

Mint of Finland Ltd.

Corporate responsibility report 2011

Prepared in accordance with the decision-in-principle
of the Government concerning ownership policy dated 3 November 2011,
in compliance with the corporate responsibility reporting model
of unlisted State-owned companies

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Introduction

Mint of Finland aims to become the world's most respected actor in the world of coins, with ordinary and collector coins and coin coin blanks at the core of its business. Achieving this objective requires responsible operations where not only profitability and financial responsibility but also social and environmental responsibility are taken into account. In order to develop its corporate responsibility activities, Mint of Finland plans to start applying the ISO 26000 Guidance for social responsibility. Systematically and at the strategic level, corporate responsibility issues have been on the company's agenda for a relatively short time.

At the end of 2011, Mint of Finland launched a corporate responsibility strategy project, the aim of which is to unify and clarify the company's corporate social responsibility, and to connect it more clearly to the company's business strategy. It is the company's ambitious intention to become a more responsible choice for its customers. This is a long journey and there is much work to do, as this report also indicates, but the company's strategic intent is clear and the work has already begun.

Mint of Finland addresses corporate social responsibility through three interactive relationships in accordance with the ISO 26000 Guidance for social responsibility: 1) the relationship between Mint of Finland and society, 2) the relationships between Mint of Finland and its interest groups, and 3) the relationships between Mint of Finland's interest groups and society.

Mint of Finland actively seeks to recognise the perspectives of its corporate social responsibility, taking its entire sphere of influence into account. This means that the company's corporate social responsibility not only includes Mint of Finland's own decisions and functions, but also the decisions and functions of other parties related to the operations of Mint of Finland, depending on the situation. The assessment of when and what kinds of influence Mint of Finland has on the operations of the parties in question is an essential part of the responsibility of Mint of Finland's operations. This report refers to the concept "sphere of influence" when wishing to emphasise the role of this assessment.

Mint of Finland's corporate responsibility report deals with the company's responsibility from the perspectives of finances, personnel, society, product liability, human rights and the delivery chain in 2011. The Government's decision-in-principle (3 November 2011) was used as a guideline when preparing this report.

There is no extensive strategic frame of reference supporting this report, but responsibility is reported at the operational level. The report was prepared at the Government's request and it used the model required by it. The preparation was implemented through teamwork; the persons in charge of different areas of responsibility produced the necessary information on the company's systems and their own areas of responsibility. Corporate responsibility falls under the purview of the Communications Director.

Mint of Finland produces two separate corporate responsibility reports – one for its own operations and another for the operations of its German subsidiary, Saxonia EuroCoin GmbH. The goal is to combine the reports of Mint of Finland and Saxonia EuroCoin in the future.

The reports submitted to the State's ownership direction are not public. This report provides background material for the corporate responsibility strategy work in 2012. Summaries of the reports of both Mint of Finland and the Saxonia EuroCoin are prepared for the public.

Mint of Finland Ltd. – Corporate responsibility report 2011

1. Organisation, administration and principles of operation

The manner of administration of an organisation refers to the system through which the organisation makes and implements decisions when it aims to achieve its goals.

Mint of Finland is dedicated to designing, marketing and minting coins. The aim is to become the world's most respected actor in the world of coins. Currently, Mint of Finland Ltd. is the leading mint in the euro area. It is the sole owner of the German Saxonia EuroCoin GmbH and holds a 50 per cent share in the Norwegian Det Norske Myntverket AS.

The company is owned by the Finnish State. The owner states that, in companies operating under conditions dictated by markets, the objective of the State's ownership direction is to achieve the best possible financial overall result at any given time. It is Mint of Finland's key objective to operate responsibly towards its owner and other interest groups.

Mint of Finland produces metallic circulation coins, collector and special coins, as well as coin sets. Mint of Finland issued six new collector coins and seven provincial coins in 2011. During the year, the company produced metal coins for 26 countries and provided various services related to metal coins for its customers in central banks, retail companies of collectibles and its own online shop.

Mint of Finland Ltd. was established in 1860 and converted into a State-owned limited company in 1993. The company's field of activity includes producing and marketing metal coins as well as other equivalent means of payment, bullion coins, medals and other similar products; processing coloured and precious metals into semi-finished and finished products; trading in precious metals; providing metal analysis services; planning monetary systems; and other related activities.

1.1. Basic details of the organisation

Goals of Mint of Finland

Mint of Finland aims to become the world's most respected actor in the world of coins, with ordinary and collector coins and coin blanks at the core of its business. The company's reputation as the most respected actor in the industry requires that its customers are satisfied and its personnel well-motivated, and that the company actively pioneers a new future for the coin, supported by the latest research data and its knowledge of the world of coins. The preconditions for success are the profitability and growth of its business operations.

Mint of Finland operates globally, but its main markets are Europe, Africa, South America and Asia. The company is one of the largest manufacturers of ordinary, collector and collector coins in the euro area.

The company has three business areas: circulation coins, collectibles and coin blanks. Circulation coins are used as legal tender in the respective countries. Mint of Finland has invested resources in its production technology. It is a leader in developing the manufacturing technology for euros and in international quality control of the industry. The company's circulation coin production has held ISO 9001 quality certification since 2000.

Collectibles include collector and special coins, coin sets and collections as well as numismatic monetary medals. Numismatic medals of gold and silver are produced as individual medals or as series. Collector coins are issued in honour of remarkable people or significant events. Collector coins are intended as collectibles or mementos, but they are also legal tender for their nominal value. The Ministry of Finance decides on the minting of a new collector coin on the proposal of the Collector Coin Committee.

The coin blank business is described in the corporate responsibility report issued by Saxonia EuroCoin GmbH, a subsidiary of Mint of Finland.

Operating framework of Mint of Finland

The operations of Mint of Finland are governed by the laws of Finland. The company's operations are based on orders placed by buyers entitled to have coins minted for their respective countries. The company's main customers are the ministries of finance and central banks of different countries.

Mint of Finland Ltd. is a Finnish limited company, and its decision-making and administration are governed by the Limited Liability Companies Act and the company's Articles of Association. In addition, Mint of Finland Ltd. observes, as applicable, the Corporate Governance Code of Finnish listed companies that entered into force in 2009 and was issued by the Finnish Securities Market Association and published on the company's website.

Furthermore, the company's operations are guided by Ethical Guidelines that provide an ethical perspective to the company's business principles as well as its approach regarding human rights, equality, health and safety, conflicts of interest, suppliers and the environment. The company's Ethical Guidelines are published on the company's website.

The company has a Quality and Environment Policy. The circulation coin production of Mint of Finland operates a certified ISO 9001:2008 quality system. The company has an ISO 14001:2004 environmental system that covers its operations at the Vantaa facilities, i.e. the cost centres for circulation coins and collectibles. The company's Quality and Environment Policy is published on the company's website.

Administration

The management of Mint of Finland aims at simple, reduced and clear decisions. Mint of Finland has both Finnish and foreign subsidiaries. Some of the subsidiaries operate under the direct control of the business operations of Mint of Finland Ltd., while some operate more independently.

The statutory administrative bodies and persons responsible for the management of Mint of Finland are the General Meeting of Shareholders, the Board of Directors, the CEO as well as the Boards of Directors and CEOs of its subsidiaries. The CEO of Mint of Finland Ltd. appoints the board members for the subsidiaries and other Group companies paying due attention to the fact that the statutory administrative bodies can work supporting the management of operational business activities.

The operational management of Mint of Finland's business is the responsibility of the Executive Group that reports to the CEO of Mint of Finland. The operational management of subsidiaries is the responsibility of their respective CEOs, who report to the Boards of Directors of their companies.

The Articles of Association of Mint of Finland are published on the company's website.

1.2. Management and operating principles of corporate social responsibility

Mint of Finland's corporate social responsibility is determined on the basis of the effect of its decisions and functions on society and the environment. The company's corporate social responsibility is defined in more detail by the principles of Corporate Governance, Ethical Guidelines and Environment and Quality Policy of Mint of Finland. The starting point is an open and ethical working method.

Values and operating principles

Mint of Finland's aim is to develop its already achieved position as a responsible manufacturer and supplier of circulation coins, collector coins as well as other numismatic products and medals and associated products. The company is committed to complying with the legislative obligations related to its operations. Operations regarding quality, safety and environmental matters are continuously developed in order to comply with changing regulations and to meet customers' requirements.

Through various actions, Mint of Finland maintains and enhances its position as a respected actor in the industry that provides competitive products and services of high quality. Sales and marketing activities are implemented by utilising the entire Group structure and its strengths. Mint of Finland responds to the requirements of the future by continuously improving its competitiveness, production processes, motivation and know-how.

One of the key objectives of the Group is to secure the safety of personnel as well as general safety in different stages of manufacture and in all its activities. Safety is improved by regular risk surveys and by constantly minimising potential threats.

At the Group level, the development of management systems is coordinated by the CEO. The responsibility for the Group's Quality and Environment Policy, its implementation as well as for the prerequisites for its implementation also belongs to the CEO. The entire personnel participate in the development and implementation of quality system processes and the environmental system. Annual targets are set for quality and environmental goals. The progress towards meeting these targets is monitored with process benchmarks. Quality aspects are described in more detail in the sections "Environment" and "Product liability".

The company's aim is to develop products and functions in an even more environmentally friendly direction. Mint of Finland is aware of its responsibility for the environment, and it is reducing the environmental impact of its business operations. The company is also continuously developing its operations to save raw materials, increase the utilisation of by-products and to minimise energy consumption, emissions and waste. The company favours state-of-the-art technology and recycling.

The operations of Mint of Finland are financially profitable and ecologically responsible. The company knows its customers' expectations and is able to meet them in a competitive manner. The company's operations are developed flexibly in accordance with changing conditions.

