



Finnish VC & PE industry  
and Tesi

**2021**

Diversity Review



Diversity has been a much-discussed subject for some years now in the venture capital and private equity (VC & PE) sector. Numerous research results show that diversity provides organisations with valuable perspectives on their businesses while also giving them a competitive edge. Although the sector has taken positive steps forwards in this field, we still need to do more to develop diversity and inclusion in our sector.

Together with our stakeholders we have identified the opportunities diversity and equality offer our operations as a material aspect of responsibility. This is now our third Diversity Review of the Finnish VC & PE market and of Tesi. The review covers Tesi’s own organisation, the investment teams of Tesi’s portfolio funds, and the composition of the Boards of Directors of Tesi’s portfolio companies. Diversity is measured by gender and age. In this, the third review, we survey the situation in 2021 and we compare the developments that have occurred in diversity over the period 2019–2021.

Included in the review are the teams of 49 fund management companies, in whose investment teams altogether 441 people worked during 2021. Also 75 direct portfolio companies, with a total of 384 members on their Boards of Directors, were covered by the review. Tesi had an average 44 permanent employees during the year, and in addition seven trainees worked at Tesi during 2021. Tesi’s Board of Directors comprised seven members.

The review drew primarily on data provided by the Finnish Patent and Registration Office as well as data available on the websites of portfolio companies and funds. Some of the classifications made in the review are based on our own judgement and assumptions. The gender of people included in the review, for instance, was based on assumptions, while gender was treated in the review as a binary variable. Diverging from earlier practice, nationality has been omitted from this review, except for persons appointed to the Boards of Directors of Tesi’s portfolio companies, owing to the challenging availability of data.

We hope that the Diversity Review that we have compiled offers a comprehensive overview of the current situation in the investment sector and act as a spur to action in both investment activities and board work.

