reliably. The Board of Directors is also responsible for such internal control as it deems necessary to prepare financial statements that are free of material misstatement, whether due to fraud or error.

The auditor's responsibilities in auditing the financial statements

Our responsibility is to express an opinion on the financial statements based on our audit. We comply with the principles of professional ethics. We have conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and conduct the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and whether the Board of Directors has committed any act of omission that may result in liability to Sitra, the Finnish Innovation Fund or contravened the Act on Sitra, the Finnish Innovation Fund. Regarding administration, the legality of the actions of the Board of Directors and the President has been examined.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The selection of the procedures is based on the auditor's judgement, including assessing the risks of material misstatement, whether due to fraud or error. In assessing these risks, the auditor considers internal control relevant to Sitra's preparation of financial statements that give a true and fair view.

The auditor evaluates internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Sitra's internal control. An audit also includes evaluating the adherence to the accounting policies, the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, and evaluating the overall presentation of the financial statements.

In our view, the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements

We find that:

- The financial statements give a true and fair view of Sitra's financial performance and position, in accordance with the rules and regulations on drawing up financial statements in Finland. The information in the report of the Board of Directors is consistent with the information presented in the profit and loss account, balance sheet and the notes to the financial statements.
- The financial statements can be adopted and the members of the Board of Directors and the President can be discharged from liability for the financial year under review.
- We recommend that the result for the financial year be dealt with as set out in the report of the Board of Directors.