Mint of Finland does not have separately defined values.

The ways in which the Board of Directors monitors the management of corporate social responsibility, including risk management

The work of Mint of Finland's Board of Directors is defined by its Rules of Procedure, which are published in their entirety on the company's website. The Rules of Procedure also stipulate that one of the duties of the Board of Directors is to manage corporate social responsibility by updating the documents related to the company's principles of Corporate Governance. The Board's risk management-related duties include defining and confirming the company's long-term objectives and the main strategies required for achieving them, and their regular revision to ensure that they are up to date.

The ways in which top management monitors the management of corporate social responsibility and bears the responsibility for it

At the end of 2011, Mint of Finland initiated a project for preparing a corporate responsibility strategy, which will be implemented during the first half of 2012. In 2011, the corporate social responsibility of Mint of Finland was fragmented under several functions, and it was not monitored in a coordinated manner but instead in several different forums.

The objective of the corporate responsibility strategy project is to unify and clarify Mint of Finland's corporate social responsibility and connect it to the company's business strategy. After the current state of responsibility has been established and objectives have been set, Mint of Finland will decide on the ways of communicating corporate responsibility. Mint of Finland regards corporate responsibility as important, and it is planning to apply extensively the ISO 26000 Guidance for social responsibility. The goal is that all areas of the Guidance for social responsibility will be part of the company's processes by 2014.

1.3. Interest groups and interaction with them

Mint of Finland's interest groups are those parties – individuals, groups and organisations – that have an interest in some decision or activity of the company. The corporate responsibility strategy project helps to identify the company's interest groups more extensively. The aim is to identify all of the most important interest groups affecting the company's operations within our sphere of influence during 2012 and to launch gradually the preparation of a participation plan.

Major interest groups of the organisation and their expectations

Mint of Finland's key interest groups in 2011 included its owner, customers, personnel, suppliers of goods and services, society, sources of finance, educational institutions, the media, competitors and non-profit entities.

The shareholder, i.e. the State, has defined its expectations as follows: "As the owner, the State seeks an optimal overall financial and social result from the management of its assets. In companies operating under conditions dictated by markets, the objective of the State's ownership direction is to achieve the best possible financial overall result at any given time."

Customers' expectations were not surveyed during 2011. A more detailed account of the expectations of personnel is given in the section "Personnel".

The expectations of other interest groups have not been separately surveyed, but the interests of other groups in Mint of Finland are monitored. Parties that best and most cost-efficiently support the company in achieving its goals have been selected as Mint of Finland's partners.

Ways of interacting with different interest groups

The corporate communications of Mint of Finland support the sales of the company's products and enhance and create its corporate image by various means of marketing communications. The company's marketing communications are based on policy decisions made in brand strategy work on the company's essence, background, mission and outlook for the future. In 2011, the tactical basis of marketing communications by Mint of Finland was in active and anticipatory dissemination of product information and in public relations.

Contacts with ministries of finance and central banks mainly relied on sales personnel with account responsibilities and various international industry events and forums in 2011. In Finland, Mint of Finland organised a provincial tour around the provincial coins theme, and this allowed the company to meet its customers, or people interested in collector coins.

Good governance requires reliable and up-to-date communications. On the basis of the information issued by the company, the operation of the company's governance and control system can be assessed (releases on financial results, major transactions, significant appointments, statutory releases, crisis communications). The tactical basis of corporate communications by Mint of Finland is up-to-date and transparent communications with all interest groups. In practice, the company informs its customers and the media of its new products and informs its customers, the media and its owner and personnel of any important events.

The company's communication channels include various events, trade fairs, lectures, the Internet, the media, brochures, customer bulletin, website, annual report, electronic newsletters, newsflashes and advertising. Separate interest group meetings were not implemented in 2011.

Matters brought up and concerns expressed by the interest groups and the response of the organisation

Mint of Finland monitors daily the content written about the company in conventional and social media and analyses the results quarterly. In addition, the company continuously monitors customer feedback. The matters and concerns brought up in the above channels are responded to, and the company seeks to rectify any drawbacks in an appropriate manner.

2. Financial responsibility

Financial responsibility includes the company's effects on the finances and financial systems of its interest groups at the local, national and global level. At Mint of Finland, financial responsibility is an essential part of good business practices. Profitability and competitiveness are the bases for Mint of Finland's operations and a precondition for socially and ecologically responsible corporate operations that are sustainable over the long term. At the same time, Mint of Finland recognises that success also requires taking care of the environment and responsibility towards interest groups.

With Mint of Finland, a key responsibility perspective is responding to the owner's profit expectations and engaging in efficient operations. As an essential part, Mint of Finland's financial responsibility also includes compliance with responsible business practices, payment of taxes, providing jobs, payment of salaries and benefits and keeping production in Finland at a time when production is being transferred to countries with lower production costs.

The key indicators of Mint of Finland's financial responsibility indicate how it manages to meet the owner's profit expectations while simultaneously also increasing the financial and social welfare of society in other ways. The aim during 2012 is to assess how the indicators of the company's financial responsibility can be developed in relation to the requirements of the ISO 26000 Guidance for social responsibility and the Global Reporting Initiative.

2.1. Management of financial responsibility

The operational management of Mint of Finland's business – and also of its financial responsibility – is the responsibility of the Executive Group, which reports to the CEO of Mint of Finland Ltd. The realisation of financial responsibility is monitored on a monthly basis using indicators that are defined annually.

2.1.1. Financial targets and their attainment

Mint of Finland is a Finnish mint that has grown into a Nordic group of companies. In 2011, the net revenue of Mint of Finland Group amounted to EUR 137.1 million, and the Group had a total of 231 employees. The company's head office is in Vantaa, Finland. The Group also has facilities in Germany, Spain, Sweden and Norway. The company exports its products to almost 40 countries.

The company's financial targets are defined every autumn and documented in the budget book. The budget book describes the targets in figures in the form of a profit and loss account and balance sheet, and sets out the means for achieving the targets. The annual budget is divided into monthly budgets and actions whose realisation is monitored by monthly reports and CEO's reviews at Board meetings. The major actions and achievements of the year are assessed in the annual report.

In 2011, the circulation coin business continued the investment of resources for establishing a sales network in Africa that would allow the market area to be expanded. New orders were also received from South-East Asia and Latin America as a result of targeted sales efforts. The collectible business concentrated its efforts on Finland, the rest of Europe and Russia. Marketing and sales efforts were targeted at new customer groups. In 2011, the Finnish Ministry of Finance published six collector coins and seven provincial coins.

2.2. Key indicators of financial operations

The key indicators of Mint of Finland's financial responsibility indicate how it manages to meet the owner's profit expectations while simultaneously also increasing the welfare of society in other ways. Financial performance indicators include: net revenue, other operating income, income from associates, material and services purchased, other operating expenses, personnel expenses, taxes, subsidies and donations given, dividends paid to owners, financial expenses, funds retained for developing the company's own operations and investments.

In 2011, Mint of Finland particularly met the owner's expectations, as the company's result showed a net profit. In the parent company, the targets were exceeded. The result of the German company, Saxonia EuroCoin, still suffered from the restructuring caused by a corporate acquisition. In 2011, the Group's net revenue amounted to EUR 137.1 million (2010: EUR 57.7 million). The financial result was EUR 2.6 million, or 1.9% of net revenue (2010: EUR -0.2 million, or -0.3% of net revenue). The Group's result for the financial year totalled EUR 2.0 million, or 1.4% of net revenue (2010: EUR -0.2 million, or -0.4% of revenue).

The net revenue of the parent company, Mint of Finland Ltd., increased to EUR 47.6 million (2010: EUR 43.3 million). The company's financial result continued to improve during the operating year, totalling EUR 2.2 million (2010: EUR 1.3 million). The parent company's result for the financial year totalled EUR 2.2 million (2010: EUR -2.0 million).

2.2.1. Financial cash flows to interest groups

Financial capital flows are described in an interest group-specific manner in the following:

	Mint of Finland Ltd.	EUR thousand
Customers	Operating income	
	+ Net revenue	47,581
	+ Other operating income	566
	+ Income from associates	0
Suppliers of goods and services	o Materials and services purchased	39,135
	o Other operating expenses	3,297
Personnel	o Personnel expenses	4,160
Public sector	o Taxes	0
Non-profit entities	o Subsidies and donations given	0
Shareholders	o Dividends paid to owners	0
Financiers	± Financial expenses (net)	+ 58
	= = Funds retained for developing the company's operations	1,613
Investments	o Investments	34,834

2.2.2. Subsidies to non-profit entities and sponsorships

According to the Ethical Guidelines, Mint of Finland refrains from financing political parties and elections. As for non-profit donations, we take a moderate line. There were no subsidies or sponsorships in 2011.

2.2.3. Financial support from the Government

The Government does not support the operations of Mint of Finland Ltd. financially.

2.2.4. Indirect financial impacts

Mint of Finland Ltd. has not identified or observed any significant indirect financial impacts caused by the company's cash flows to its interest groups.

3. Personnel

When acting as an employer, Mint of Finland implements its corporate social responsibility through providing employment and offering fair working life practices. As an employer, Mint of Finland also has an obligation with regard to improving the personnel's personal standard of living and ensuring their well-being.

Personnel are one of the company's most important interest groups. The company's goal of growing into the most renowned actor in its industry requires a well-motivated personnel. Well-motivated personnel and competence in the fields of design, technology and project management are at the foundation of Mint of Finland's success.

In its operations, Mint of Finland is committed to implementing a responsible personnel policy and responsible HR management, providing fair bonuses, developing competence systematically, supporting the well-being of employees and ensuring healthy and safe working conditions.

During 2012, Mint of Finland aims to specify further the development areas of personnel policy defined in the ISO 26000 Guidance for social responsibility.

