

Annual Report 2024

finnfund



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COVER
Samuel Nyagwoi and Sylvester Mati at Lake Turkana Wind Power, Kenya. In February 2024, Finnfund exited the Lake Turkana Wind Power project. Finnfund was a shareholder in the owner and operator of the largest wind farm in Africa, since 2014. The wind farm was connected to the national grid in 2018, and today, it meets up to approximately 14 per cent of Kenya’s current electricity demand, serving 1.2 million homes. The shares were acquired by Climate Finance Partnership, a public-private finance vehicle managed by BlackRock Alternatives. Read more on p. 38, on our [website](#) and watch a [video](#). Photo: Finnfund



Tapani Niskakangas, an Operative Director, and **Juha Hirvi**, a Drilling Instructor at Kati, provided training for Gemco Kati last November in Nagpur, India. Read more on p. [44](#).
Photo: Kati Ltd



This is Finnfund

Finnfund is a Finnish development financier and impact investor. We build a sustainable future and generate lasting impact by investing in businesses that solve global development challenges such as poverty, inequality, climate change, and biodiversity loss, with Finnish added value.

Each year, we invest 200–250 million euros in 20–30 projects, emphasising digital infrastructure and solutions, forestry, agriculture, renewable energy, and financial institutions. Besides our five focus sectors, we invest in other sectors when projects meet our requirements and are aligned with our strategy.

At the end of 2024, Finnfund’s investments, commitments, and investment decisions totalled 1.3 billion euros, with about half of them in Africa.

We are a proactive investor, and we provide companies operating in developing countries with the expertise required for sustainable business. We expect our investments to be

sustainable, to generate positive development impacts in their operating countries, and to offer an appropriate risk-adjusted return.

Finnfund gets its financing from the State of Finland, private capital markets, and returns on its investments. We leverage state capital to mobilise private investments in sustainable businesses in developing countries. Returns are channelled back into new Finnfund investments.

Finnfund’s shareholders are the State of Finland (96.6%), Finland’s export credit agency Finnvera (3.34%), and the Confederation of Finnish Industries (0.06%).

Finnfund’s owners set annual targets for the company (p. 23), and the goals are documented in the Foreign Ministry’s annual Ownership Steering Memorandum, which is available on [our website](#).

Finnfund is also the administrator of the Finnpartnership Business Partnership programme, which is funded by the Ministry

Our mission

Build a sustainable future and generate lasting impact by investing in businesses that solve global development challenges with Finnish added value.

Our vision

People and the planet are at the core of every investment decision.

Our values

- Responsibility
- Respect
- Development
- Effectiveness

Our key strategic objectives

- Established role as a technology-driven impact investor
 - > Double investments in digital technology
- Climate and nature driving Finnfund’s investments
 - > Allocate half of all new investments to climate and nature
- Spur growth, decent jobs and livelihoods
 - > Grow local impact by one-third

for Foreign Affairs (p. [155](#)). Finnpartnership offers advisory services and business partnership support to Finnish companies.
At the end of 2024, Finnfund employed

101 people, of whom 5 worked at the Nairobi office and 9 worked for the Ministry for Foreign Affairs’ Finnpartnership programme.



Finnfund’s approach to development.

Chief Executive Officer's review

Year of rethinking

In 2024, the global economy developed unevenly. While the United States experienced strong growth, other advanced economies mostly just muddled through. Many middle-income countries made notable recoveries from the downturn caused by the pandemic and a period of high interest rates. Notably, India continued to make progress in lifting millions out of poverty.

In contrast, most low-income countries, many of which had been hit hard by the pandemic and high interest rates, struggled under their debt burdens, and some fell further behind. Even worse was the fate of those affected by conflicts and wars in places such as Sudan, the Democratic Republic of Congo, Gaza, Ukraine, and Myanmar.

Changes in global outlook

By early 2025, the global outlook has changed again. The United States and

several European countries have made drastic cuts in development aid, partly to shift resources to defence. Low-income countries, particularly in Africa, will most likely be adversely affected.

Even more significant could be the consequences of the major tariff increases announced by President Donald Trump in April 2025. As of this writing, we assume that most of the announced and then postponed, tariffs will be cancelled or substantially renegotiated. However, if this does not happen, the negative impact on the countries most dependent on exports to the United States could be drastic.

Strategy revisited

For Finnfund, 2024 was a year of rethinking. We revisited our strategy while reaffirming our development mission (p. 19). The general direction for our ownership steering and, hence, for our new strategy was given by the



“For Finnfund, 2024 was a year of rethinking. We revisited our strategy while reaffirming our development mission.”

Jaakko Kangasniemi
Chief Executive Officer,
Managing Director



“Report on International Economic Relations and Development Cooperation” released by the Finnish government in July 2024.

According to the report, Finland seeks to bring trade and development policies together, to promote mutually beneficial commercial opportunities and to increase private sector participation in development cooperation and funding. At the same time, the report emphasises Finland’s commitment to upholding the rights of women and girls, and reiterates Finnish support for education and climate measures.

Enhancing Finnish value added within our investments, promoting investments that mitigate climate change or foster adaptation, or that protect biodiversity, and ensuring that our investments promote gender equality are the key themes of our updated strategy. We intend to emphasise three key areas: digitalisation; climate and nature; and local growth, decent jobs and livelihoods. The new strategy also commits us to supporting Ukraine’s reconstruction.

In our updated strategy, we recognise the budgetary pressures faced by the government. Our ambition is to maximise impact

while limiting reliance on government funding. For this to happen, we need to be successful in our investments, both financially and in terms of sustainability and impact.

Collaboration and funding for sustainable development

Finnfund’s goal is to foster sustainable development not only by investing our own resources in impactful, profitable, and sustainable businesses, but also by providing investment opportunities for institutional investors. This is also part of our strategy and mandate as a development financier and impact investor. Mobilising private capital is key to achieving the Sustainable Development Goals (SDGs) by 2030.

Accessing financial markets on reasonable terms is also needed, if we are to fund a significant portion of the loans we provide to our clients from the market. In 2024, we continued broadening our funding base through bond issuances, and the bonds we issued in early 2025 already go a long way to achieving this for the next few years.

In 2024, OP Finnfund Global Impact Fund

I continued investing in inspiring companies in Asia and Africa. The fund is almost fully invested by now and has some remarkable growth and impact cases in its portfolio.

As you can read further in this report, our next ambition is to mobilise institutional investors for investments that improve digital access (p. [33](#)).

Finally, we need to be able to tap guarantees or other types of support from European Commission or other parties for some of our riskiest investments. The Africa Connected EFSD+ programme, through which the European Commission supports our digital sector investments in Africa with guarantees and technical assistance, shows the way (p. [28](#)).

Rinse and repeat

One of the highlights for 2024 was the successful exit from our biggest investment, Lake Turkana Wind Power. This showed that we had made a good investment, for ourselves, for other investors, and for Kenyan stakeholders. It also allowed us to redeploy our resources to new projects and encouraged others to join us.

This was also the overall picture for the year: numerous challenges and risks, and some projects that fail to deliver, but also others that achieve real impact and financial success, typically by combining hard work and genuine dedication with improved technologies.

The outlook for 2025 in the developing and emerging markets is somewhat cloudier now than it was a year ago (p. [164](#)). Recognising the challenges, we have raised the bar for our riskiest investments, and we have further developed our risk management and portfolio monitoring. Some of our investee companies will face challenges due to predicted economic and political turmoil, but most of them are making great progress. In most countries and most sectors, well-managed businesses will have positive impacts, allowing more and more people to live happier, healthier, and more productive lives.

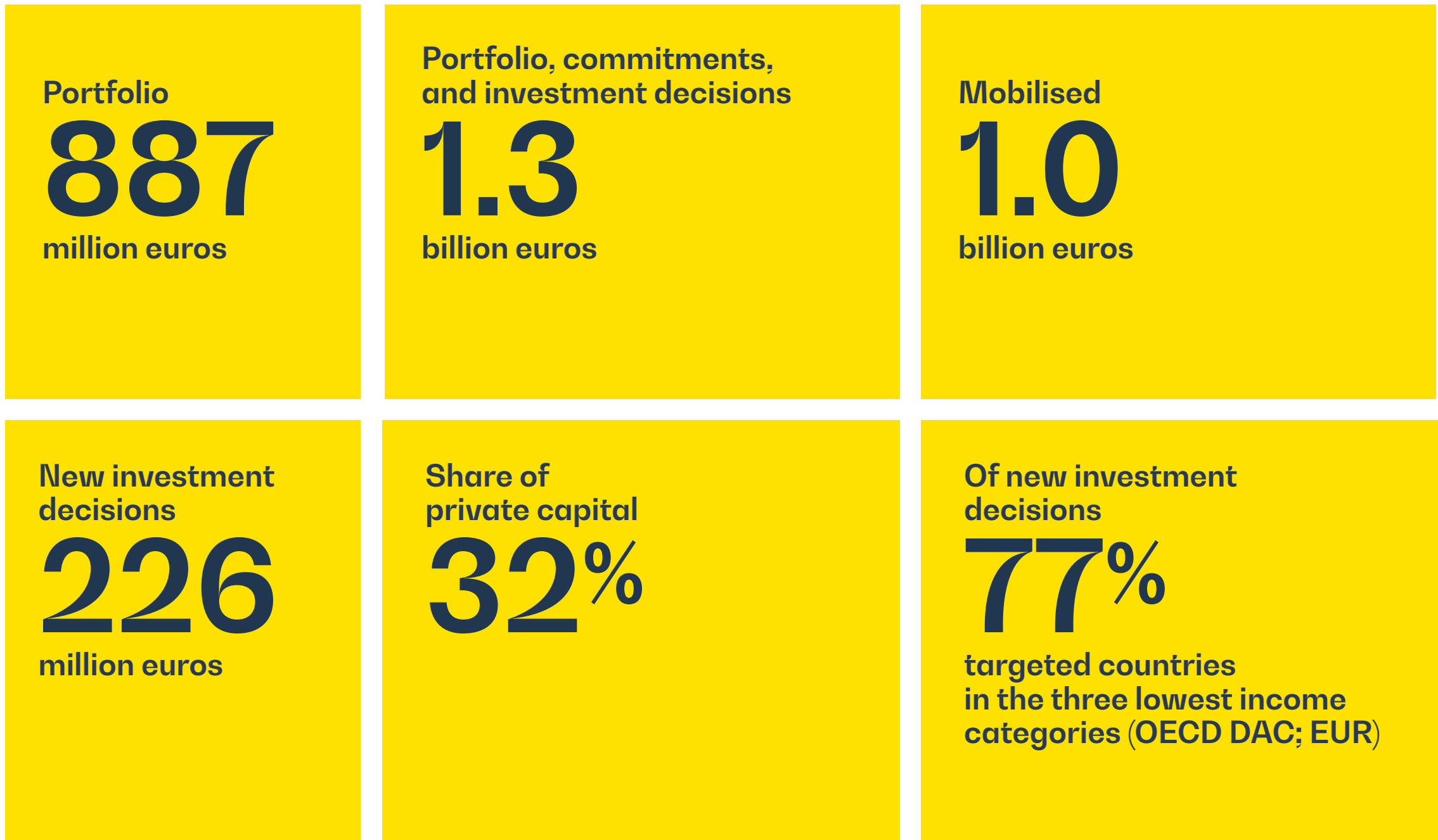
Thank you to all our customers, staff members, and other stakeholders for your support.