Matias Kaila

Jens Färm

Elsa Arola

Tuukka Totro

Director, Funds

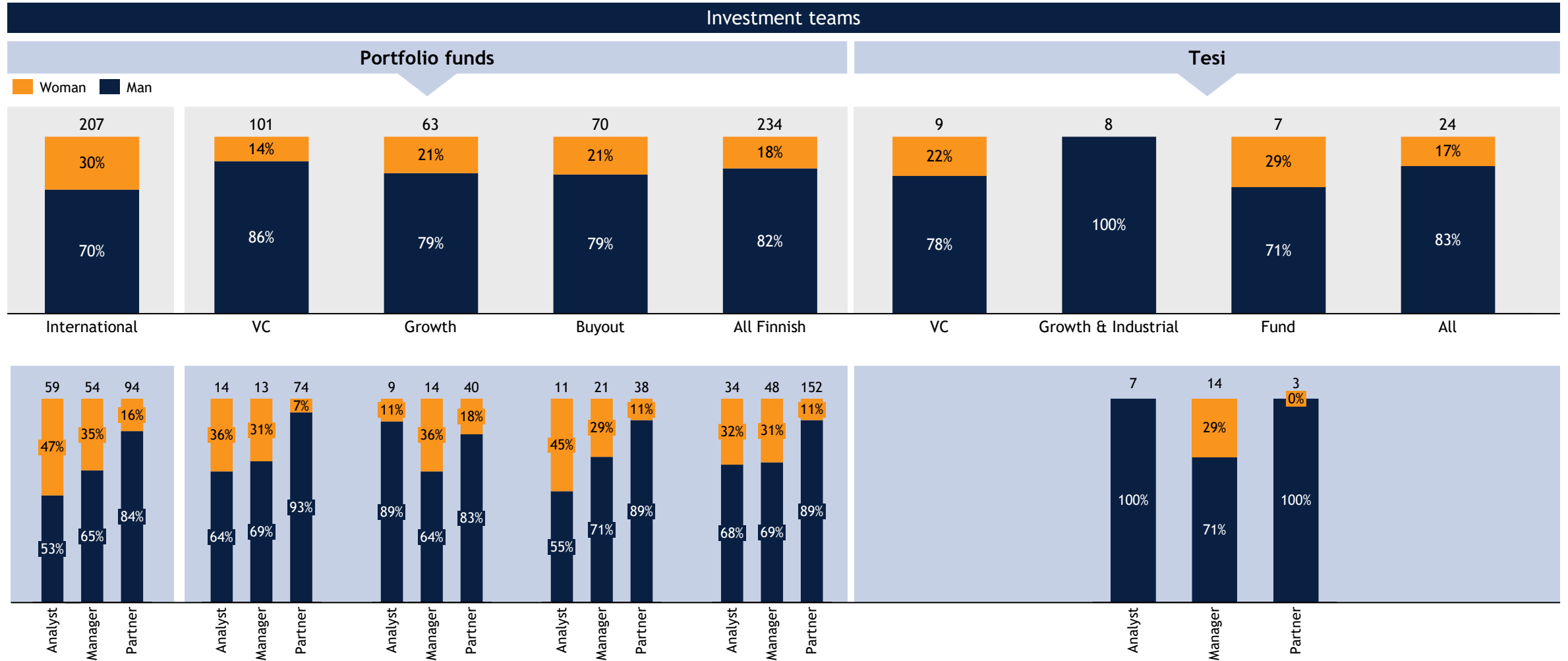
Analyst

Communications Specialist

Trainee

# Gender

Altogether 58% of Finnish funds had women in their investment teams (cf. 2020 56%, 2019 50%).