3.1. HR management

Responsible HR management ensures that the company employs the right number of motivated, satisfied and competent employees who support attainment of the business strategy targets. At the end of 2011, indicators were defined on the basis of a personnel survey for monitoring the attainment of HR targets during 2012.

3.1.1. Personnel policy or other HR-related principles of operation

The purpose of the HR strategy is to ensure the attainment of business strategy targets. Its key objectives include enhancing the role and competence of personnel as a factor producing a competitive advantage and ensuring optimal allocation of resources through systematic HR planning. The long-term objectives include strengthening the role and HR management skills of managers as well as clarifying and assessing the processes of HR management in accordance with the company's values and culture. Other objectives include increasing the well-being of personnel and reducing sickness absences and the costs of occupational health care.

With regard to personnel, Mint of Finland complies with the law, collective agreements and local agreements. The aim is to treat personnel equally and objectively, respecting the individual. The company aims to promote well-being at work and to develop further the safety of the working environment.

Projects related to the development of manager operations

The company's plans for 2012 include training and a discussion forum for managers. The early involvement model is maintained by organising practice-oriented refresher training sessions annually.

3.1.2. HR objectives

The most important HR objective is to ensure the attainment of business objectives now and in the future. The means for attaining this include correct resourcing, management and development.

Major actions and achievements during the reporting period with regard to personnel

In the company, the years 2008–2011 witnessed strong restructuring of business operations. After the major changes, resources have been invested in open communications and the maintenance of well-being at work. In 2011, weekly personnel meetings were organised for briefing employees on topical issues and for providing them with an opportunity to ask questions and discuss issues.

The personnel turnover figures indicate that the operations have been successfully stabilised after the changes. The results of the personnel survey showed that the level of well-being at work is reasonable. Active development work was undertaken on the basis of the results of the survey during the autumn of 2011.

3.2. Number and structure of the personnel

With the organisational reforms, the company has attempted to create a structure that enables the company to operate optimally in changing situations and provide everyone with an opportunity to utilise their personal abilities in the best possible way when performing duties.

3.2.1. Number of personnel

Number of employees by nature and extent of operations

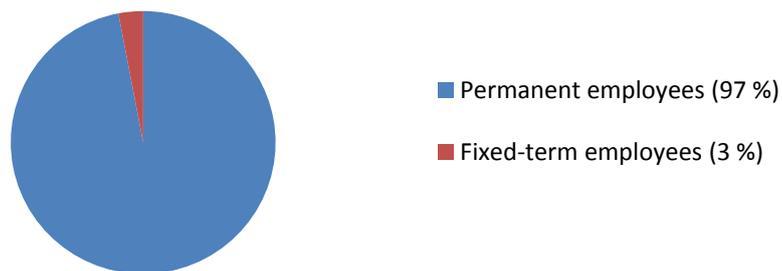
Function	Number of personnel on 31 December 2011
Management of Customer Relations	6
Management of the Order and Delivery Chain	49
Support functions	12
Total permanent personnel	68
Average temporary staffing during the year	5

Number of employees by country or geographical area

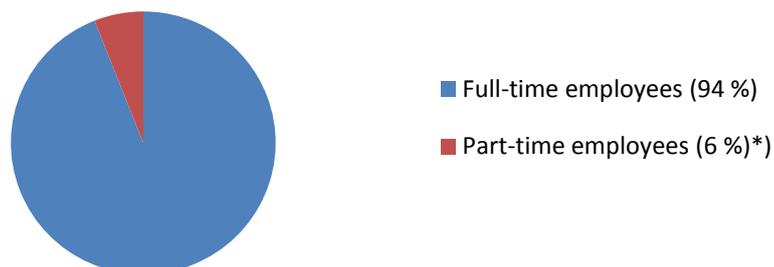
The entire personnel of Mint of Finland Ltd. work in Vantaa, Finland.

3.2.2. Contracts of employment

Share of permanent and fixed-term employment contracts on 31 December 2011



Share of full-time and part-time employees on 31 December 2011



*) Part-time employment contracts are based on the employee's request and initiative.

3.2.3. Turnover

The changes taking place in permanent personnel are reported as turnover. Changes due to business restructuring, such as outsourcing or transfer of business, are not included in these figures.

New entries in 2011	Leavers in 2011
New contracts of employment: 5	Resigned employees: 1
	Retired employees: 1
	Transferred into the service of a new employer:*) 12

*) Transfer of business (Gifts and Decorations) to Kultakeskus on 5 January 2011

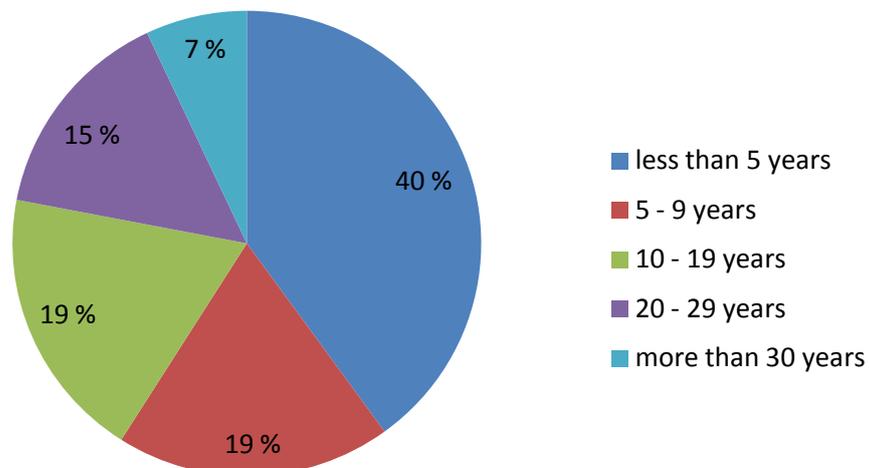
Focus on recruitment and job rotation

In 2011, salaried employees were primarily recruited for new job descriptions aimed at business development, increased sales and cost savings in procurement. Recruitment of workers was limited to the temporary need for additional labour in production. Career development within the company was supported by encouraging salaried employees and workers to apply for new jobs internally. Job rotation will be developed to be more systematic, in particular for diversifying the competence pool in production.

3.2.4. Duration of contracts of employment

Average duration of employment

The average duration of employment was 11 years. The distribution of the duration of employment was in accordance with the following diagram:



3.2.5. Age structure and average age of personnel

The average age of employees was 42 years. The average retirement age at Mint of Finland was 63 years.

Preparation of the organisation for the retirement of personnel

Mint of Finland monitors ageing employees and works on successor planning. Development of multiple competencies is a particular focus area in production. The purpose of this is to improve the meaningfulness of work and develop competencies, enhance production efficiency and transfer knowledge from experienced employees to younger ones.

3.3. Restructuring situations and redundancies/Employee-employer relations

Employee-employer relations have been maintained and developed particularly through the personnel meetings described below and through bodies common to the personnel and the employer. In 2011, no such changes resulted from business operations that personnel impacts would have been discussed on the basis of them (reductions to personnel or temporary lay-offs).

3.3.1. Redundancies and temporary lay-offs

In 2011, Mint of Finland had no redundancies or temporary lay-offs.

Valid collective agreements and the share of employees falling within their scope

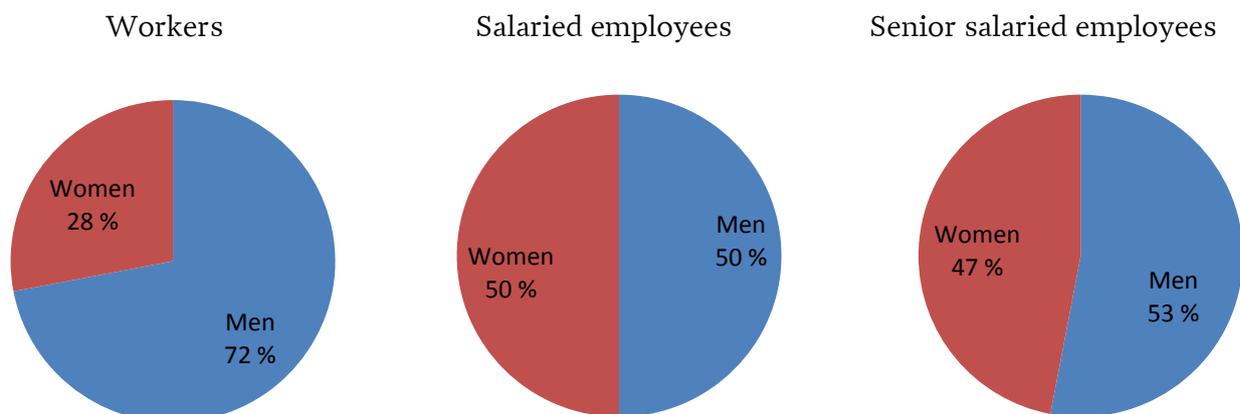
The collective agreements observed at Mint of Finland are the technology industry workers', salaried employees' and senior salaried employees' collective agreements. The applicable collective agreement is adhered to for all contracts of employment, excluding part of the management, the CEO, Chief Financial Officer and Vice President, Customer Relations and Sales.

3.4. Equality

Equality, equal treatment and the promotion of equality are important success factors for a modern company. Mint of Finland has an equality plan that guides the work for equality.