Jaakko Kangasniemi
Chief Executive Officer, Managing Director



Our 2024 at a glance

Highlights from our key figures



Read more on pp. [11-13](#).



New strategy showing the way forward

The world is changing and so are we. In 2024, we updated Finnfund’s strategy to meet the expectations of our owners and address the emerging needs arising from the changing operational environment. The strategy emphasises, for example, the opportunities of digitalisation and technology as catalysts for positive change and development, climate change mitigation and adaptation, increased cooperation with Finnish businesses, and the reconstruction of Ukraine. Read more on p. [19](#).



Taking our nature and biodiversity work to the next level

In 2024, Finnfund adopted its first Nature and Biodiversity Statement. This brings together the guiding principles and goals based on which Finnfund strives to strengthen the well-being and diversity of nature and to mitigate possible nature and biodiversity risks in its investment activities. We have also been developing the Planetary Boundaries Investing Framework, a tool for assessing and monitoring investments’ potential for generating positive planetary effects, and for controlling negative outcomes. Read more on p. [10](#).



Finnfund’s AA+ rating affirmed by Fitch Ratings

In 2024, Finnfund sought its first-ever external credit rating from Fitch Ratings. The result was an impressive AA+ rating, aligning with the credit rating of the Finnish State. Read more on p. [152](#) and on our [website](#).

Building trust and strengthening collaboration through a land transfer process

MLR Forestal, an agroforestry company and Finnfund investee, successfully completed an ambitious and ground-breaking project to transfer over 100 hectares of land to the Mayangna indigenous communities in north-eastern Nicaragua. This initiative sets a positive precedent for land transfer processes that benefit all parties involved. Read more on p. [102](#).



Establishing Finnfund Digital Access Impact Fund

In 2024, Finnfund began establishing a new private equity fund aimed at institutional investors. The fund will focus on digital solutions and infrastructure, and the investments will be targeted towards the regions and digital subsectors with the most attractive risk-return potential while focusing on creating positive social impact. Read more on p. [33](#).

Thank you, dear stakeholder!

Professional, responsible, innovative, reliable, and pragmatic. These were some of the characteristics attributed to Finnfund in a stakeholder survey conducted in 2024 among both our external and internal stakeholders. The results were used for developing Finnfund’s operations, including reporting, and for the preparation of our new strategy. Read more on p. [51](#).



Highlights from our impact figures 2023

304,000
supported jobs – of which 40% are for women

Finnfund’s forestry investments sequestered
303,000
tCO₂e and avoided 126,000 tCO₂ of emissions

9,600
GWh of energy generated

Cooperation with
4.5 million
small-scale farmers
– 79% of them women

9.1 million
micro and SME loans
– total value EUR 13.3 billion

203 million
active customers using
digital services

Read more on p.[109-121](#).

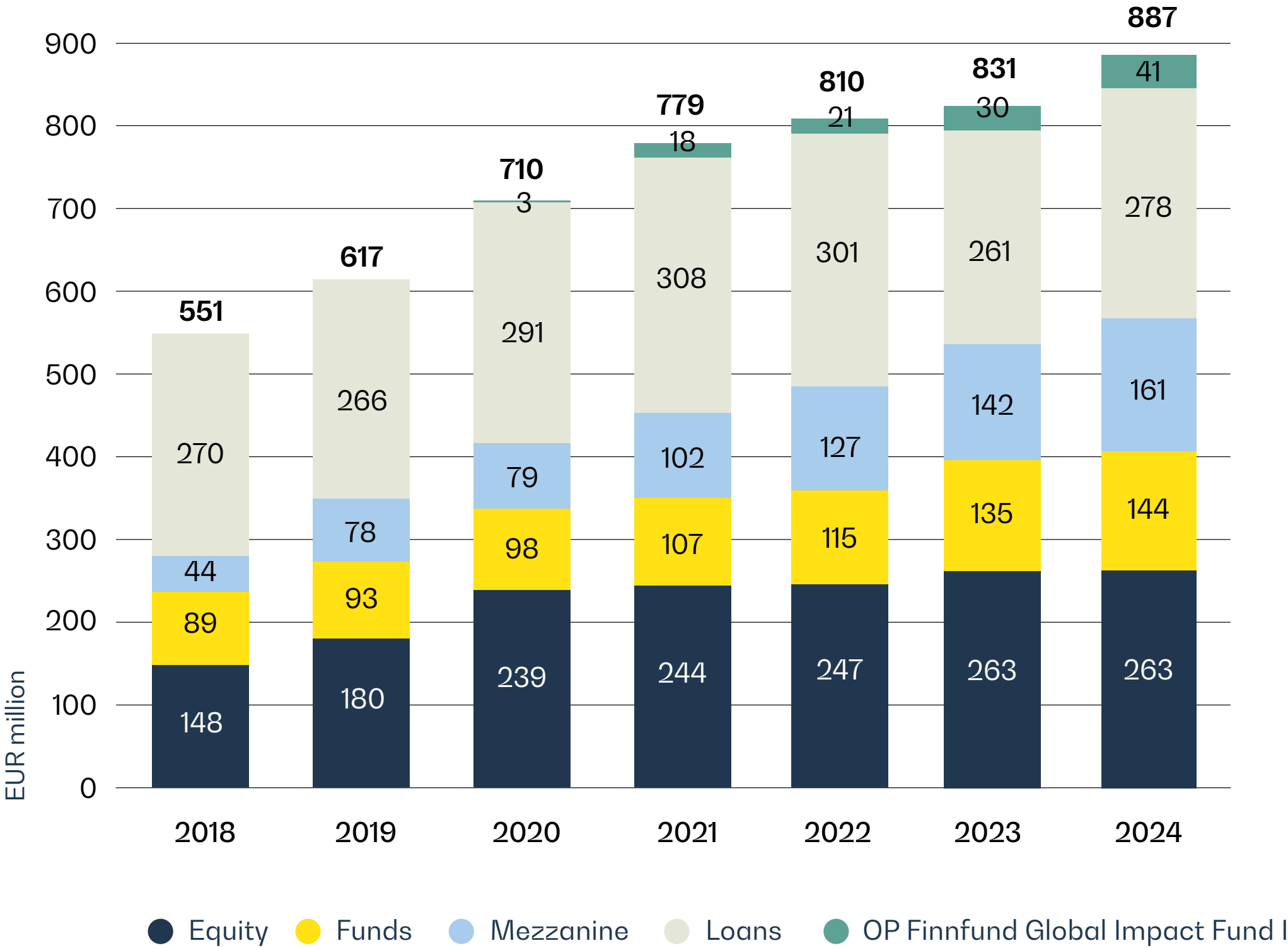


Many emerging and developing countries are experiencing a digital revolution, creating a significant demand for better, more efficient, and affordable digital infrastructure and solutions. Read more about our approach and impact on pp. [30](#) and [112](#). Photo: Finnfund.