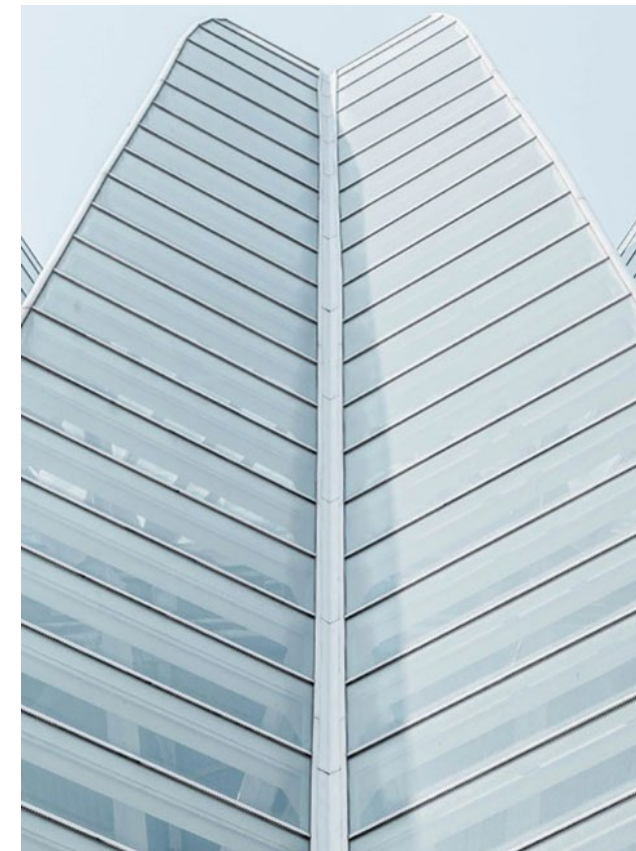
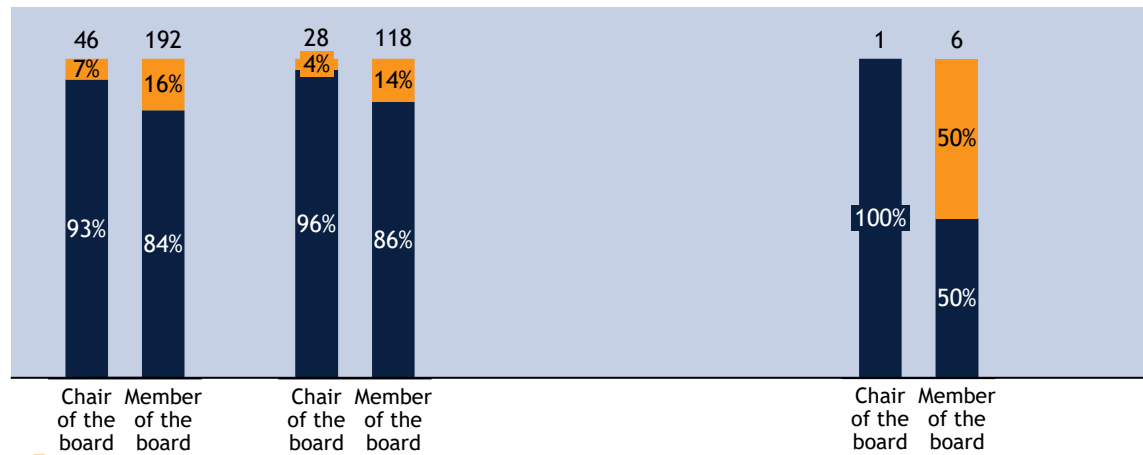
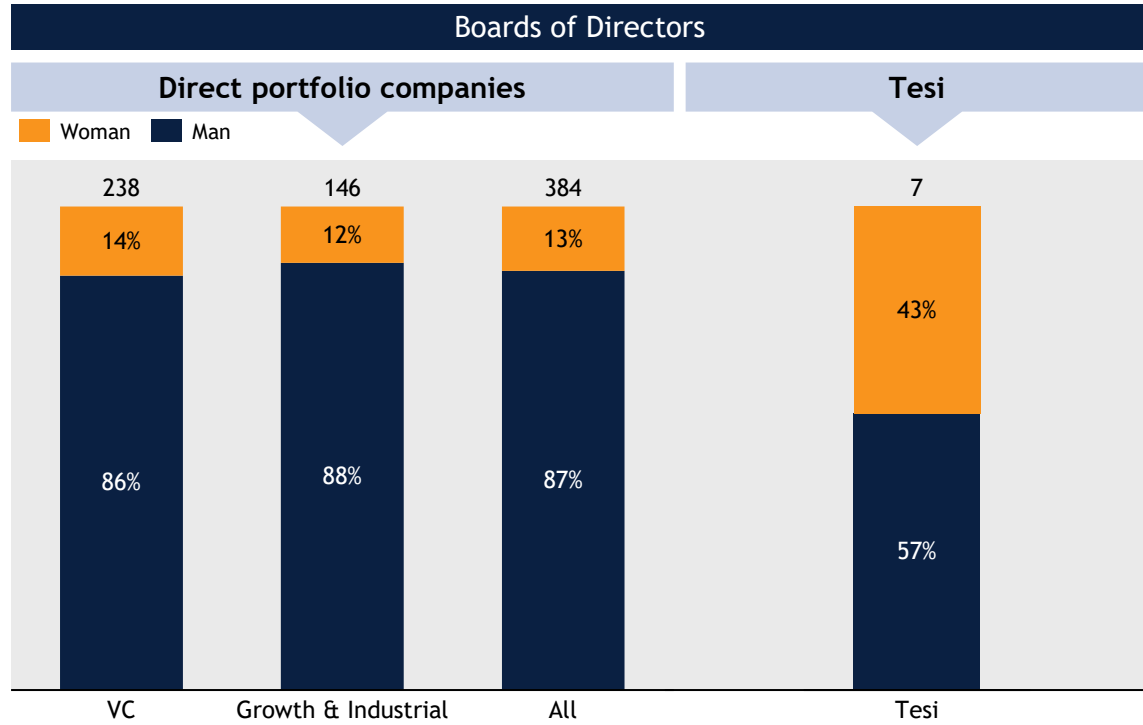