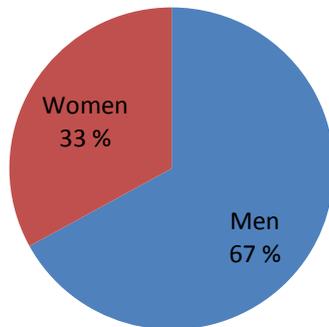
3.4.1. Gender distribution of the personnel

Gender distribution of personnel by personnel category (situation on 31 October 2011)

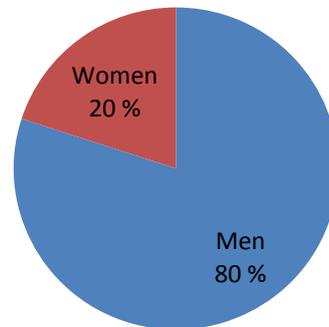


Gender distribution of the Board and top management

Board of Directors



Top management



3.4.2. Equality plan

The equality plan is built on the objective that every person employed by the company can feel that he or she is being treated equally, fairly and with respect, regardless of age, gender, level of organisation, department, education, position, ethnic origin or individual characteristics. Equal treatment improves the working atmosphere, improves job satisfaction and develops the company's competitiveness when all resources are duly deployed.

The need for updating the equality plan will be assessed in 2012.

Salary comparison related to the equality plan and its results

The salaries of the representatives of the different genders have not been compared with each other on the basis of the equality plan.

3.5. Bonuses

Mint of Finland has a bonus incentive scheme that applies to all personnel. The management's bonuses are separately defined in the principles of Corporate Governance published on the company's website.

3.5.1. Bonus system and performance bonuses

Bonus system

The bonus system is based on Mint of Finland Group's operating profit with regard to management, on Mint of Finland Ltd.'s operating profit, delivery reliability and personal objectives with regard to salaried employees, and on Mint of Finland Ltd.'s operating profit with regard to workers. Bonuses are payable for each element in accordance with the table even if the other elements do not meet the target.

When Mint of Finland Ltd. reports a financial loss, no bonuses are payable for any element. The final decision on whether bonuses will be paid is taken by the Board of Directors of Mint of Finland Ltd.

Portion of the personnel included within the scope of the bonus system

All of the personnel of Mint of Finland are included within the scope of the bonus system.

Paid performance bonuses by personnel category

No performance bonuses were paid in 2011. The company paid a total of EUR 96,000 to workers, salaried employees and management as incentive bonuses. In addition, management was paid a total of about EUR 30,000 due to a successful corporate acquisition.

Remuneration of the members of the Board of Directors

The Chairman of the Board is paid EUR 2,800, the Deputy Chairman EUR 1,970 and other members of the Board EUR 1,400 per month. A fee of EUR 600 is paid for each Board meeting.

Terms and conditions of employment of the CEO

The CEO has a monthly salary, which was EUR 17,000 at the end of 2011, including fringe benefits, on top of which the CEO is paid a performance-linked bonus which may not exceed 40% of the annual salary. The basis for determining the bonus is linked to the operating profit of Mint of Finland Group and to other separately defined targets. The annual targets regarding the CEO's bonus are defined by the Board of Directors.

When the Board of Directors dismisses the CEO, the period of notice is three months, on top of which the CEO is entitled to severance pay of 12 months' salary. The CEO must give three months' notice when leaving.

The CEO's pension rights are stated below in the section "Pensions of the management".

Remuneration of other members of the management

As a rule, the members of the Boards of Directors of subsidiaries who are also employees of Mint of Finland do not receive separate remuneration for their Board memberships. The fee payable to external members is determined by the Board of Mint of Finland Ltd. The members of the Boards of Directors of subsidiaries or associates who are also employed by Mint of Finland may be paid a fee when it is justifiable for having equal treatment compared to other members. The principles of the fees are agreed by the Board of Directors of Mint of Finland Ltd., and the Board issues a recommendation on the basis of fees for decision by the General Meeting of the subject company.

An incentive bonus with a maximum equivalent to three months' salary has been agreed for members of the Executive Group in addition to their monthly salary. The proposal regarding targets to be set for the Executive Group is made by the CEO and approved by the Board of Directors of Mint of Finland Ltd.

The company does not have any option plans.

Pensions of the management

The members of the Executive Group, including the CEO, are subject to a pension plan under the Employees’ Pensions Act. In addition, a separate additional pension insurance has been taken out for the CEO. The retirement age of the CEO is 63 years. The retirement ages of the other Executive Group members are determined in accordance with their respective contracts of employment. The Board of Directors of Mint of Finland Ltd. decides on any additional pension benefits.

3.6. Competence development and training

An essential part of the HR strategy is to strengthen the role and competence of personnel as a resource creating competitive advantages. In the future, the aim is to systematise further and provide plans for the development of competence and training. Mint of Finland wants to provide its employees with an opportunity to develop their own competence.

3.6.1. Appraisal discussions

Portion of the personnel included within the scope of regular appraisal discussions

all of the personnel of Mint of Finland are included within the scope of regular appraisal discussions. There were some irregularities in the way appraisal discussions were carried out in 2011, which is why improvements will be made so that all employees will have appraisal discussions with their managers in 2012.

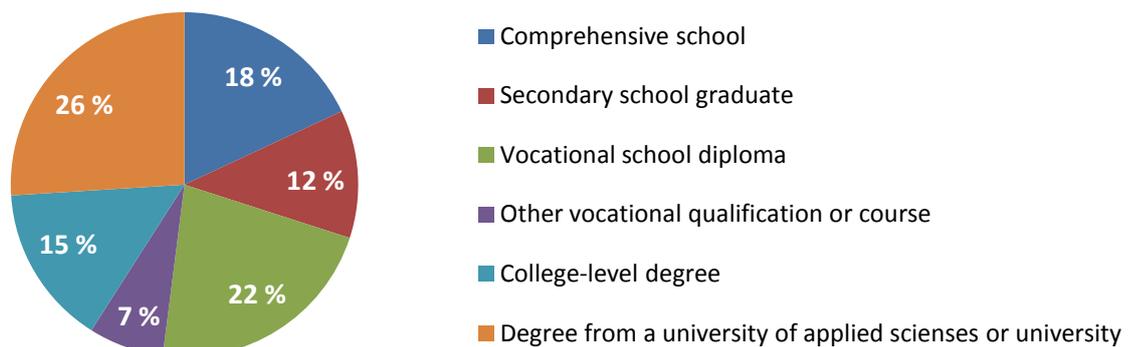
Description of appraisal discussion practices and personal development plans

According to the appraisal discussion practice, salaried employees have their appraisal discussions twice a year and workers once a year. Each employee’s personal goals as well as their needs for competence development and training are determined at the appraisal discussions.

3.6.2. Training and competence development

Distribution of employees’ educational backgrounds

The educational backgrounds of the employees of Mint of Finland are distributed according to the following diagram:



Key training projects and training practices (including the induction process)

The comprehensive induction process includes familiarisation with the company's operations and functions under the supervision of experts in the respective areas. The induction process also includes all information required for working and using the services available at the workplace. Induction always includes a safety-related section, plus a chemical safety section for production personnel. The work for updating and clarifying the induction processes began in late 2011.

The training needs are established annually, both at the personnel category level and at the individual level in connection with appraisal discussions. Internal training will be organised and external training services purchased for the needs of a certain group or individual so that training helps with the competence development and/or maintenance of the group or individual and supports the trainees to meet the goals.

The most extensive training project that was started in 2011 and aimed at enhancing operations will continue in 2012. Through the project, all of the personnel of Mint of Finland will be trained to improve and develop their respective jobs and processes through thinking based on the lean philosophy. In the first instance, the 5 S tidiness (shining) index was introduced and production management was trained. One-third of production workers were also trained by the end of 2011.

Number of training days per person

In 2011, there were 1.7 training days per person. There were some deficiencies in the systematic monitoring of training during the first three quarters of 2011, which is why the number of training days shown is indicative and does not include all implemented training events. Both internal and external training is included in the numbers of training days shown.

Training costs

In 2011, training costs amounted to about EUR 18,000.

3.7. Well-being at work

Mint of Finland aims to promote and maintain the physical, mental and social well-being of its personnel. Ensuring and developing well-being at work were key issues at Mint of Finland in 2011. On the basis of the revised personnel survey, the direction of development can also be verified through indicators and the development can be made more systematic in future years.

3.7.1. Personnel satisfaction

Results of the personnel survey and their development

In 2011, the personnel survey was revised and implemented with a new partner for the first time, and therefore the results can actually only be compared in 2012 when the same survey is repeated.

As a whole, the survey results are reasonable. Of the main categories, the best scores were awarded to balance between work and leisure, physical well-being at work and control over one's own work. The development wishes related to change management, organisation of work and communications.

Action taken on the basis of the results of the personnel survey

The results of personnel surveys were presented to all of the personnel at a joint meeting. All personnel have also participated, under the supervision of their managers, in the discussion on the results and in drawing up action plans. Each manager has selected a development subject with his or her team and drawn up an action plan aimed at implementing the development, and the whole team is collectively responsible for the implementation.

The action plans were presented at a joint meeting for all personnel, and the achievement of the goals is regularly monitored at personnel meetings. The work of clarifying job descriptions and areas of responsibility has also begun on the basis of the survey results.

3.7.2. Capacity to work and well-being at work

Key projects and actions supporting maintenance of the capacity to work and well-being at work

The company always pays attention to maintaining and supporting capacity to work and well-being at work, but in 2011 there were no special projects with regard to these objectives. The duties of members of personnel were changed as necessary to duties according to their capacity to work on the basis of needs based on the individual capacity to work. The aim is always to look for solutions to circumstances that arise.

3.8. Occupational health and safety

Mint of Finland is committed to implementing the defined health, safety and working environment principles and practices. Mint of Finland considers it important that the implementation of good health and safety norms are not compromised in the name of performance and profitability.

In the company, occupational health matters are based on the expertise of long-term partners and close cooperation. The aim is to take the safety perspective into consideration in all work, and the basis for this is built already at the induction phase.