Helsinki, 25 March 2025


Sami Savio

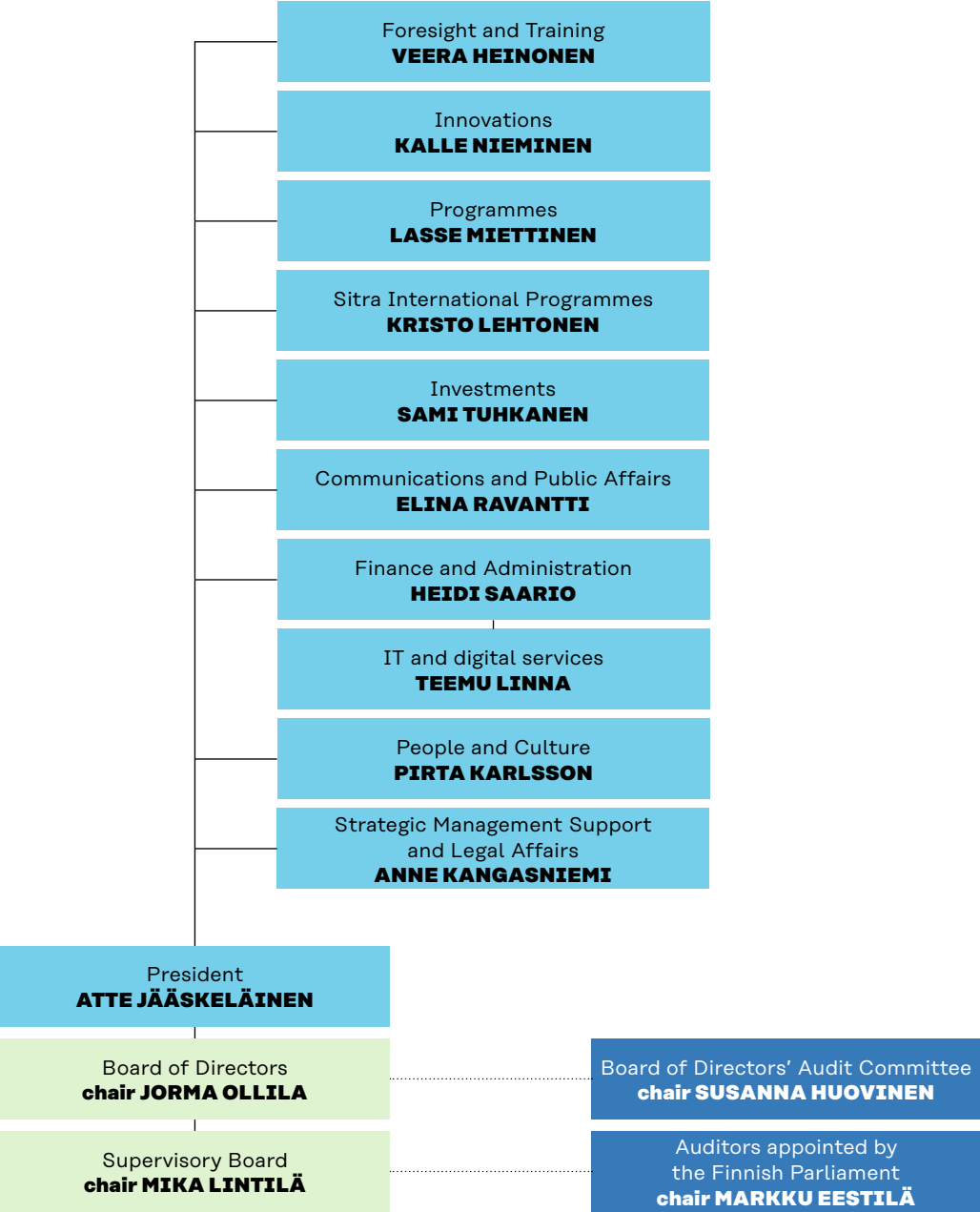

Markku Eestilä


Juhana Kerimaa
KHT


Eemeli Peltonen


Tiina Lind
KHT, JHT

SITRA'S ORGANISATION
31 DECEMBER 2024



APPENDIX 2.

SITRA'S PUBLICATIONS BY THEME IN 2024

Most Sitra publications include a summary in English.

- **Toimintakertomus ja tilinpäätös 2023: Voimaa tulevaisuudesta.**
- **Kohti muutosvoimaa ja ketteryyttä: Sitran strategisen asemoinnin arviointi.** Kimmo Halme, Olli Oosi, Vesa Salminen. Sitran arviointi.
- **Sitran vastuullisen sijoittamisen katsaus 2023**
- **Sitran ehdotukset paremman Euroopan ja Suomen rakentamiseksi: EU-päättäjä, keskity näihin seuraavina vuosina.** Samuli Laita (toim.). Työpaperi.

Foresight and Training

- **Millaisen EU:n haluamme?: Näkymiä vaihtoehtoihin tulevaisuuksiin.** Tuomas Iso-Markku. Muistio.
- **Narrative approach to economy and economics.** Vesa-Matti Lahti.
- **Euroopan unioni suomalaisessa mediassa – pääkirjoitukset.** Meedius International.
- **Euroopan unioni suomalaisessa mediassa – aihe- ja keskusteluanalyysi.** Meedius International.
- **Euroopan unioni mediassa: Aihe- ja keskusteluanalyysi: Ruotsi, Saksa ja Italia.** Meedius International.
- **Toisin sanoen taloudesta.** Vesa-Matti Lahti, Pia Mero. Työpaperi.
- **EU kriisien aikakaudella: Unionin tulevaisuuden suuntaa etsimässä** (uud. p.). Timo Miettinen. Muistio.
- **Tulevaisuusvalta: Lisää ääniä tulevaisuuskeskusteluun.** Mikko Dufva, Jenna Lähdemäki-Pekkinen, Lilli

Growth

- **Sitran tutkimus yritysten investoinneista tutkimus- ja kehittämis-toimintaan: Tutkimusraportti.** Juha Lemmetyinen.
- **Julkisten TKI-investointien strateginen kohdentaminen: Verrokkianalyysissä Alankomaat, Norja, Ruotsi ja Tanska.** Matleena Moisio, Suvi Peltoniemi, Kirsi Pulkkinen, Susanna Sepponen. Muistio.
- **Irlannin talousihme: Miten Irlanti kipusi arvoketjussa ohi Suomen.** Timo Hämäläinen. Muistio.
- **Japanin innovaatiojärjestelmän kehitys: Miten Japani aikoo selvittää globaalista kilpailusta?.** Teppo Turkki. Muistio.
- **Suomen talouden haaste numeroiden valossa.** Johnny Åkerholm. Muistio.