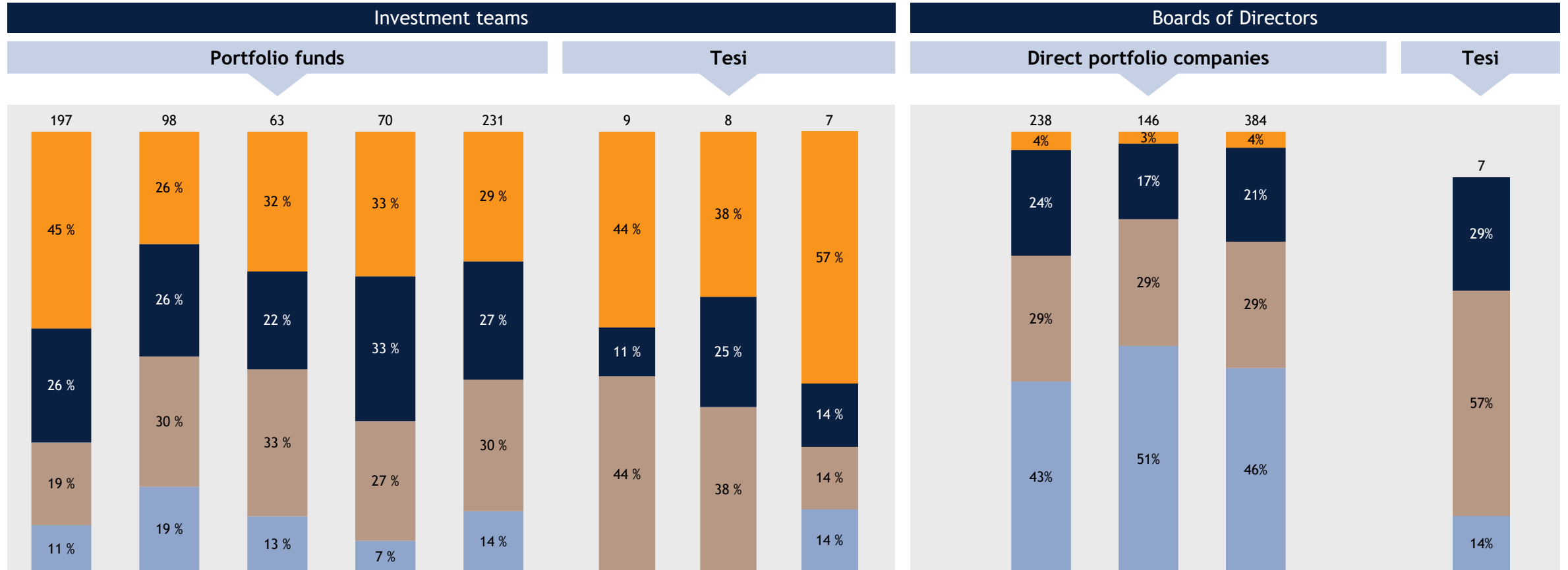
Gender diversity at the Analyst level in international funds has been strong in recent years. At the Partner level, development is heading in the right direction but there is still much to be done.

The Finnish market is also heading in the right direction. There has been improvement in gender diversity in the VC and Buyout fields, especially at the Analyst level. At the Partner level, however, there has been hardly any development (cf. 2019 10%).

# Gender

Overall, the number of women on the Boards of Tesi's direct portfolio companies has grown by some 5% since 2020. The proportion of women as Board Chairs, however, has remained the same.





Teams of international funds have become appreciably younger since 2019. This is particularly due to the higher number of team members under 35 years old (cf. 2019: 33%). The number of team members under 35 years old has also increased in Finnish funds (cf. 2019 26%).

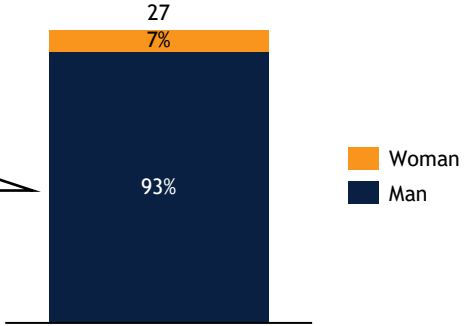
The age distributions of Tesi's in-house Growth & Industrial team and Funds team are younger (cf. 2020: Growth & Industrial team 29% under 35 years old and Funds team 50%).