3.8.1. Injuries

Occupational health and safety management and key projects and actions of occupational health and safety work

Safety management comprises the organisation of corporate safety, including identification and assessment of risks, risk management tools, safety analyses and audits, monitoring and assessment of safety risks and cooperation with interest groups.

The safety-awareness of personnel is maintained through regular briefings and training. The plan is to have all personnel trained for Occupational Safety Cards during 2012.

Well-being at work is ensured and problems are prevented proactively through close cooperation with occupational health care. Occupational health care visits the company on regular workplace visits, ergonomics rounds and all statutory control visits. The occupational health care nurse participates in the meetings of the occupational safety committee.

The early involvement model is maintained in cooperation with occupational health care, and managers received practice-oriented refresher training in late 2011.

Number of injuries and injury frequency

There were a total of 38 injuries in the company in 2011, of which three injuries caused sickness absences of more than one day. There were 0.104 million working hours, so the injury frequency of injuries that caused absences of more than one day was 29.

Work-related fatalities

The company did not have any work-related fatalities.

3.8.2. Sickness absences

Sickness absences

In 2011, the sickness absence percentage for all personnel was 4.6%.

Number of occupational diseases

The personnel had no occupational diseases or suspicions of such diseases.

3.8.3. Occupational health

Occupational health care, including preventive occupational health care and benefits offered to personnel

Occupational health care was organised at an in-house clinic (occupational health care nurse) and at Diacor. In addition to preventive occupational health care, the agreement includes medical services at general practitioner level.

Occupational health care services are supplemented by medical care insurance and leisure accident insurance with insurance company Tapiola, provided by the employer. In addition, the employer supports regular dental care, as well as one-off physiotherapy sessions when required.

Average sickness absences (days/person)

In 2011, the average of sickness absences was 11.1 days/person.

The share of total personnel represented in official joint employee-employer committees monitoring occupational health and safety and advising in related matters

All personnel are represented at the occupational safety committee, where workers, salaried employees, the employer and occupational health care have their representatives. The occupational safety committee discusses and promotes matters related to occupational safety and health.

Training, practical training, guidance, prevention and risk management programme for employees, their families or local community members in the eventuality of a serious illness

Solutions have been found in cooperation between the workplace and occupational health care on the basis of individual needs that have allowed the employee to continue working in spite of health- and age-related limitations by, for example, changing the employee's duties and finding him or her less arduous work.

The personnel of Mint of Finland undergo regular health inspections where particular attention is paid to harmful exposure and other factors affecting people's health. The company aims at combating potential health problems at an early phase through anticipatory means and, through this, promoting the capacity to work.

The company is continuously developing its operations with regard to the anticipation of health problems, and this is supported by the early involvement model in use, where the practices related to monitoring and supporting the capacity to work are defined.

Health and safety themes included in the agreements concluded with trade unions

The occupational safety committee is the joint employee-employer forum for matters related to occupational safety and health.

4. Environment

Environmental responsibility comprises the company's impact on living and tangible natural systems, such as ecosystems, soil, air and water. Mint of Finland is aware of its environmental responsibility and actively seeks to identify and reduce the environmental impact of its activities. Mint of Finland aims to be a pioneer in the industry in environmental matters, and it has taken the first steps in identifying the environmental impacts during the entire life cycle of the coin.

The aim of Mint of Finland is to develop its products and functions in a more environmentally friendly direction and to reduce the environmental impacts of its business operations. The means to achieve these environmental objectives are using technology and raw materials efficiently, minimising energy consumption, emissions and the amount of waste, and recycling. Since 2009, Mint of Finland has operated an ISO 14001:2004 environmental system. The company's circulation coin production, in turn, operates a certified ISO 9001:2008 quality system.

In 2012, Mint of Finland aims to assess and identify the development subjects related to environmental responsibility within its sphere of influence in accordance with the ISO 26000 Guidance for social responsibility.

4.1. Environmental management

The responsibility for the Group's Quality and Environment Policy, its implementation as well as for the prerequisites for its implementation belongs to the CEO. All personnel participate in the development and implementation of quality system processes and the environmental system. Annual targets are set for quality and environmental goals. >>The progress towards meeting these targets is monitored with process benchmarks.

4.1.1. Major environmental impacts, risks and possibilities of operations

This section presents the major environmental impacts caused by the operations of Mint of Finland, as well as risks and possibilities.

Environmental impacts

Atmospheric emissions

The production of Mint of Finland causes very little atmospheric emissions. The fume extraction systems of surface treatment lines are fitted with droplet separators so that only very small quantities of chemicals are released into the environment in exhaust air. Colour stamping produces minor VOC emissions from the ink solvents (including xylene). Colour stamping is very limited, which is why no monitoring obligations have been set for the emissions.

The operations of Mint of Finland causes indirect atmospheric emissions due to transports and material purchases. Mint of Finland uses the modes of transport agreed with each customer. It is important from the point of view of transport emissions that only fully loaded containers are transported. The chosen mode of transport very much depends on the customer's requirements and the urgency of the time schedule.

Water emissions

Mint of Finland uses chemical lines in its production, and their waste waters are drained through neutralisation plants into the public sewage network. Small quantities of different metals are released into the waterways with these waters. The metal contents of waste waters have been within the concentration limits defined in the waste water agreement. Mint of Finland sends the silver-containing waste acid from its production to the Kuusakoski treatment plant. The waste waters from the premises have been tested for toxicity, and none was found.

Emissions into the soil

In a normal situation, Mint of Finland's production does not cause direct emissions into the soil. Some of the waste materials produced in the operations of Mint of Finland are finally disposed of in landfill sites.

Solid waste

The operations and production of Mint of Finland generate waste that ends up in further processing or in a landfill site. The following waste types are sorted in the production of Mint of Finland: metals, newspapers, cardboard, energy waste, WEEE scrap and hazardous waste. In the offices, white paper and toner cartridges of printers are also sorted. Waste types that do not belong to any of the above are disposed of as mixed waste.

Noise

The noise level at the production premises of Mint of Finland may exceed 85 dB, which means hearing protectors must be worn. A noise abatement plan has been produced for Mint of Finland. Regular hearing tests are carried out for the company's employees.

As the production of Mint of Finland is located at production premises in an industrial area near an airport, there is no need to investigate the level of noise pollution in the neighbouring areas.

Odours

Acetic acid may cause odours at the production premises or outside the building due to its very low detection limit by humans. The acid bath line using acetic acid is fully enclosed, and the fumes coming from it are collected in a droplet separator before releasing the air into the ventilation system.

Energy

Production of metal traditionally consumes a large amount of energy. The generation of electricity consumes natural resources and creates emissions. The real estate property of Bank of Finland purchases electricity from Vaasan Sähkö Oy. Generation of the electricity sold by Vaasan Sähkö Oy consumed 20.6% of renewable energy sources, 32.7% of nuclear power and 46.7% of fossil energy sources.

Products

Coins have a long lifespan, as the circulation time of circulation coins may be up to 30 years. When coins reach the end of their lifespan, the metal contained in them may be re-used as raw material for the metal industry.

The metallic products and coins manufactured by Mint of Finland do not produce any environmental hazards in normal use, but if left in the soil, they may release metals with toxic effects, such as copper and nickel. The nickel contained in the coins may also cause skin symptoms to people handling them, such as nickel allergy. Nickel has also been found to be carcinogenic, but its use in the coin industry has not been regulated.

With regard to the employees of Mint of Finland, a potential nickel allergy is taken into account at the recruitment phase.

Major environmental impacts of the delivery chain

Resources

Mint of Finland purchases services and products from many suppliers whose operations produce environmental impacts. Of the individual products purchased by Mint of Finland, the largest environmental impacts are produced by the manufacture and transportation of metal coin blanks. Other resources used in the production of Mint of Finland include packaging materials and chemicals.

The environmental friendliness of the products purchased and the energy consumption of equipment are taken into account in connection with purchases. The aim is to purchase products in large lots in order to reduce the emissions caused by transport. When choosing chemicals, the aim is to use chemicals with the least environmental load and to replace hazardous chemicals with less harmful ones whenever possible.

Major environmental risks and possibilities

As stated in the section on emissions into the soil, in a normal situation Mint of Finland's production only slightly pollutes the environment. In exceptional situations, the potential risks of environmental pollution include a chemical spillage or accident, malfunctions of the automatic neutralisation units and fire.

Chemical accidents and spillages

Mint of Finland has prepared action guidelines in case of a chemical accident or spillage. When assessing chemical risks, the risks caused by exceptional circumstances are also taken into account. Mint of Finland has mats intended for blocking drains in case of a chemical spillage so that chemicals are prevented from entering the sewage system.

In case of a chemical spillage, the help of the local fire brigade is used for rectifying the situation when required. Chemical spills or accidents with potential impacts on other activities in the area or causing environmental pollution are always reported to the environmental authority of the City of Vantaa and to the actor whose operations may be affected by the release.

Malfunctions of neutralisation units

The neutralisation units at Mint of Finland use a batch process, and the aim is to ensure their correct operation by periodic maintenance of the lines. The line sensors are cleaned and calibrated as required.

Fire

Mint of Finland uses chemicals that would have harmful and toxic effects if released into the environment. The chemicals used at Mint of Finland include, for example, strong acids and cyanide.

In case of fire, chemicals may escape with fire-fighting water into the sewage network. With fire, toxic combustion gases are also released into the air. The real estate property is responsible for the fire alarm system that automatically alerts the fire brigade in the event of fire. The fire extinguishers of Mint of Finland are checked annually, and the personnel are instructed in their correct use as part of induction training. A statutory fire escape drill is organised annually, and separate training sessions are also organised for the personnel regarding initial extinguishing and fire safety, for example.

4.1.2. Management of environmental matters

This section presents the company's environmental policy and the way in which the company monitors environmental matters.