Democracy

- **Citizens' initiatives in Finland and in Estonia: The journey so far.** Maarja-Leena Saar, Onni Pekonen, Maarja Olesk, Henna Hiilamo. Working Paper.
- **Demokratia ja osallisuus: Data, power and democracy.** Henrik Rydenfelt. Memorandum.
- **Konsepti kansalaisten Lakivahti-palvelusta: Sitran konsepti digitaalisesta lainsäädäntöprosessin seuranta- ja osallistumispalvelusta kansalaisille.** Lea Konttinen, Jenni Ala-Peijari.

- **Miten päätöksenteosta tehdään kansalaislähtöistä?: Digitaalisuuden mahdollisuudet. lainsäädäntöprosessin kehittämisessä.** Lea Konttinen, Jenni Ala-Peijari, Markku Harrinvirta, Henna Hiilamo, Anna Välimaa. Sitran selvityksiä 239.
- **Demokratia osaksi arkea: Selvitys yhteiskunnallisen osallistumisen esteistä nuorten aikuisten elämässä.** Kirsi Hantula, Heikki Lauha, Rosa-Maria Mäkelä, Jukka Vahti. Sitran selvityksiä 238.

Sustainability

- **A European circular single market for economic security and competitiveness.** Heather Grabbe, Luca Léry Moffat. Bruegel: Policy brief issue 20/2024.
- **WCEF2024 Summary Report: From visions to actions.** Reetta Kohonen, Iida Pyykkö, Vilma Kujala, Tuula Sjöstedt.
- **How the finance sector can use TNFD-leap to take action on nature: Learnings from Sitra workshops.** Grant Rudgley, Sam Wheldon-Bayes (authors), Samuli Puroila, Inka Musta (ed.). Memorandum.
- **Luontoympäristön terveysvaikutukset ja niiden taloudellinen merkitys.** Liisa Tyrväinen et al. Luonnonvara- ja biotalouden tutkimus 76/2024.
- **Terveyttä, hyvinvointia ja kustannussäästöjä luonnosta: Tiivistelmä selvityksestä "Luontoympäristön terveysvaikutukset ja niiden taloudellinen merkitys".** Elina Drakvik, Liisa Tyrväinen, Jaana Halonen, Tari Haahtela, Hanna Haveri, Lasse Miettinen. Työpaperi.
- **Kasviproteiini kasvun tiellä: Tiekartta ruoan korkeampaan kasviproteiiniomavaraisuuteen.** Csaba Jansik, Hanna Karikallio, Titta Kotilainen, Hannu Känkänen, Anne Pihlanto, Susanna Rokka, Marjatta Vahvaselkä. Luonnonvara- ja biotalouden tutkimus 68/2024.
- **Carrots and Sticks: Economic mechanisms for safeguarding and financing biodiversity and ecosystem services.** Paula Horne, Kati Berninger, Kristiina Niikonen, Helena Määttä, Sanna Inkilä. Sitra Studies 242.
- **Taloudelliset mekanismit luontokadon pysäyttämisen työkaluna: Oppeja meiltä ja muualta.** Tatu Leinonen, Jarrod Luxton, Outi Haanperä. Muistio.
- **How to build a sustainable food system in Finland?: Proposals for improving the well-being of both nature and people by 2040.** Liisa Pietola, Eero Jalava, Ilkka Räsänen, Tatu Torniainen, Vilma Turkki, Annukka Valkeapää. Working Paper.
- **Circular solutions for Nature: Handbook for businesses.** Riku Sinervo (Sitra), Tim Forslund (Sitra), Fiorella Sanchez (KPMG), Mateo Salazar (KPMG). Sitra Studies 241.
- **Luonto ja arki -kyselytutkimus.** Verian.
- **Luontopääoma kartalle ja euroiksi: Ekosysteemitilinpito vastuullisen talouspolitiikan työkaluna.** Tatu Leinonen, Samuli Puroila ja Annukka Valkeapää. Työpaperi.