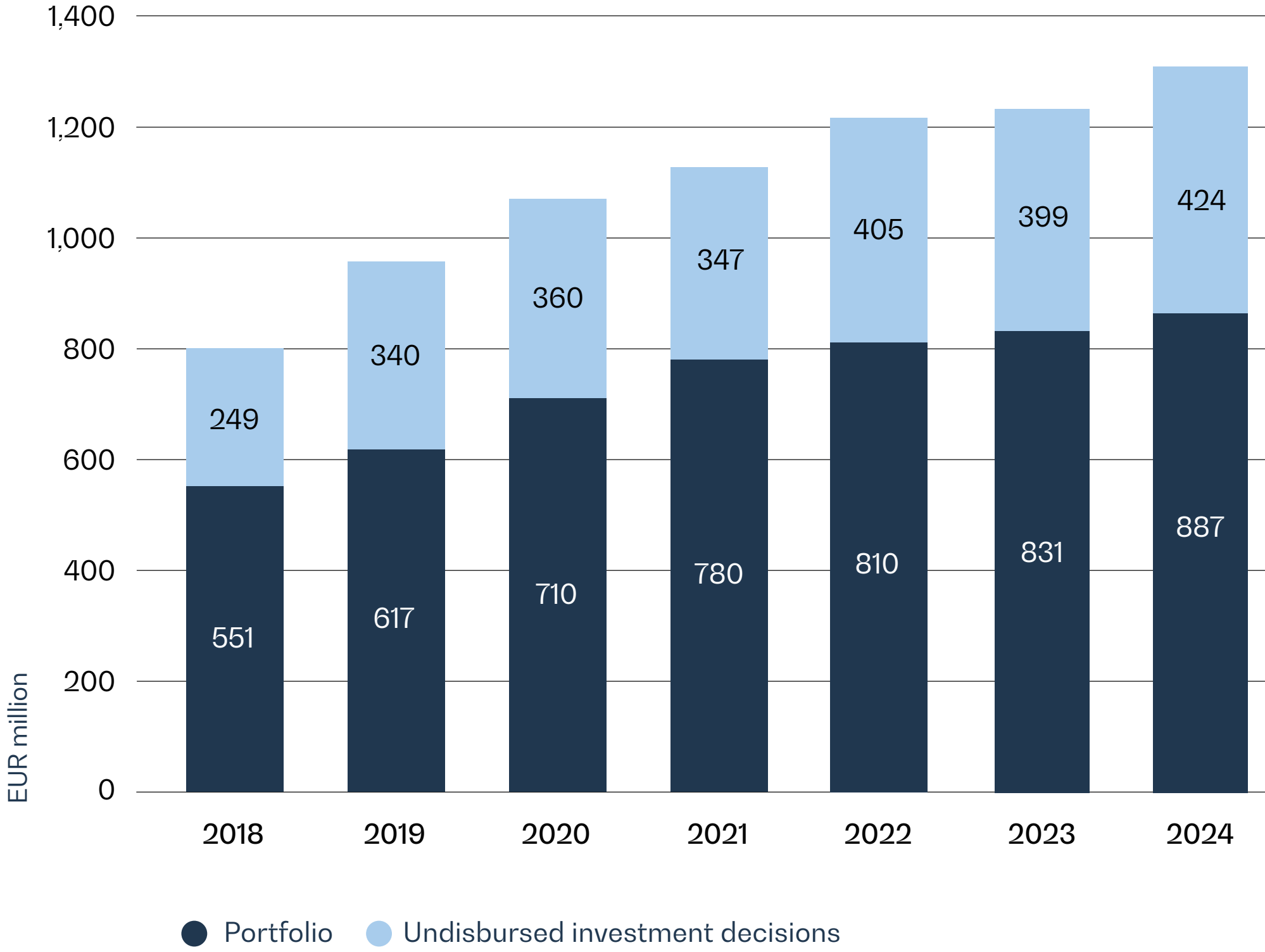


Key figures

Portfolio EUR million (total EUR 887 million)

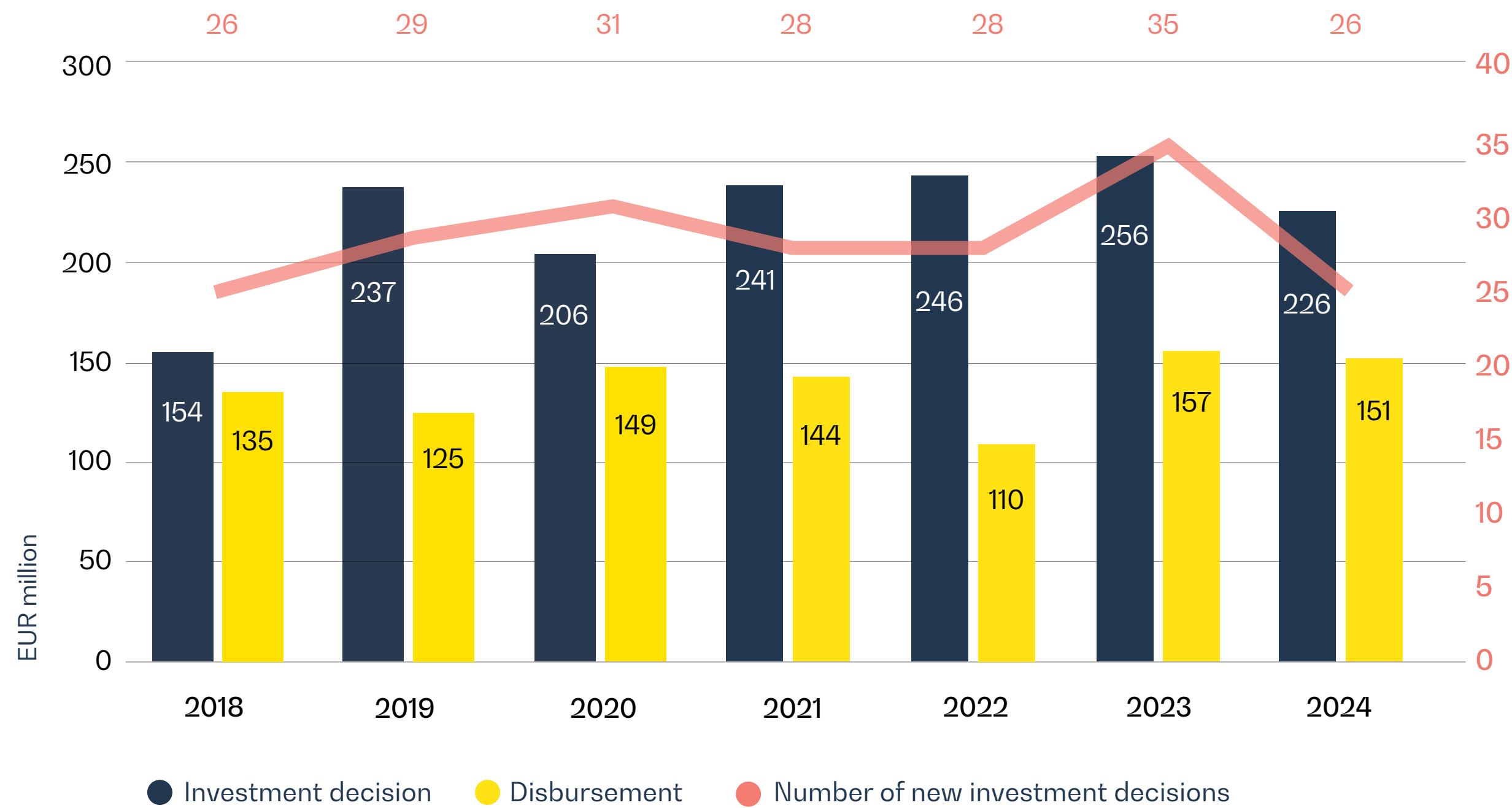


Portfolio and undisbursed investments decisions EUR million (total EUR 1.3 billion)