Environmental policy and other environment-related principles of operation

Mint of Finland's Quality and Environment Policy is published on the company's website.

The aim of Mint of Finland Group is to develop its already achieved position as a responsible manufacturer and supplier of circulation coins, collector coins as well as other numismatic products and medals and associated products. The company is committed to complying with the legislative obligations related to its operations. Operations regarding quality, safety and environmental matters are continuously developed in order to comply with changing regulations and to meet customers' requirements.

One of the Group's key objectives is to secure the safety of personnel as well as general safety at different stages of manufacture and in all of the company's activities. Safety is improved by regular risk surveys and by constantly minimising potential threats.

At the Group level, the development of management systems is coordinated by the CEO and the deputy CEO. The responsibility for the Group's Quality and Environment Policy, its implementation as well as for the prerequisites for its implementation belongs to the CEO. All of the personnel participate in the development and implementation of quality system processes and the environmental system. Annual targets are set for quality and environmental goals. The progress towards meeting these targets is monitored using process benchmarks.

Mint of Finland's aim is to develop products and functions in an even more environmentally friendly direction. The company is aware of its responsibility for the environment, and it is reducing the environmental impact of its business operations. Mint of Finland is continuously developing its operations to save raw materials, increase the utilisation of by-products and to minimise energy consumption, emissions and waste. The company favours state-of-the-art technology and recycling.

Monitoring of environmental matters

Mint of Finland has a certified ISO 14001 environmental management system that covers all of the company's operations.

The agreement signed by Bank of Finland regarding the drainage of special waste waters on 2 December 2009 set the real estate property an obligation to monitor the quantity and quality of waste waters semi-annually. The waste waters from the property are monitored by Ramboll Finland Oy. The waste waters from Mint of Finland are drained via the pumping stations of Vantaan Vesi to the Suomenoja waste water treatment plant of Espoon Vesi.

On 8 April 2002, the Finnish Safety and Chemicals Agency stated that the usage and storage of chemicals by Mint of Finland Ltd. constitutes industrial handling and storage of a minor scale, which means that supervision of the plant is the responsibility of the fire chief and chemical supervision authority of the City of Vantaa. This permit authority is today the Rescue Department of Central Uusimaa.

The operations of Mint of Finland were registered in the environmental protection database on 11 March 2003 in compliance with the Environmental Protection Act.

The Environmental Board of the Environmental Centre of the City of Vantaa decided on 20 April 2004 that Mint of Finland Ltd. does not have to apply for an environmental permit compliant with the environmental legislation for its operations, and that the matter does not give rise to any further actions.

Mint of Finland has a waste management agreement with Lassila & Tikanoja plc, which takes the different waste types for further processing or to a landfill site. Hazardous waste is transported to Ekokem Oy or Lassila & Tikanoja for processing. Gold- and silver-containing process solutions are sent for processing to Kuusakoski Oy.

On 12 February 2008, the National Product Control Agency for Welfare and Health decided that the imported raw material coin blanks comply with the REACH Regulation definition for articles because of their low degree of further processing. Therefore, the coin blanks or the metal alloys contained in the coin blanks are not included within the scope of registration.

A written summary has been compiled of the legislation and official requirements concerning companies. At Mint of Finland, the changes in environmental legislation are monitored by the Quality Manager. The information service of Finland's environmental administration is one of the channels used for monitoring changes in legislation.

All of the personnel of Mint of Finland participate in implementing the company's environmental goals and objectives. At the management level, the CEO is responsible for the realisation of environmental goals.

Development and maintenance of the environmental awareness of personnel

At present, the maintenance of environmental awareness concentrates on sorting waste and the related training. In the future, the intention is to extend this awareness to other areas, such as energy consumption issues.

4.1.3. Environmental objectives and their attainment

Environmental objectives are quantitative or qualitative objectives that Mint of Finland has set itself in order to reduce its environmental impacts or to enhance its positive effects.

Environmental objectives

The environmental goals of Mint of Finland Ltd. are listed in its Quality and Environment Policy. Concrete actions for reducing the environmental impacts of operations have been selected as the environmental objectives. The objectives are more efficient sorting of waste, reduced use of packaging materials and the recycling of metal waste.

Practical targets are set for the environmental goals in annual management reviews. Mint of Finland aims to attain the set environmental targets in its operations.

Mint of Finland sorts and recycles different waste types. The recoverable waste fractions are metals, the energy fraction, cardboard, newspapers, white office paper, WEEE scrap, hazardous waste and toner cartridges of printers. Other types of waste are taken to landfill sites as mixed waste.

The sorting obligation applies to the personnel of Mint of Finland plus all other persons working in the premises. Mint of Finland organises training and guidance for the personnel in order to implement recycling. Recycling-related matters have also been included in the company's induction training.

Mint of Finland packs its products in compliance with the customer's requirements. If the company has an opportunity to influence the customer's packaging method, the aim is to design the packages in accordance with the principles of sustainable development. The environment can be protected by using used packaging material, such as the arriving packages of coin blanks, instead of new packaging material. The design of packages is the responsibility of the relevant salaried employees in line with their respective job descriptions or project responsibilities.

Mint of Finland recovers and sorts metal waste containing different alloys and metal-containing solutions produced as a by-product of the production processes. The purpose of sorting the metal alloys is to make the metal waste more recyclable. The recovery of metal-containing by-products reduces the amount of metals ending up in waste waters, thus reducing the environmental load. Metal alloys are sent for further processing from where the material returns to Mint of Finland as input material or is refunded in cash.

The recycling of metal alloys and metal-containing by-products is the responsibility of managers and production personnel in line with their respective job descriptions. Indicative estimates of the recycling rate of metal waste can be obtained by comparing the difference between incoming metal quantities and metal quantities sent out as finished products and the metal quantities sent for recycling or further processing. The metal concentrations in waste water are monitored at six-month intervals as part of the statutory waste water monitoring obligation.

The results in relation to objectives

The environmental objectives of Mint of Finland are related to more efficient sorting of waste, reduced use of packaging materials and recycling of metal waste.

More efficient sorting of waste

The efficiency of waste sorting is monitored on the basis of the waste quantity report of Lassila & Tikanoja plc and Kuusakoski Oy and YTV's Petra waste comparison report. Mint of Finland seeks to achieve a utilisation rate of more than 86% in its operations.

Reduced use of packaging materials

The quantities of packaging materials used are reported annually to the Environmental Register of Packaging PYR Ltd. The quantity of packaging materials used annually can be calculated in relation to the production volume. With regard to the reduced use of packaging materials, no target value has been defined.

Recycling of metal waste

Recycling of metal waste is monitored through a key indicator that is the amount of mixed metal waste in relation to the total amount of waste.

Indicative estimates of the recycling rate of metal waste can be obtained by comparing the difference between incoming metal quantities and metal quantities sent out as finished products and the metal quantities sent for recycling or further processing.

Major actions and achievements during the reporting period with regard to environmental matters

During the reporting period, the company implemented major changes, of which the sale of the Gifts and Decorations business to Kultakeskus Oy had an impact on the fact that the company lagged behind in attaining its environmental objectives. Due to the sale of business operations, it was necessary to reorganise the company's production facilities, as a result of which an unplanned quantity of packaging and marketing material not fit for utilisation remained as mixed waste in the company's warehouse.

In 2012, particular attention will be paid to attaining the environmental objectives. The production personnel will be trained to comply with the 5S philosophy, where productivity is increased by avoiding all kinds of loss and waste, eliminating non-value-producing operations, improving quality and safety, and creating a visually pleasant and efficient workplace.

In 2012, Mint of Finland also aims to assess and identify the development subjects related to environmental responsibility in its sphere of influence in accordance with the ISO 26000 Guidance for social responsibility.

4.2. Key environmental indicators

This section presents the key environmental indicators of Mint of Finland with regard to energy consumption, atmospheric emissions, water consumption and waste. The key environmental indicators enable monitoring the set objectives.

4.2.1. Energy

Direct energy consumption (energy used in own energy production)

The company does not have its own energy production.

Indirect energy consumption (purchased electricity, heat)

Heat consumption in 2010		Electricity consumption in 2010	
MWh	2,118	kWh	2,703,499
m ³	50,949		

The meaning of energy consumption in the organisation's operations

As a field of industry, metal production is very energy-intensive.

Key sources of energy

The real estate property of Bank of Finland purchases electricity from Vaasan Sähkö Oy. Generation of the electricity sold by Vaasan Sähkö Oy consumed 20.6% of renewable energy sources, 32.7% of nuclear power and 46.7% of fossil energy sources.

Improvement of energy efficiency

The work for charting the areas where energy efficiency could be improved began in 2011 and will continue in 2012. The subjects for improvement will be determined by the end of 2012.

4.2.2. Atmospheric emissions

Greenhouse gas emissions (CO₂, etc.)

The operations of Mint of Finland cause indirect atmospheric emissions through transports and material purchases. The emissions are currently not reported.

Actions for reducing greenhouse gas emissions

It is important from the point of view of transport emissions that only fully loaded containers are transported. The load of greenhouse gas emissions caused by transports has not been surveyed, and the results are not currently being measured.

4.2.3. Water

Water consumption

Water consumption in 2010	
m ³	2.823

Meaning of the use of water in the organisation's operations

The production use of water mainly takes place on the washing and surface treatment lines. The meaning of the use of water in the organisation's operations is minor. Water consumption is monitored at an annual level.