\* 10 missing values  
 \*\* 3 missing values  
 \*\*\* 1 missing value

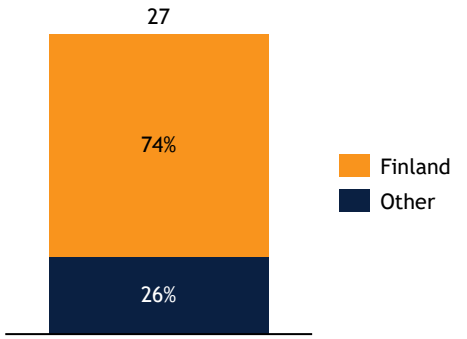
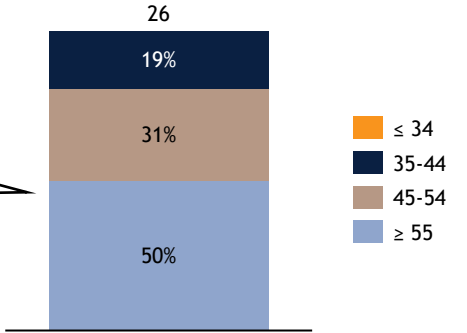
# Appointees to the BoD of Tesi's portfolio companies



There is slightly less diversity in the gender distribution of people appointed to the Boards of Tesi's portfolio companies since 2020 (cf. 2020: 10%).

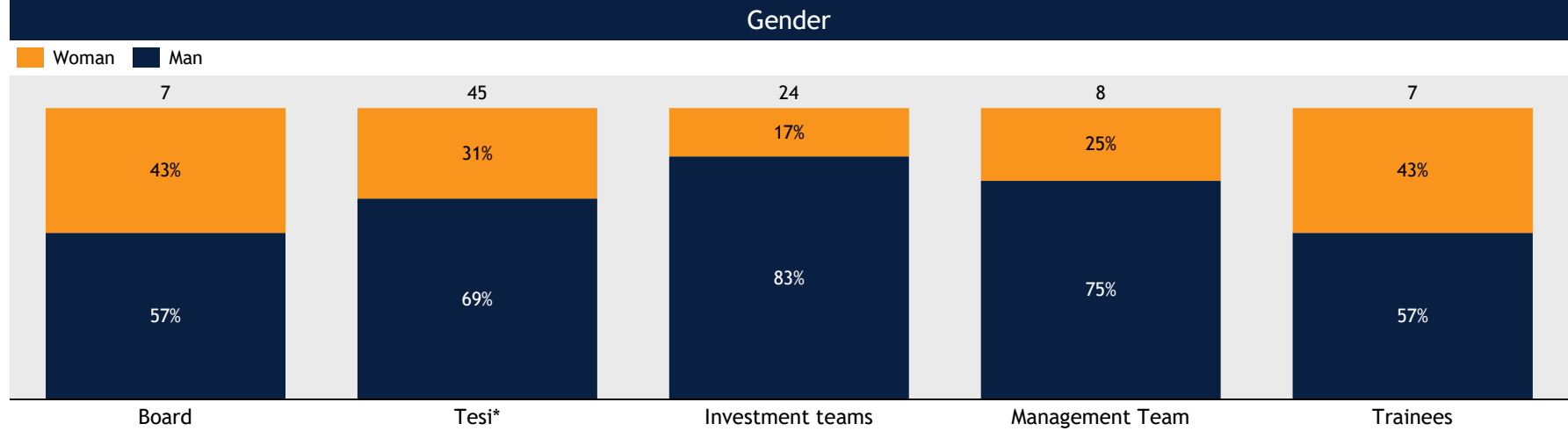


Overall age distribution has become younger.