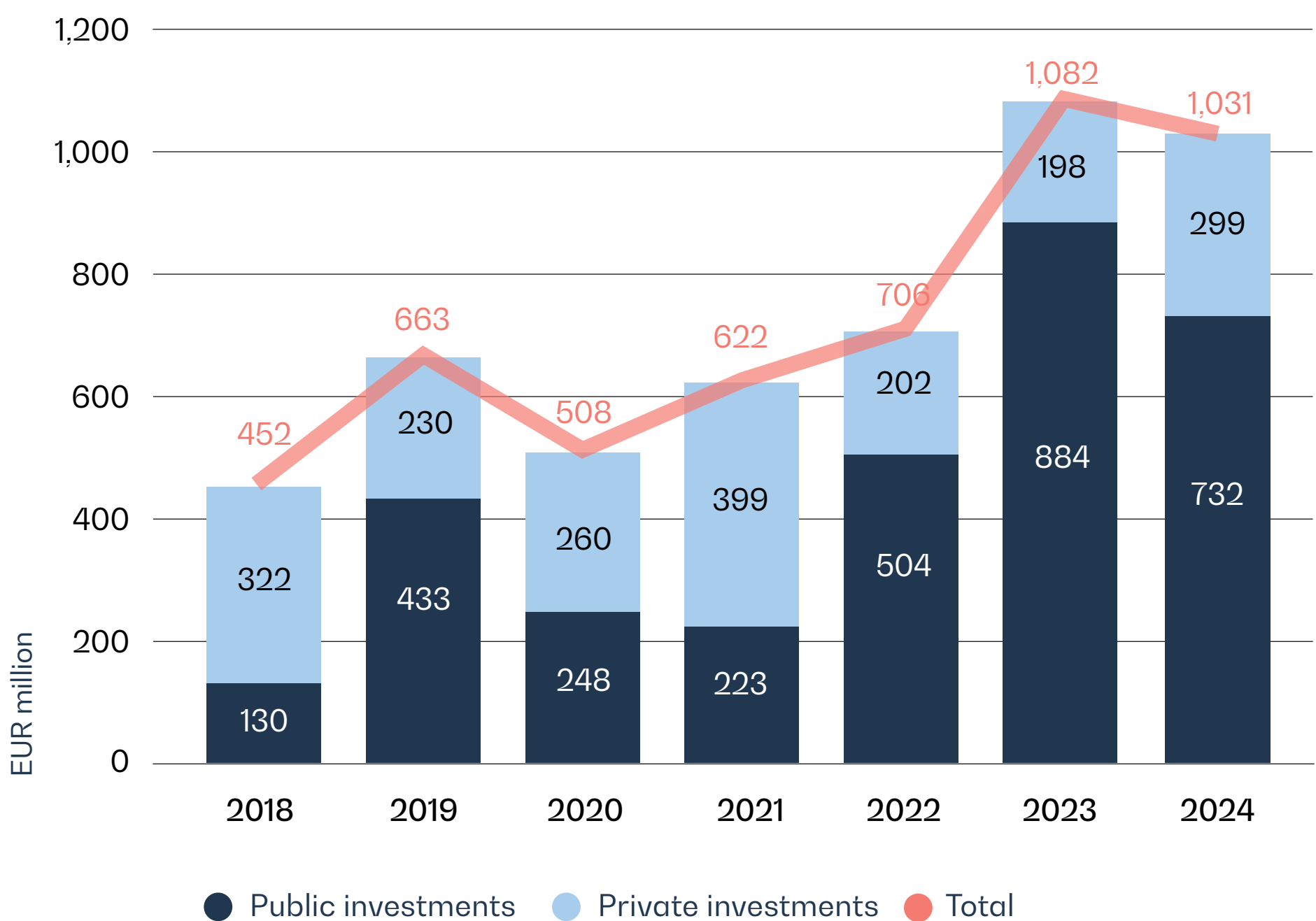




Investment decisions and disbursements EUR million



Mobilisation of additional private and public capital through new investments made by Finnfund EUR million

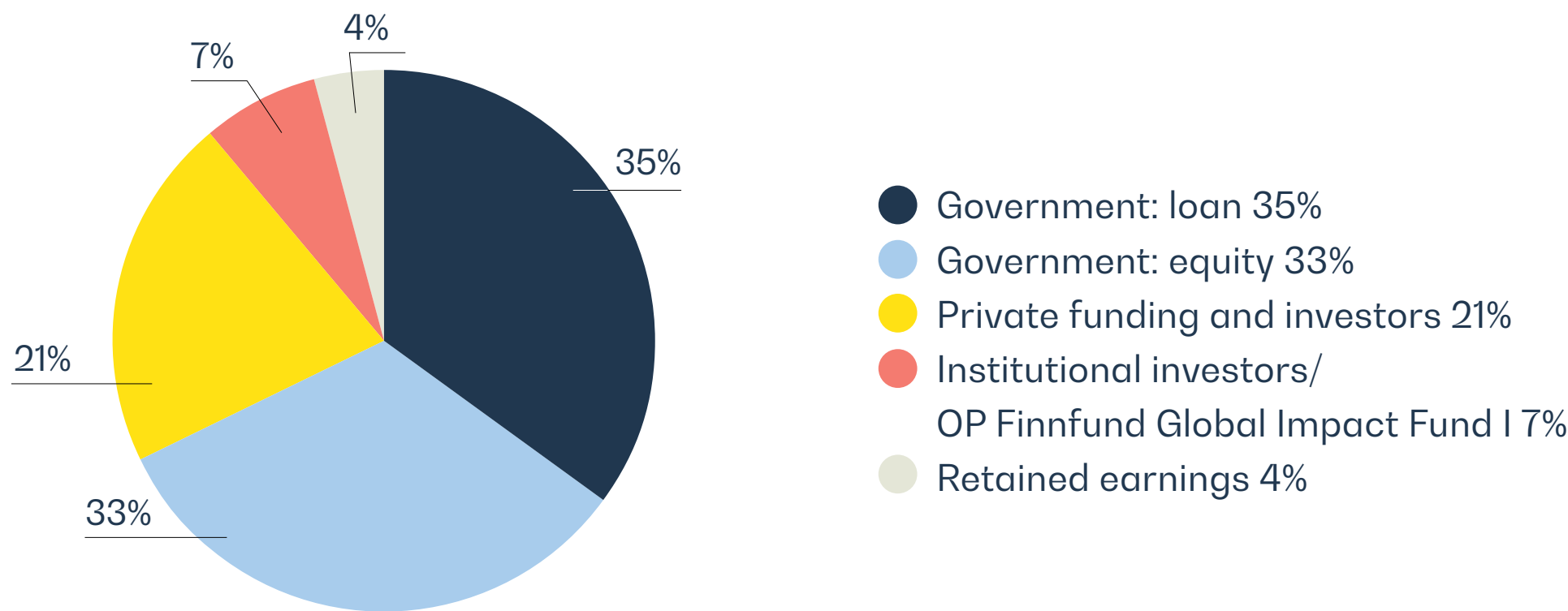


Mobilisation of private financing includes the financing provided by a private entity (financially and managerially autonomous from national or local governments) on commercial terms provided in connection with a specific activity for which Finnfund is providing financing (including the amount directly mobilised by Finnfund). This excludes sponsor financing. Public entities include multilateral and bilateral financial institutions, export credit agencies and any other institution whose purpose is to benefit or promote specific national interest, regardless of ownership. The definition is based on the common definition of the European Development Finance Institutions (EDFI). In addition to this, Finnfund aims to mobilise funding for sustainable development, for example, through issuing sustainability and green bonds ([p. 152](#)) as part of its own fund raising.

Key figures 2020–2024

	2020	2021	2022	2023	2024
Number of project countries	53	53	55	53	55
Number of investment decisions in portfolio	206	196	191	199	202
Number of investees	152	151	153	162	161
New investment decisions, EUR million	206	241	246	256	226
Number of new investment decisions	31	28	28	35	26
Disbursements, EUR million	149	144	110	157	151
Undisbursed investment decisions and commitments, EUR million	360	347	405	417	424
Portfolio, EUR million	710	780	810	831	887
Shareholders' capital, EUR million	301	291	301	315	361
Total assets/liabilities, EUR million	721	794	773	881	935
Number of personnel on average	84	83	90	97	101

Sources of Finnfund’s funding, 31 December 2024



Five years in review

Operational analysis, EUR million	2020	2021	2022	2023	2024
Financial income	31.4	27.5	29.7	44.1	46.1
Financial expenses	-9.2	-9.6	-13.5	-17.2	-23.0
Net financial income	22.2	17.9	16.2	26.9	23.1
Other operating income	1.3	1.5	1.8	2.1	2.0
Administration, depreciation and amortisation and other operating expenses	-13.5	-14.0	-17.3	-20.4	-19.8
Profit before impairment, sales of assets and taxes	10.0	5.4	0.7	8.6	5.3
Impairment and sales of assets	-36.3	-25.4	-0.4	-4.8	11.8
Taxes	0	0	0	0	-6.4
Net profit	-26.3	-20.0	0.3	3.8	10.7

Balance sheet, EUR million	2020	2021	2022	2023	2024
Assets					
Tangible and intangible assets	1.1	1.3	1.2	0.8	0.4
Investments	607.6	657.4	697.6	722.3	777.8
Current assets	112.7	135.0	74.5	157.9	157.0
	721.4	793.7	773.3	881.0	935.2
Liabilities					
Equity	301.0	291.1	301.4	315.2	360.9
Liabilities	420.4	502.6	471.9	565.8	574.3
	721.4	793.7	773.3	881.0	935.2

Financial indicators	2020	2021	2022	2023	2024
Equity ratio, %	41.7	36.7	39.0	35.5	38.6
Return on equity p.a., %	-8.7	-6.9	0.1	1.2	3.0

Investments

The list of our investments is available on our [website](#).

Over the past few years, Finnfund's target markets have been severely impacted by global crises. Despite this, as explained on p. [26](#), following years of a series economic and political shocks, the global economy remained remarkably resilient during 2024. Despite the elevated geopolitical risks, encouragingly, developing, emerging and frontier markets are well poised to become the key driver for global growth in 2025. Finnfund continued to invest actively in developing and emerging markets; in 2024, we took 26 investment decisions with a total value of 226 million euros.

Again, the majority of Finnfund's new financing decisions were allocated to projects with excellent development impact in terms of reducing poverty, combating climate change and adapting to it, fighting biodiversity loss, and improving the position of women and girls.

Africa continues to be Finnfund's primary investment destination, with 38 per cent of the decisions and 31 per cent of the monetary value. Asia comes second, with approximately 35 per cent in terms of the number of decisions and 43 per cent in terms of monetary value. The remaining share, about 27 per cent of the decisions worth 26 per cent of the monetary value, was allocated to other continents or international projects.

Of the financing decisions, 10 involved loans, accounting for about 52 per cent of the monetary value of the decisions. Of the projects that were approved, 15 were equity investments or mezzanine financing, which, when calculated in euros, accounted for 41 per cent of all approved projects. One investment decision was made with regard to a private equity fund, accounting for about 7 per cent of the monetary value of the decisions.

In line with our strategy to triple our impact, we kept investing in low-income countries. In terms of number, 27 per cent (7 pcs), and in terms of volume, 24 per cent (EUR 53 million) of new investment decisions targeted the least developed countries. For lower-middle-income countries, the number of decisions was 50 per cent (13 pcs) and the volume was 53 per cent (EUR 116 million); and for upper-middle-income countries, the figures were 23 per cent (6 pcs) and 23 per cent (EUR 50 million), respectively.

The profit for 2024 was 10,692,969.01 euros.