4.2.4. Waste

Total quantity of waste by type of waste and treatment method

The total amount of waste generated in the company was as follows:

Waste type	Kilos/year
Mixed waste	25,730
Data protection paper	250
Cardboard	2,780
Other metal	13,710
Energy waste	16,740
Electrical equipment	2,103
Other waste	39,421
Chemical product waste	92
Battery waste	16
Other parts of machinery and equipment removed from use (classified as hazardous)	77
Acid, base and salt waste	5,126
Used oils	191
Chemical precipitates and residues	937
Waste water sludge arising in industry (classified as hazardous)	227
Total	107,510

Waste treatment was distributed as follows:

Treatment method	Kilos/year
Utilisation as energy	16,740
Utilisation as material	18,953
Disposal in a landfill site	25,730
Treatment of hazardous waste	6,666
Other	39,421
Total	107,510

Reduction and utilisation of waste materials

Mint of Finland recovers and sorts metal waste containing different alloys and metal-containing solutions produced as a by-product of the production processes.

Mint of Finland sorts and recycles different waste types. The sorting obligation applies to every person working at the premises of Mint of Finland, and recycling instructions are available to all in the intranet. Recycling training is also organised as required.

Prevention of the generation of waste and reduction of waste quantities are not yet included in the actions taken.

No chemical, oil or fuel spillages took place at Mint of Finland in 2011.

4.2.5. Compliance with regulations and environmental costs

No environmental damage occurred at Mint of Finland in 2011.

4.2.6. Products and services

Action taken to reduce the environmental impact of products and services

The company had no actions in 2011.

4.2.7. Transportation

Significant environmental impacts caused by the transportation of products and materials and commuting

The environmental impacts have not been charted or measured.

4.2.8. Materials

Consumption of materials significant from the point of view of operations

The most significant material consumed in Mint of Finland's operations is metal. Another material group with high consumption volumes is various packaging materials.

Material efficiency

Actions for improving material efficiency have not been defined.

5. Society

Mint of Finland recognises that it is a social force both in Finland and internationally. Accordingly, there is cause to assess actively the role of Mint of Finland in communities in its operating areas.

Mint of Finland is an internationally important manufacturer of metal coins whose global customer base includes the public authorities and central banks of various countries. Thus, the company works relying on its own values as part of the international community and contributes to the development of the industry in all areas from technology to choices based on ethical values. Mint of Finland's product, the coin, is an egalitarian payment instrument, as it is not necessary to apply for or redeem the right to use it.

When the mission of Mint of Finland, "give value to money", is reviewed as part of the operations of Finnish society, two central and important roles can be identified for the company.

The first role is that of a producer of circulation coins and an expert in its field in Finnish society. The company is part of a chain that ensures the functionality and ample supply of legal tender in society, both in times of peace and different crises.

The other role is to produce collector coins and prepare for collector coins to be published as commissioned by the Government. In this role, the value given to money consists of communicating the values of Finnish society to the public in the form of a motif minted in a collector coin.

From the point of view of corporate responsibility, the assessment of the company's impact on different communities and the risk management of the interaction between other social actors will be continued in 2012. The requirements of the corporate responsibility standard will also be reviewed in terms of the company's social relations.

5.1. Local communities

Participation in the activities of local communities and in their development is part of responsible sustainable development, and Mint of Finland sees itself as an interest group of each of its local communities. Accordingly, it is important for Mint of Finland to identify the communities within its sphere of influence and the common interests, and, through this, to find ways of participating in their activities more actively and constructively.

In 2011, Mint of Finland did not systematically chart the communities on which the company's operations would have an impact. In 2012, one of the aims of the corporate responsibility strategy work is to better identify the local communities and to chart the various cooperation and partnership possibilities. In this work, the key frame of reference is the principles described in the ISO 26000 Guidance for social responsibility.

5.1.1. Impacts on local communities

The premises of Mint of Finland are part of the business community of the Vantaa real estate property of the Bank of Finland and the local communities consisting of the personnel of companies operating in the building as well as of the personnel of other companies in the area and its local inhabitants.

Mint of Finland shares the social and canteen facilities, occupational health care services and leisure activity clubs with the employees of other companies operating in the building. The company's freight and commuter traffic uses the road networks and public transport services of the area.

The impacts on local communities have not been assessed.

5.2. Bribery and corruption

Mint of Finland takes the prevention of corruption and bribery seriously within its own sphere of influence. Corruption is the practice of seeking benefits for oneself through the abuse of a position of power. As Mint of Finland's operations and value chain are global, its operations may encounter a corrupt culture in its various forms, such as bribery and conflicts of interest between various actors.

The company's anti-bribery principles are described in its Ethical Guidelines. The company's Ethical Guidelines are published on its website. Adherence to law and regulations forms the basis of the principles. In addition, the company has defined the significance of ethical conduct in the section "Conflicts of interest" of the Ethical Guidelines.

5.2.1. Anti-bribery and anti-corruption principles of operation and practices

Mint of Finland seeks to specify the corruption and bribery risks in its operating areas and its sphere of influence. In the future, the company aims to apply the recommendations of the ISO 26000 Guidance for social responsibility in the development, implementation and application of anti-corruption, anti-bribery and anti-extortion practices. In addition, it will invest in training in these practices and the monitoring of their realisation.

The company is committed to conforming to national and international law, statutes and generally accepted principles and practices. Mint of Finland respects the norms and legal procedures of different cultures. In cases and situations requiring interpretation, expert help is resorted to.

In its business activities, Mint of Finland follows generally acceptable, ethical and honest principles and acts openly and transparently. In its operations, the company follows shared values and respects commitments made to its customers and other interest groups. Mint of Finland communicates its operations to customers and interest groups openly, impartially and honestly and, for its part, maintains mutual and continuous interaction with authorities and different organisations. The company refrains from financing political parties or elections. As for non-profit donations, the company takes a moderate line.

Mint of Finland's employees are always expected to act in the best interest of the company by abstaining from business relationships which may cause conflicts of interest. Employees must avoid personal or financial actions which may be in conflict with their duties to the company.

The Ethical Guidelines apply to all company employees. The guidelines have been adopted by decision of the company's Board of Directors. Once the guidelines are adopted, it is ensured that the company personnel are familiar with them and follow them in all their activities.

In addition, a separate agreement is made with the agents regarding an anti-bribery and anti-corruption code of conduct (Mint of Finland Standards for Anti-Corruption Practices). The company is in the process of producing a Supplier Code of Conduct that prohibits bribery and corruption.

Training of personnel regarding a code of practice related to anti-bribery activities

Certain members of top management were trained in the code of practice related to anti-bribery activities in 2009. The sales personnel and sales representatives for different continents were trained in 2011.

Assessment of risks related to bribery and corruption

The participation in competitive tendering is assessed by country. The assessments were not included in the company's risk analysis.

There were no business units in 2011 that would have undergone a bribery-related risk analysis.

There were no actions taken on any cases related to bribery in 2011.

5.3. Political participation

Mint of Finland does not participate in the development of public administration or lobbying.

5.3.1. Political participation and political support

No monetary or other donations were made to political parties, politicians or political institutions. In 2011, Mint of Finland did not express any political views or participate in politics or lobbying.

5.4. Restrictions of competition

In its operations, Mint of Finland is committed to implementing and promoting the principles of fair competition. This means both operations according to competition legislation and regulations valid in the operating area and the application of more extensive principles and practices to prevent anti-competition operations, such as price cartels and tender speculation, in Mint of Finland's sphere of influence.

Mint of Finland did not have any trials related to restriction of competition or abuse of a monopoly position or other actions related to them.

5.4.1. Observance of provisions of competition law

The policies, principles and codes of conduct related to competition law are set out in the company's Ethical Guidelines.

The company is committed to conforming to national and international law, statutes and generally accepted principles and practices in all its activities. The company respects the norms and legal procedures of different cultures everywhere. In cases and situations requiring interpretation, expert help is resorted to.

Certain members of the Executive Group have been trained in competition law provisions.

5.5. Compliance with regulations

Mint of Finland is committed to conforming to national and international law, statutes and generally accepted principles and practices.

5.5.1. Compliance with law and regulations

The company had no significant legal actions, fines or sanctions in 2011 related to violations of law or regulations.

In 2011, the company had no legal actions or court decisions related to violations of competition law provisions, cartels or abuse of a dominant market position.

No fines related to significant violations of law or regulations were imposed on the company.

The company did not violate any regulations or voluntary principles related to the health and safety impacts of its products during their life cycle.

The company did not violate any regulations or voluntary principles related to product information and markings.

The company did not violate any regulations or voluntary principles related to marketing communications, advertising and sponsorship.

No fines caused by significant violations of law or regulations related to the use of products and services were imposed on the company.

6. Product liability

As a manufacturer of metal coins, Mint of Finland is aware of its product liability towards customers and consumers. The key perspectives of product liability for Mint of Finland are customer satisfaction, the health and safety impacts of the products, product and marketing communications, protection of customer information and privacy, and the promotion of sustainable consumption as a pioneer in the industry.

Attention is continuously paid to the health and safety impacts of the products, package markings and other product information, marketing and the protection of privacy. In 2012, the aim is to develop the monitoring related to product liability to be more systematic and to assess the perspective in relation to the recommendations of the ISO 26000 Guidance for social responsibility.

6.1. Customer satisfaction

Mint of Finland has in progress a major and time-consuming change from a production-led organisation to a customer-oriented organisation. Customer satisfaction is one of the most important benchmarks of operations.

On the one hand, the company's customers are the central banks and ministries of finance of different for which Mint of Finland produces extensive circulation coin deliveries, and, on the other hand, the company's customers are retailers specialising in coin collecting activities and operating around the world. With its own online shop, which opened in 2010, Mint of Finland also provides its products directly to consumers.

6.1.1. Customer service and customer satisfaction

Customer satisfaction was not measured during the reporting period. A customer satisfaction survey will be carried out during Q1–Q2/2012. The feedback from online customers is monitored on a daily basis and utilised for developing operations.