Data and AI

- **data-driven competitiveness: A handbook for ecosystems to utilise data.** Heikki Aura, Naomi Wuori, Liisa Paavilainen, Mika Ruokonen. Sitra Studies 244.
- **Logistiikan rahtikirjojen digitalisoinnin mahdollisuudet ja hyödyt: Rahtitietojen paremmalla järjestämisellä ja hyödyntämisellä tehokkuutta, kustannussäästöjä ja kilpailukykyä.** Heikki Aura, Pinja Heimala. Muistio.
- **Understanding the role of tokenisation in the data economy.** Heikki Aura, Eugenio Reggianini, Erwin Voloder. Memorandum.
- **State of Finnish data spaces.** Antti Poikola, Denny Wong, Viivi Lähteenoja, Marko Turpeinen. Sitra Studies 243.
- **Finland in the race for quantum advantage: Policy recommendations for a National Quantum Strategy.** Andrea Garcia Rodriguez. Memorandum
- **OMOP-harmonisaatioon ja hajautettuihin analyysihin perustuvan pilottiprojektin loppuraportti:** Lisänäyttöä uusista lääkehoidoista.
- **Digital Product Passports: catalysing Europe's sustainable growth: Key lessons from Finnish pilots to support the development of circular economy business models.** Henna Suomi, Pirkka Frosti (Ioxio), Taru Rastas, Heikki Aura (Sitra). Working Paper
- **Suomalaisten data-avaruuksien tilannekuva: Edelläkävijöiden opit datatalouden infrastruktuurin kehittämiseen.** Antti Poikola, Denny Wong, Viivi Lähteenoja, Marko Turpeinen. Sitran selvityksiä 240.
- **Development phase of data driven ecosystems and networks 2023.** Henrik Sievers, Mikko Ulander, Ina Helkala, Simo Saari (Innolink).
- **Kilpailukykyä datasta -käsikirja: Toimintamalli ekosysteemeille datan hyödyntämiseen.** Heikki Aura, Naomi Wuori, Liisa Paavilainen, Mika Ruokonen. Sitran selvityksiä 237
- **Kilpailukykyä datasta -työkalut: Työpohja ekosysteemien yhteiskehittämiseen.**
- **Oikeus datan siirtämiseen järjestelmästä toiseen reilussa datataloudessa: Kuinka laajentaa yksilöiden oikeutta hyötyä tietojensa hallinnasta.** Sanna Toropainen. Muistio.
- **Ensuring European leadership in the data economy: Ten priorities for the European Union.** Kristine Alanko, Antti Peltomäki, Reijo Aarnio, Laura Halenius, Kristo Lehtonen. Working Paper.
- **How sustainable a world will Web 3.0 build?: Remarks on the importance of a decentralised web for the environment, economy and society.** Heikki Aura et al. Memorandum.
- **Secondary use of health data in Nordic co-operation: Value from Nordic health data – VALO project.** Katrine Højen Vad et al.
- **Tietomalleista tehoa sote-järjestelmään: Keinoja toiminnan muutokseen ja kustannusten hillitsemiseen.** Antti Larsio, Saara Malkamäki, Markus Kalliola. Työpaperi.

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Layout

Grano Oy

ISSN 1235-6166

Grano Oy, Helsinki 2025

Sitra is Finland's innovation fund.
We work with expertise and heart.

We anticipate the future as well as develop
and fund innovations that renew society.

The future is made together.

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ISSN 1235-6166