With regard to the expansion of the financing base, OP Finnfund Global Impact Fund I continued to invest alongside Finnfund. Finnfund also invites institutional and private investors to become direct co-investors. In 2024, we also began

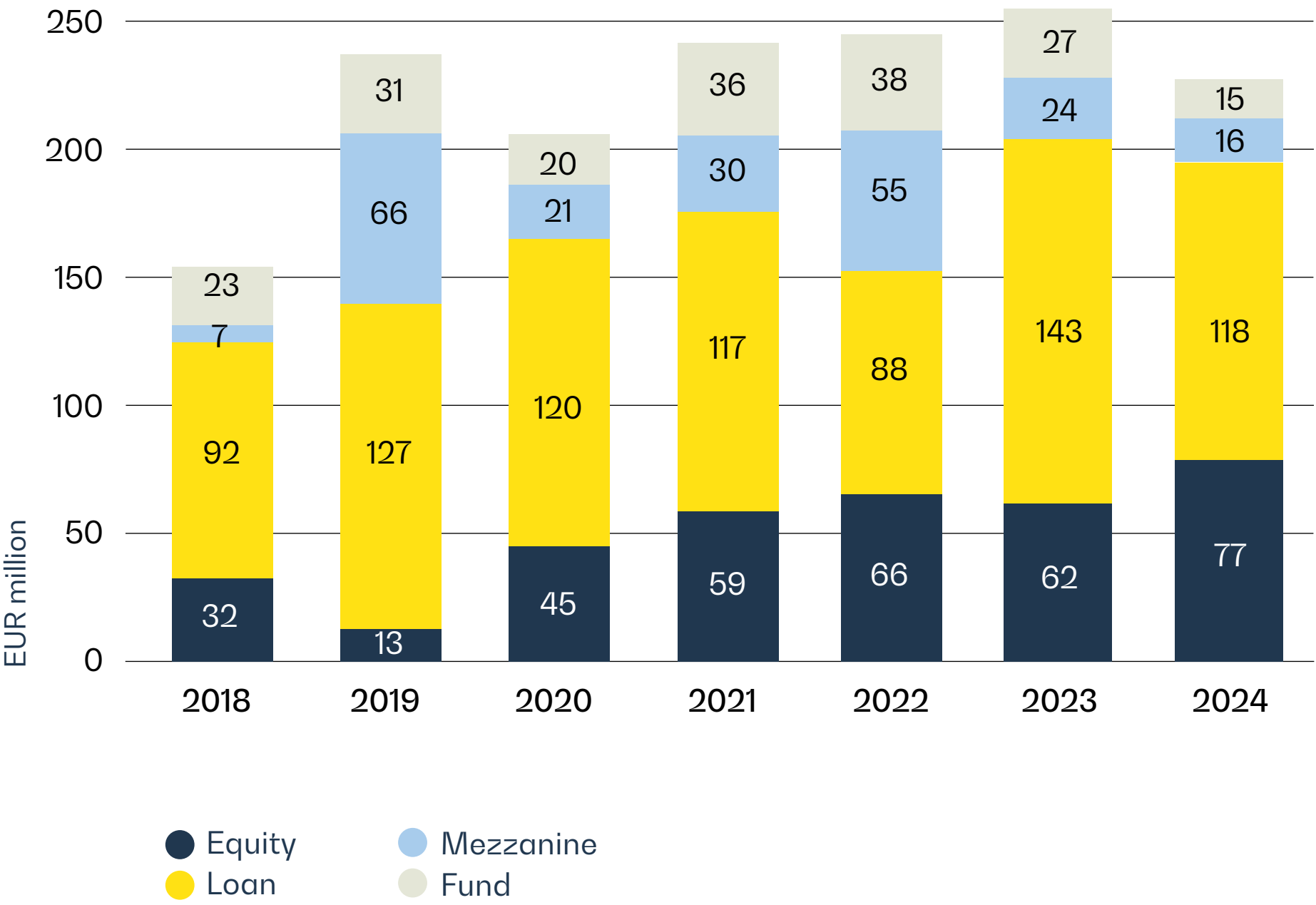
establishing the Finnfund Digital Access Impact Fund, a new private equity fund managed by Finnfund aimed at institutional investors (p. [33](#)).

In 2024, disbursements for investments totalled 151 million euros, and undisbursed commitments at the end of the year totalled 268 million euros. In addition, 156 million euros was tied up in investment commitments that had not yet progressed to the agreement stage. Of the disbursements during the 2024 financial year, a total of 45 million euros is considered official development assistance (ODA) by the Finnish State (p. [25](#)).

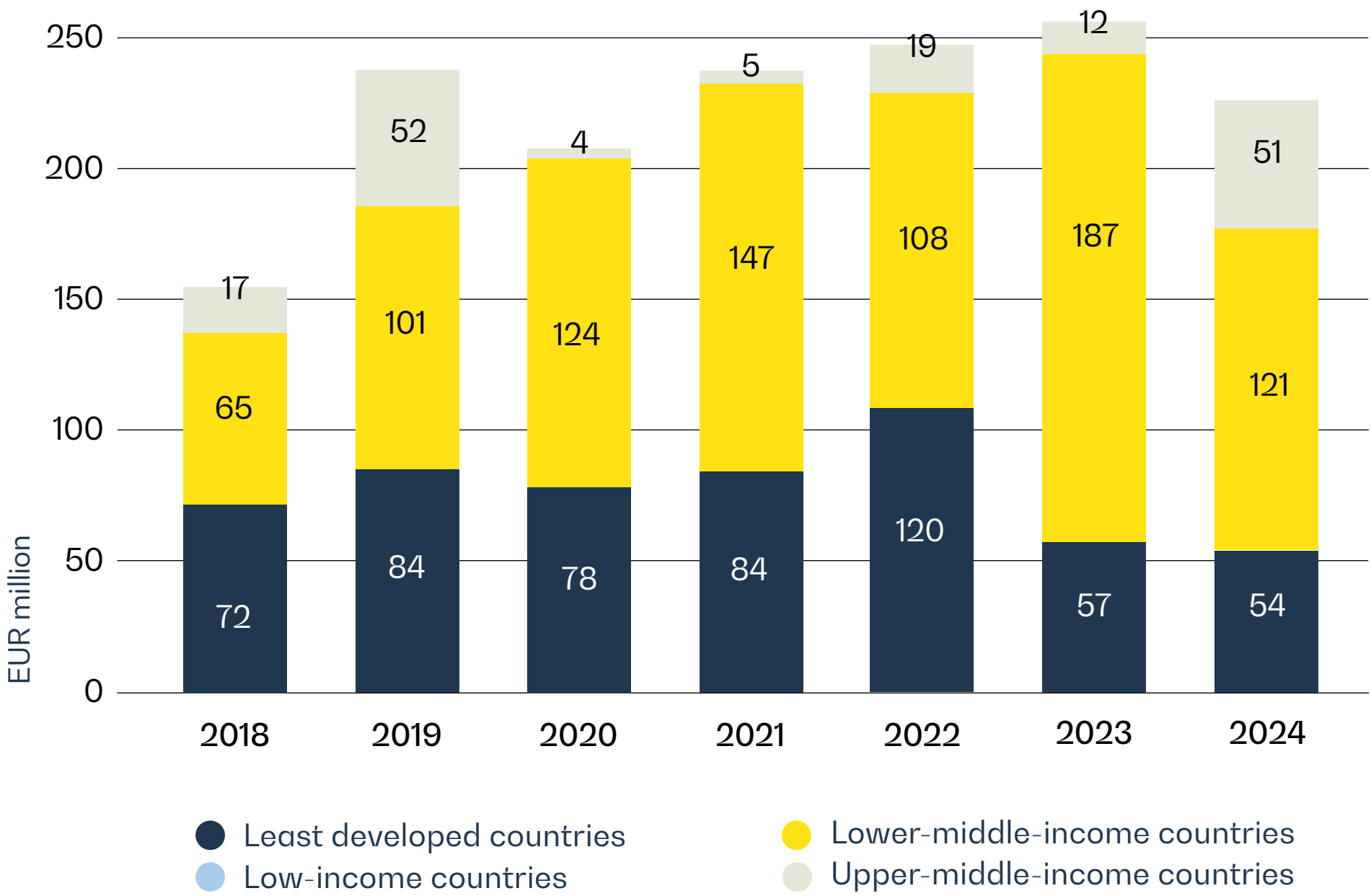
At the end of 2024, Finnfund's portfolio comprised 161 investees. Some of these were new investments in existing projects. Finnfund's investments, commitments, and investment decisions total 1.3 billion euros.