6.2. Health and safety effects of products and services

Mint of Finland assessed the health and safety effects of its products in 2011. At the design phase, the materials of coins are selected by taking into account the potential hypersensitivity caused by the material, as the products are in skin contact and incorrect material choices may cause allergic reactions.

The metallic products and coins manufactured by Mint of Finland do not produce any environmental hazards in normal use, but if left in the soil, they may release metals with toxic effects. This matter is discussed in more detail in the section "Environmental impacts".

So far, the management of the health and safety effects of products and services has not been charted.

6.3. Product and service information and marketing communications

Responsible marketing and communications provide customers and consumers with information on products and services in an intelligible manner. Mint of Finland wishes to promote responsible marketing in the industry and act as a pioneer itself. In its marketing, the company complies with the law, regulations and good practices, and also requires this from its partners. Product and service information is available from persons working directly at the customer interface, the website and the company's other publications.

6.4. Protection of customer details and privacy

Mint of Finland protects customer details and privacy responsibly and in accordance with the data legislation.

The purpose of personal data processing (the purpose of the register)

The personal data stored in the customer register (ERP system) and in the factory outlet user register of Mint of Finland Ltd. is used for customer relationship management, contacts, marketing and for other purposes related to online services.

Contents of the register

Basic information on the registrees, such as the customer's name, address, telephone number and e-mail address are collected in the register.

Regular sources of information

The registrar will register the above details of the customers of Mint of Finland Ltd., plus the details of the users of the factory outlet that they give while visiting the website.

Regular disclosure and transfer of information outside of the EU or the EEA

The company does not regularly disclose information to third parties. The company also does not disclose information outside of the EU or the EEA.

Register protection principles

The data in the customer register and factory outlet user register of Mint of Finland Ltd. have been stored in a registrar system protected with operating system protection software. Access to the system requires a user ID and a password. The system has also been protected with firewalls and other technical means. Register information stored in the system can only be accessed by certain authorised registrar employees. The register information is stored in locked and guarded facilities.

The use of cookies

The company's factory outlet uses cookies. Cookies, which are commonly used in online banking, online shops and other online services, are small text files sent to the user's computer and stored there. Cookies do not damage the users' computers or files. They allow the company to provide customised information and services to its customers. Cookies can be disabled from the browser's Settings menu.

Valid complaints related to breaches of the customer's protection of privacy and loss of customer data

The registree's right to object

The registrees have the right to prohibit the registrar from processing their user information for direct mailings, distance selling and other forms of direct marketing, for marketing and opinion surveys and for personal register and genealogical purposes. The objection must be made in writing and submitted to the person in charge of the register.

The registree's right to inspect

The registree has the right to inspect the personal data contained in the register and to request copies of the data. The inspection request must be made in writing and submitted to the person in charge of the register.

Data correction

On his or her own initiative or at the request of the registree, the registrar will correct, remove or supplement all register data which is unnecessary, faulty, out of date or incompatible with the register's purposes. The registree must contact the person in charge of the register to correct the data.

6.5. Sustainable consumption

In the future, Mint of Finland wants to be the most responsible choice for its customers and a pioneer in the industry. During 2011, the company has promoted a responsible approach in its product offering. In 2011, Mint of Finland offered silver coin packages that were designed and manufactured of recycled cardboard in Finland. The material used for the collector coin with the theme Protect the Baltic Sea published in October was recycled silver. In addition, the theme of the collector coins published in the new Ethical Collector Coins set is related to topical responsible perspectives on society. The aim is to promote sustainable consumption and raise themes related to sustainable development.

7. Human rights

Mint of Finland bears its responsibility for respecting human rights within its sphere of influence. This includes both direct and indirect influence. Mint of Finland continuously attempts to reinforce concrete practices that ensure that Mint of Finland does not directly violate human rights or indirectly approve their violation.

Mint of Finland respects and follows the principles of the United Nations' Universal Declaration on Human Rights. As an employer, the company respects workers' fundamental rights as defined by the International Labour Organisation. The Ethical Guidelines of Mint of Finland also state that its operations comply with the defined policies of the above documents.

Mint of Finland takes its obligation of caution seriously with regard to the respect of human rights. This means that Mint of Finland seeks to proactively identify and avoid the risks of human rights violations within its sphere of influence.

7.1. Human rights issues related to the company's operations

The operations and value chain of Mint of Finland are global, due to which there is cause to assess continuously the risk of human rights violations in Mint of Finland's sphere of influence.

Key risk perspectives related to operations are the circumstantial and environmental factors of customer states or countries and actors included in the delivery chain, such as political instability and social conflicts and the weakness of the democratic system, a culture of corruption prevailing in the operating environment and participation in the extractive industry.

In addition, the complexity of the delivery chain forms a risk for transparency, in which case the identification of human rights risks related to local working conditions and agreements is challenging.

Within the framework of the on-going corporate responsibility strategy process, Mint of Finland is defining practices through which information on human rights effects related to the operations of Mint of Finland or the operations of the partners within its sphere of influence is obtained more systematically and in a more specified manner.

With regard to the realisation of the fundamental labour rights defined by the International Labour Organisation, the assessment of Mint of Finland is as follows:

No cases of discrimination have occurred at Mint of Finland during the reporting period.

Mint of Finland had no activities during the reporting period where the freedom of association and right of collective bargaining were at risk. Such activities have also not occurred which would have carried a risk of use of forced or penal labour.

During the reporting period, Mint of Finland has detected that subcontracting may carry a risk of use of child labour. The company will introduce a Supplier Code of Conduct defining the operations of subcontractors in 2012.

All members of the security staff of Mint of Finland have been trained regarding the company's human rights policies and practices.

8. Delivery chain

The delivery chain refers to functions and parties that offer products or services to Mint of Finland within its sphere of influence. Mint of Finland seeks to identify the entire delivery chain and to define its sphere of influence with regard to it.

Mint of Finland started to pay attention to its delivery chain and its management at the end of 2011. Due to the nature of operations, the chains are long and it is partly hard to trace the different actors. The tracing and identification work has been initiated and it will be continued.

Development directed at the management of the whole delivery chain will be launched from the most central and already identified and known areas of Mint of Finland's operations, and development will be extended as the work progresses. The aim is to implement the plan prepared to manage the delivery chain from the first steps to better know and control the delivery chain during 2012.

8.1. Delivery chain management

During 2011, a first plan was produced for delivery chain management. It is to be implemented in 2012. According to the plan, a production, technology and procurement strategy will be prepared and put into practice globally at Group level.

The project will progress in the order dictated by practical needs and begin with the creation of Strategic Sourcing in support of operational procurement. It will be implemented to support the supplier network. Strategic Sourcing will also include the introduction of the Supplier Code of Conduct in order to ensure ethical working methods and sustainable development. The ethical Supplier Code of Conduct will be finished and begin to be put into practice in 2012.

Strategic Sourcing is not previously known to the company; instead, the operations are now based on conventional operational procurement in both units. The establishment of Strategic Sourcing requires that the risks are described and a Group-level strategic model is created for measuring and analysing the results achieved.

8.1.1. Procurement principles and policies

The purpose of purchasing is to obtain the right goods at the right time and place at the right cost and with the right services. Purchases are planned so that their implementation is straightforward, appropriate and inexpensive. For this efficiency to be realised, the planning of procurement must be begun in good time in relation to production. Whenever possible, sufficient time is allowed for purchasing operations so that the quality of the supply is not put at risk due to poor planning or too hurried implementation.

Purchasing is divided into strategic purchasing and operational purchasing. The purpose of strategic purchasing is to establish the overall most cost effective method of implementing critical purchases. The purpose of operational purchasing is the implementation of day-to-day purchases and recalls as well as purchase control.

The first version of the Supplier Code of Conduct has been drawn up. The intention is to adopt the code of conduct during 2012.

9. Reporting and accounting principles

With regard to *financial responsibility*, the accounting limits and coverage of the report include Mint of Finland Ltd. and Mint of Finland Group. The consolidation principles applied in the Group involve consolidating all Group companies.

The consolidated financial statements have been prepared using the acquisition cost method. The difference between the subsidiaries' acquisition cost and equity at the time of acquisition is presented as consolidated goodwill and Group reserve without allocating them to the subsidiaries' assets.

Consolidated goodwill and Group reserve have been offset. Intra-Group transactions and margins have been eliminated. The profit and loss accounts of subsidiaries outside the euro area have been converted into euros according to the financial year's average exchange rate, and their balance sheets according to the exchange rate on the closing date. Euro conversion differences as well as translation differences from foreign subsidiaries' equities are incorporated into retained earnings.

Reporting has changed so that the depreciation period of consolidated goodwill included in intangible assets has been changed from 5 years to 5–10 years. Furthermore, consolidated goodwill and Group assets are shown separately instead of offsetting them.

According to the principles of *personnel reporting*, the number of personnel is always reported according to the situation on the last day of the month. All permanent and fixed-term employees who have an employment relationship with Mint of Finland are taken into account in the number of personnel of Mint of Finland. The number of temporary staffing personnel, the amount of overtime, the sickness absence percentage, employment injuries and initiatives made are also reported on a monthly basis.

With regard to *environmental responsibility*, the report is restricted to the environmental loading figures of Mint of Finland Ltd. The efficiency of waste sorting is monitored annually on the basis of the waste quantity report of Lassila & Tikanoja plc and Kuusakoski Oy and YTV's Petra waste comparison report.

The amounts of packaging material are reported annually to the Environmental Register of Packaging PYR Ltd and the amount of used packaging material can be calculated at an annual level in relation to the production volume. Recycling of metal waste is monitored through a key indicator that is the amount of mixed metal waste in relation to the total amount of waste. Indicative estimates of the recycling rate of metal waste can be also obtained by comparing the difference between incoming metal quantities and metal quantities sent out as finished products and the metal quantities sent for recycling or further processing.