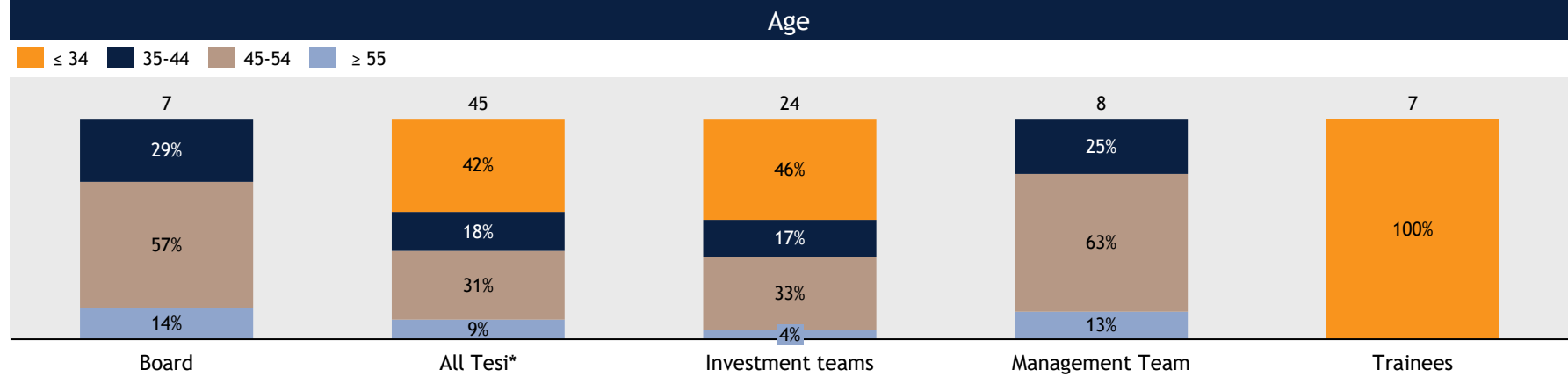


\* One missing value

# Tesi's personnel & Board of Directors



Tesi has been active in promoting the diversity of the Trainee Programme. Over the last two years, three out of seven trainees have been women (cf. 2019: 0).



The age distribution of Tesi's Management Team is slightly older (cf. 2019: 57% over 45 years old).

\* Excludes trainees.



Tesi's 2021 Diversity Review shows that work to improve diversity must continue. There has been progress, though.

The proportion of women in Finnish portfolio funds was some 18%. This proportion was higher in international portfolio funds, approximately 30%. In 2019, one-half of Finnish portfolio funds had no women in their investment teams, but there has been some progress and in 2021 altogether 58% of Finnish fund management companies had women in their investment teams. In both Finnish and international funds the gender distribution was fairly even at the Analyst level, but there is still room for improvement at the Manager and Partner level.

The proportion of women on the Boards of Directors of Tesi's portfolio companies increased by over 80% compared to the previous year. Despite this, the proportion of women on Boards of Directors was only 13% in 2021. The proportion of female Board Chairs also remained steady at 6% on average. The proportion of women was slightly higher in VC-backed companies than in companies backed by Growth & Industrial investments in the case of both Board members and Board Chairs.

In Tesi's investment teams, the proportion of women (17%) was lower than the average for the teams of both Finnish and international portfolio funds (24%). The gender distribution of trainees on Tesi's investment teams was more even, however, with women accounting for 43% (as in 2020). The gender distribution of Tesi's Board of Directors was fairly even also, with women accounting for 43%. Women represented one-quarter of Tesi's Management Team. The review shows that the development of gender diversity amongst Tesi's permanent employees has been slow, although Tesi has actively worked to diversify its personnel.

Age groups are distributed more evenly during the review period than gender in the case of both Finnish and international funds, even though the very youngest age group (34 or under) already accounts for no less than 45% in international funds. Funds have indeed become noticeably younger in their age composition since 2019. The Boards of Directors of Tesi's portfolio companies, on the other hand, comprised on average older age groups, as in earlier years. Almost one-half (46%) of Board members were 55 years of age or older. The age structure of Tesi's in-house investment teams was younger on average than that of Finnish funds. The age distribution of Tesi's Board of Directors corresponds to the market average.

We believe the investment sector is on the right path for achieving diversity, and we at Tesi want to be involved in this journey.