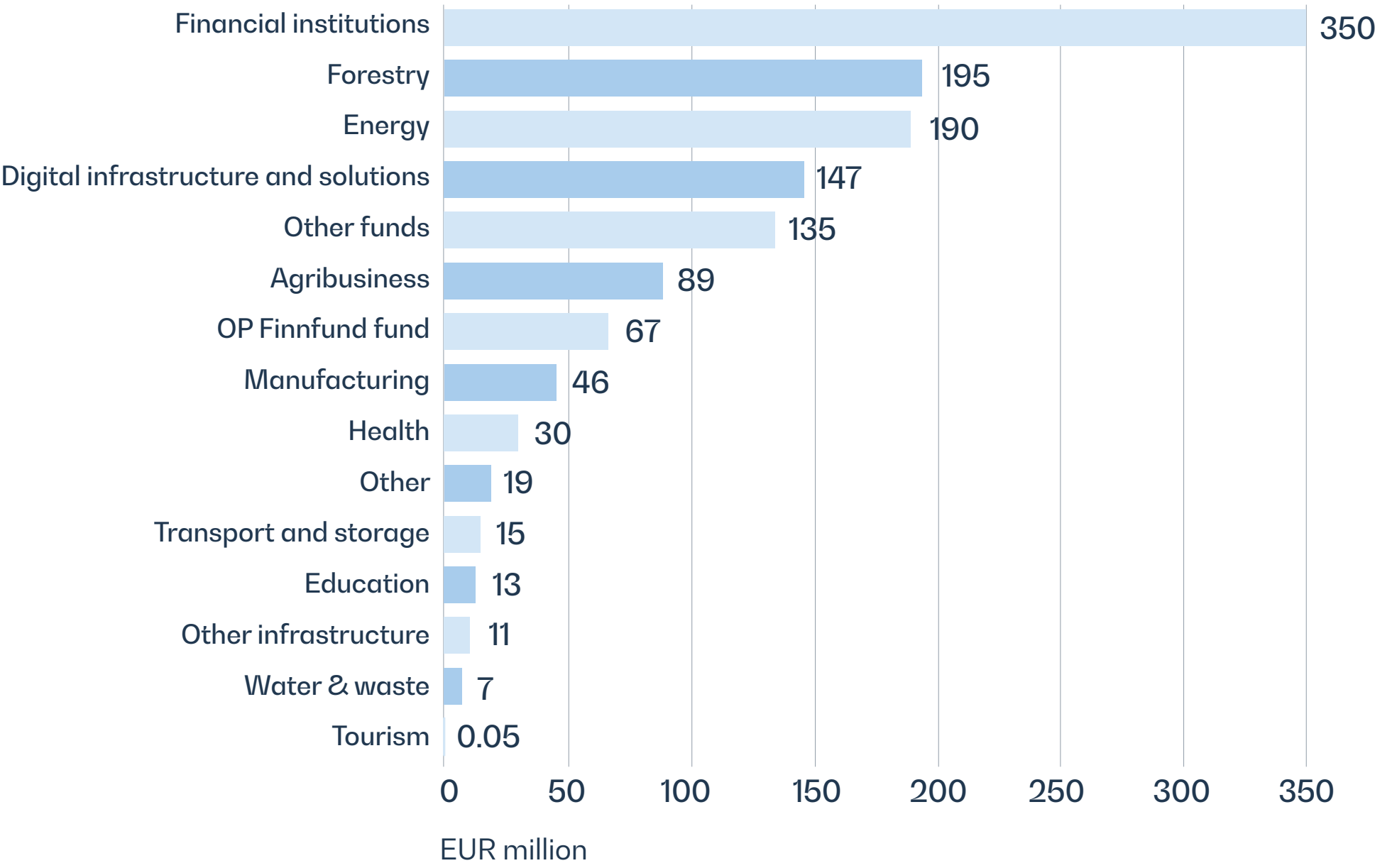
Annual investment decisions by instrument EUR million



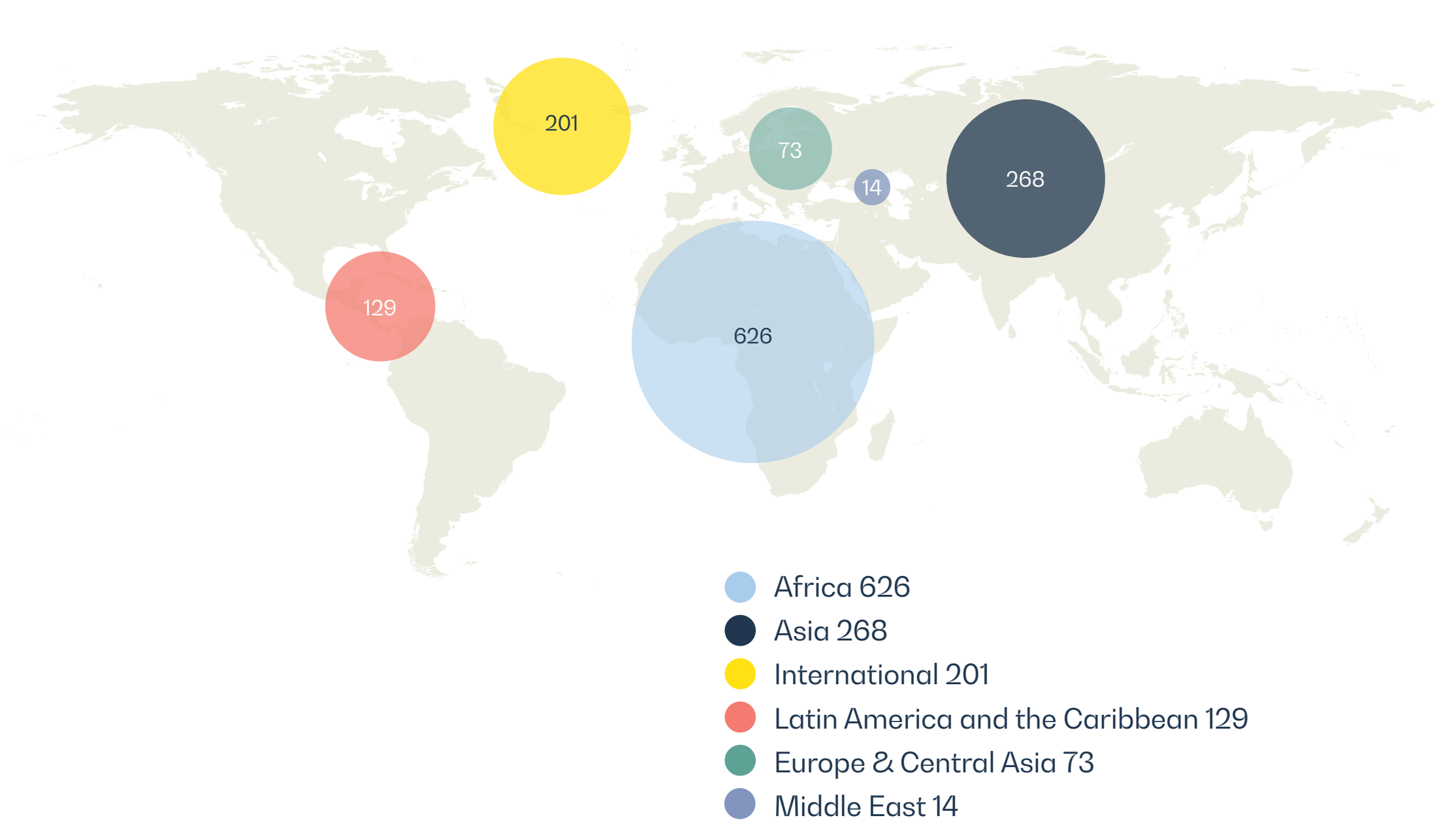
Annual investment decisions by country category (OECD, DAC) EUR million



Portfolio and undisbursed investment decisions and commitments by sector (total EUR 1.3 billion), 31 December 2024



Portfolio and undisbursed investment decisions and commitments (EUR million) on 31 December 2024, geographical distributions (total EUR 1.3 billion)





INSIGHT

Moving ahead

“Despite the volatility both in our core market and globally, we achieved good results. Our portfolio, commitments, and investment decisions reached 1.3 billion euros, and we made 26 new investment decisions worth 226 million euros, with great potential for positive development impacts.

One of the highlights of the year was the exit from Lake Turkana Wind Power, the largest wind farm in Africa. This investment exemplifies how a development financier such as Finnfund can play a crucial role in making large-scale projects happen, ultimately creating a successful company and generating critically needed renewable, domestic energy (p. 38).

However, the world is changing, and so are we. In 2024, we worked on updates to our strategy (p. 19). We commit to solidifying our role as a technology-driven impact investor and doubling our investments in digital technology by 2027. This ambition was already

reflected in our new investment decisions last year, with over 40 per cent aimed at supporting digitalisation across sectors. In 2024, we also began establishing the Finnfund Digital Access Impact Fund, a new private equity fund managed by Finn-fund, focusing on digital infrastructure and solutions, and aimed at institutional investors. We secured the anchor investment from the Finnish Ministry for Foreign Affairs in autumn, and we are currently fundraising with the first close targeted before summer 2025 (p. 33).

Digitalisation can play a significant role in sustainable and inclusive local growth while also fostering other positive societal impacts, such as narrowing the gender gap (p. 33 and 90). Promoting digitalisation aligns with another of our priorities: enhancing added Finnish business value in our investments. There is a lot of diverse expertise in digital technology in Finland, which could be very useful in many developing markets.

Finnish expertise is also strongly evident in forestry, which remains one of our key sectors and areas of expertise. Climate change and biodiversity loss are among the greatest challenges of our time, and we strongly believe that innovative companies and smart investors have an integral role to play. In our strategy, we commit to allocating half of all new investments to climate and nature and pushing for new innovative investment frameworks and vehicles, such as the Planetary Boundaries Investing Framework (p. 88).

Following our strategic focus and the funding facility targeting Ukraine (p. 19), our team has put significant effort into finding investable projects in the country, focusing on local growth and the agriculture and energy sectors. Stay tuned, as our investment teams have truly put their boots on the ground, and we expect to sign new investments in Ukraine in 2025.”



Hanna Loikkanen
Chief Investment Officer

How and where
Finnfund invests

Finnfund invests in sustainable businesses that generate a measurable development impact in developing countries. We require all our investment projects to be economically viable, as well as environmentally and socially sustainable, and to generate a measurable development impact in their countries of operation. We vet each investment at the outset against Finnfund’s sustainability criteria (p. 56). Our financing is always on market terms.