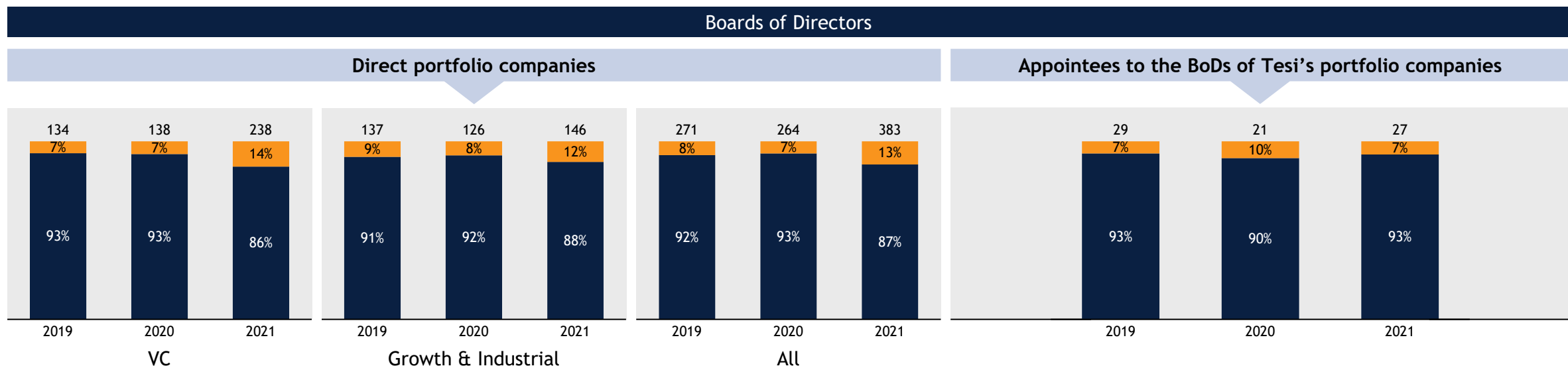
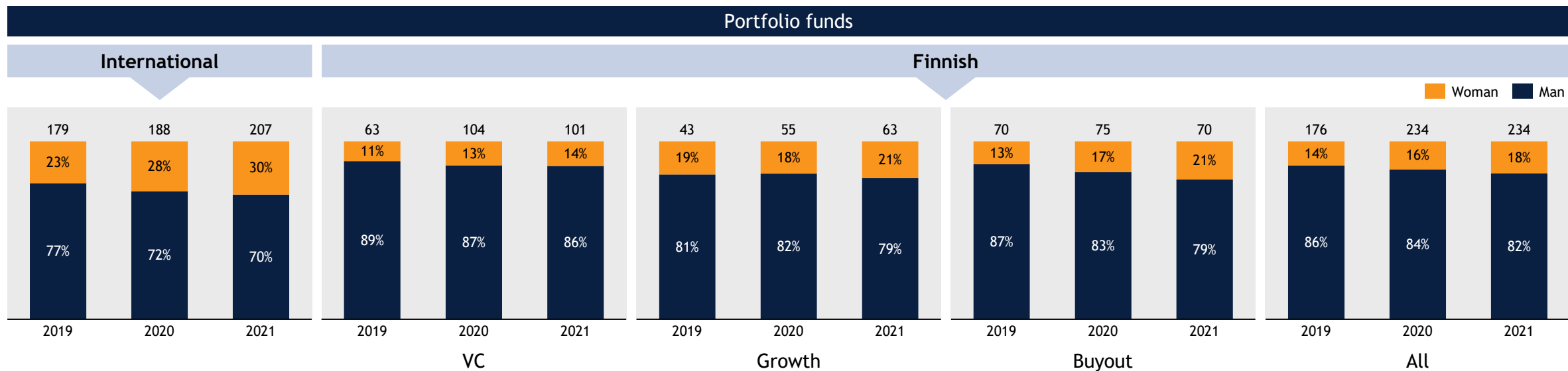