We tailor our financing to the needs of each investee. It can be equity, mezzanine financing, or debt. We put special emphasis on sectors critical to sustainable development, namely clean energy, forestry and agriculture, financial institutions, and digital infrastructure and solutions (p. 30). We can also invest in other sectors when projects meet our requirements and are aligned with our strategy.

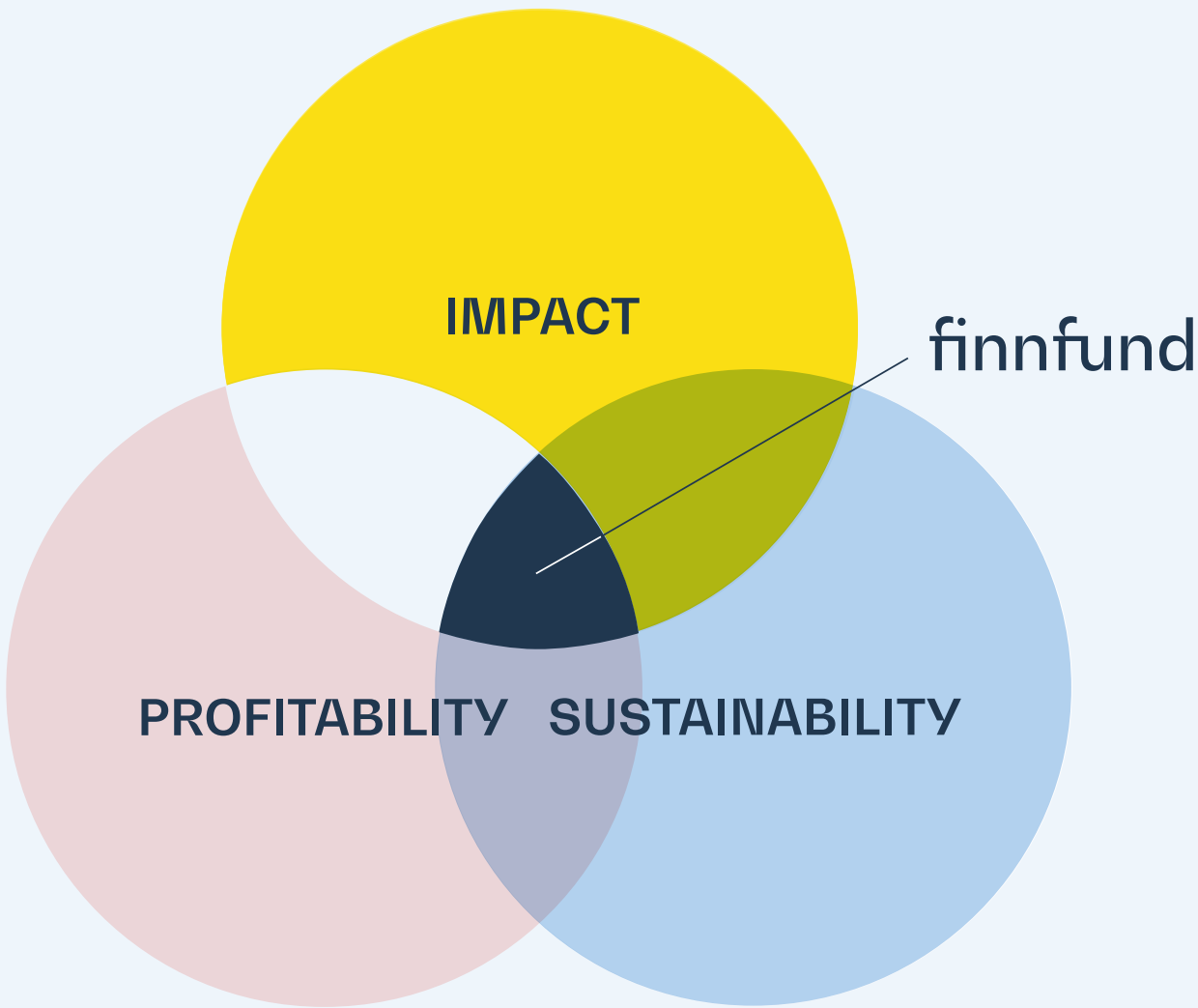
The majority of Finnfund’s investments are made directly in companies operating in developing countries. Besides such direct investments, we can make indirect investments through funds (p. 42). Additionally, Finnfund finances banks and financial institutions. Funds and financial institutions complement direct investments by mobilising risk financing for smaller businesses and projects in fragile countries, which often have no access to financial services. The financial institutions funded by Finnfund often focus on serving small and medium-sized enterprises, small-scale infrastructure projects, family businesses, or households. Well-managed funds can also provide companies with other types of support, such as expertise related to the industrial sector or environmental sustainability.

We advance Finnish development policy interests. We are happy to invest in projects involving co-operation with Finnish companies, but this is not a precondition of investment (p. 43).

In addition, we cooperate with Finnish and international investors, aiming to mobilise more funding for sustainable development and climate action. This is also an integral part of our new strategy (p. 19).

Read more about our investment process on [our website](#).

Finnfund has three criteria for all investments: impact, profitability and sustainability.



Strategy and targets

Finnfund's strategy was updated in 2024 to meet the expectations of our owners and to address the emerging needs arising from the changing operational environment.

Renewing the strategy

As further explained on p. [23](#), the new ownership steering memorandum, set for the electoral period 2024–2027, highlighted new priorities, which were immediately taken into account in operational guidance for 2024. In particular, this was reflected in the emphasis on Finnish business interests throughout Finnfund's operations and in broadening the focus from the least developed countries to middle and lower-income countries.

In addition, the memorandum outlines that 40 per cent of new investment decisions should be targeted at digital infrastructure and solutions, and investments in Ukraine must be increased to a value of at least 25 million euros by the end of 2025. For invest-

ments in Ukraine, Finnfund received a new loss compensation commitment for special risk financing of 20 million euros.

Simultaneously, a review of the strategy was launched. To support the process, Finnfund carried out a stakeholder survey to collect ideas and feedback from both internal and external stakeholders (p. [51](#)). The new strategy was approved by Finnfund's Board of Directors in December 2024. In addition to the themes mentioned above, it also guides Finnfund to mobilise even more private and institutional money for its investments (p. [21](#)).

Despite the change in focus, the 2024 results are well aligned with the objectives of the previous strategy, which targeted the year 2025. The three strategic objectives were to double our impact by 2025, mobilise private funding to finance 50 per cent of Finnfund's investments in 2030 through private equity, and maintain a net negative portfolio carbon footprint.

Finnfund's new strategy also emphasises the reconstruction of Ukraine. **Pauliina Halonen**, Senior Investment Manager at Finnfund, visited a potential investment in Ukraine in autumn 2024.

Photo: Finnfund



finnfund

Strategy 2024 - 2027

MISSION

We build a sustainable future and generate lasting impact by investing in businesses that solve global development challenges with Finnish added value.

ENABLERS

- ▶ Build partnerships and mobilise private capital
- ▶ Attract world-class talent
- ▶ Prioritise profitability and efficiency



KEY STRATEGIC GOALS

Established role as a technology-driven impact investor

- ▶ Double investments in digital technology

Climate and nature driving Finnfund's investments

- ▶ Half of new investments in climate and nature

Spur growth, decent jobs and livelihoods

- ▶ Grow local impact by one-third

People and the planet

Finnfund's mission is to build a sustainable future and generate lasting impact by investing in businesses that solve global development challenges with Finnish added value. Our vision is that people and the planet are at the core of every investment decision.

Finnfund's vision is at the heart of our strategy. As a development financier, we drive sustainable and profitable growth in emerging and developing economies. This strategy emphasises the opportunities of digitalisation and technology as catalysts for positive change and development, climate change mitigation and adaptation, the significantly changed geopolitical landscape, and the reconstruction of Ukraine.

We are committed to empowering individuals and communities by promoting local jobs and opportunities.

Three strategic goals

To achieve our goals, Finnfund will focus on three key areas and three enablers to fortify our impact globally:

- Established role as a technology-driven impact investor
 - > Double investments in digital technology
- Climate and nature driving Finnfund's investments
 - > Allocate half of all new investments to climate and nature
- Spur growth, decent jobs and livelihoods
 - > Grow local impact by one-third

As explained on p. [26](#), following years of a series of economic and political shocks, the global economy remained remarkably resilient during 2024, and despite the elevated geopolitical risks, encouragingly, developing, emerging and frontier markets are well poised to become the key driver for global growth in 2025.

Many emerging and developing countries are experiencing a digital revolution, creating significant demand for better,

more efficient, and affordable digital infrastructure and solutions. This has also contributed to making digital infrastructure and solutions Finnfund's most rapidly growing sector and one of its key strategic priorities. For example, in 2024, we began establishing a new fund that focuses on digital infrastructure and solutions (p. [33](#)).

At the same time, particularly in Europe, there is an increasing interest in impact investing and sustainable development topics such as climate change mitigation and adaptation, biodiversity and ecosystems (p. [70](#)), human rights (p. [93](#)), and gender equality (p. [90](#)). These are also important elements in the implementation of Finnfund's strategy. In 2024, we worked actively to strengthen our competence and will continue to invest in these themes. For example, we adopted our first nature and biodiversity statement (p. [74](#)).

Mobilising private finance to drive sustainable development is also a key part of Finnfund's mission and strategy. In 2024, with regard to the expansion of the financing base, OP Finnfund Global Impact Fund I continued to invest alongside Finnfund.

In addition, we provide opportunities for Finnish institutional investors to participate as co-investors in Finnfund's investments. We also began establishing a new private equity fund that will focus on digital solutions and infrastructure (p. [33](#)).