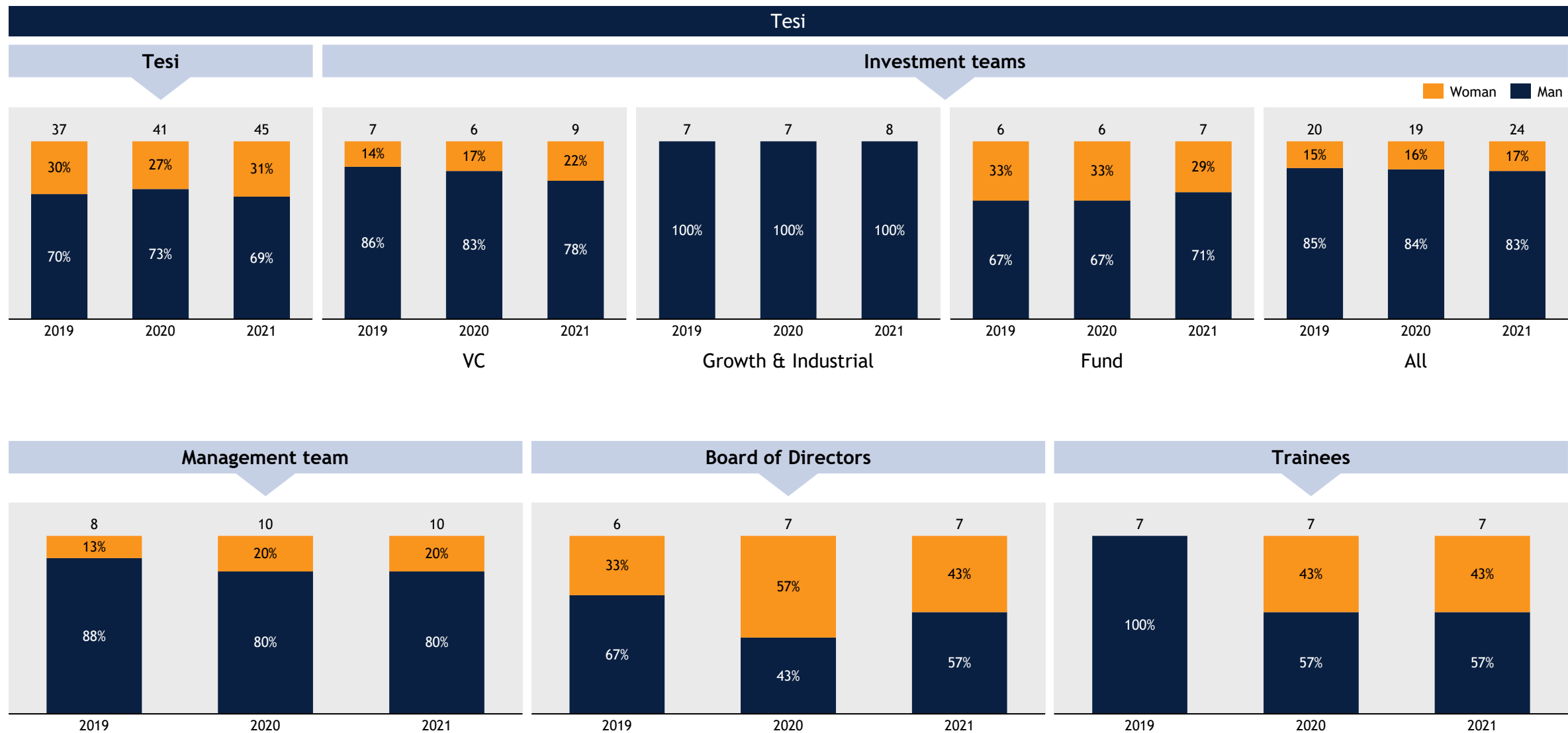
**Ambition for ownership and  
success**

tesi.fi | Twitter: @TesiFI | LinkedIn: Tesi

# Appendix 1: Development of gender diversity



# Appendix 2: Development of Tesi's gender diversity



# Appendix 3: Development of the age distributions