In 2024, the Finnish State increased Finnfund's share capital by 35 million euros, of which, as explained above, 25 million euros shall be allocated to Ukraine.

The Africa Connected programme, signed in 2023 between Finnfund and the European Commission under the new Fund for Sustainable Development (EFSD+), kicked off, and the guarantee programme was introduced in four investments. In 2024, we finalised negotiations on four other EU guarantee programmes, together with our European sister organisations and the EDFI Management Company (p. [28](#)).

In line with our strategy, we continued to work actively with our portfolio companies, as well as with other partners and stakeholders. For example, we continued our collaboration with UNICEF on the adoption of UNICEF's Child-Lens Investing Framework (CLIF) (p. [97](#)), and we continued the

development of the Planetary Boundaries Investing Framework together with a Finnish investor. At the same time, a joint investment mechanism was created to allow private investors to participate in loan projects being assessed within the tool.

The progress of the three strategic goals is presented in the table on p. [22](#). You can read more about our strategy on p. [149](#).

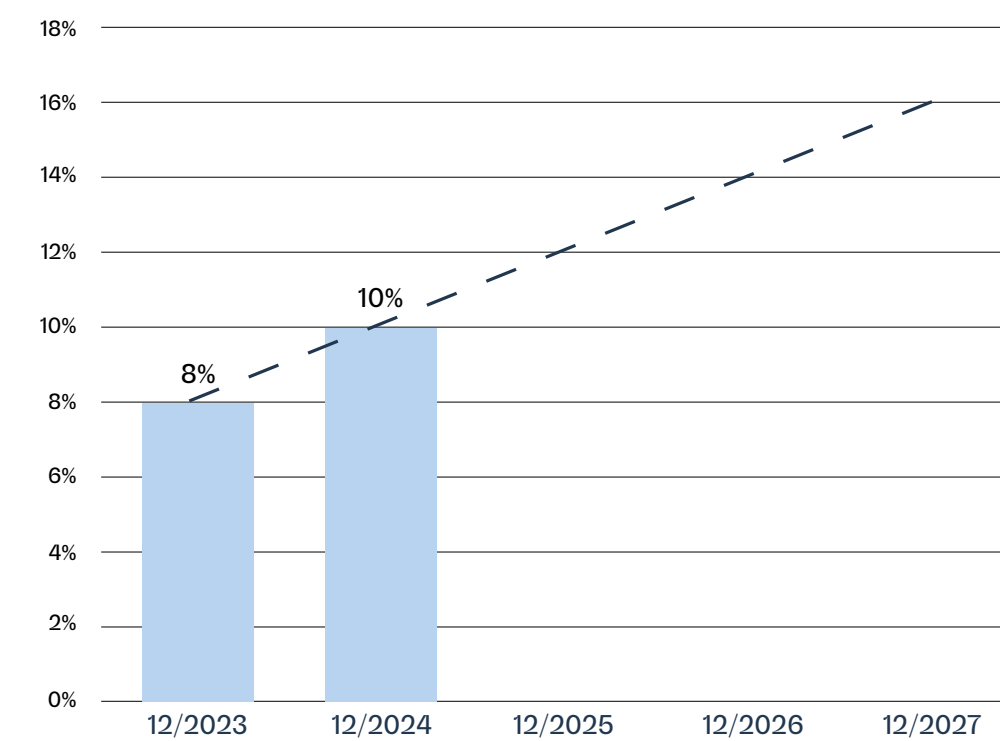
Annual targets set by the Ministry for Foreign Affairs, along with the results, are disclosed on p. [23](#). The ownership steering memorandum can be found on [our website](#) in Finnish.

Three key strategic goals

Progress in strategic objectives is reviewed on an annual basis.

1. Double the share of digital investments in the portfolio

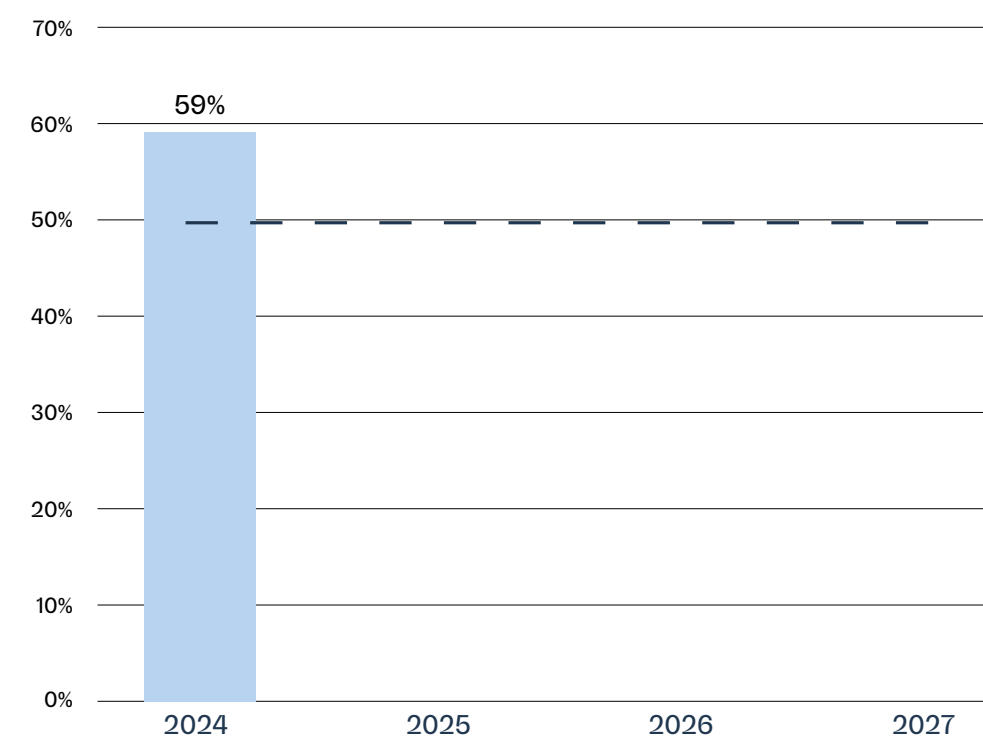
Share of digital investment in the disbursed portfolio at the year end (% , EUR)



Baseline: Year end 2023

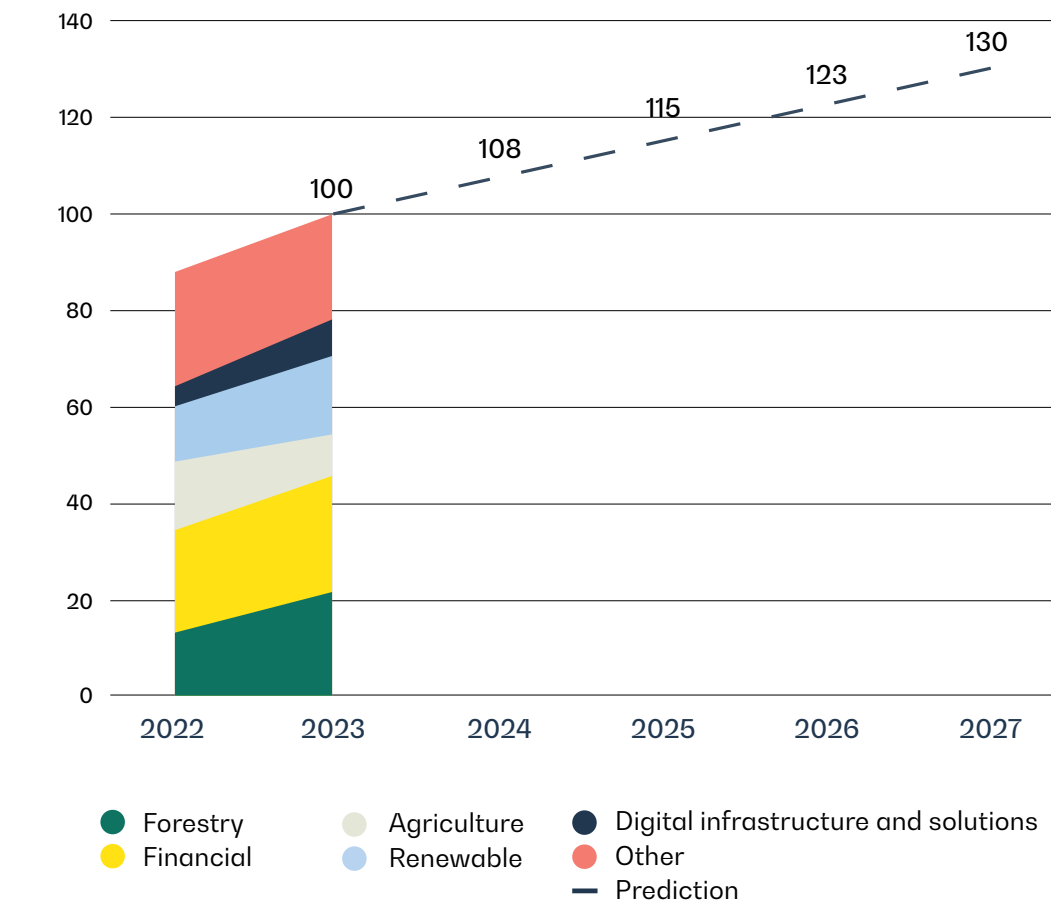
2. Allocate half of all new investments to the climate and nature

Share of climate investments (both mitigation and adaptation) of all new investment decisions (% , EUR)



3. Grow local impact by one-third

Portfolio Impact Index (PII)



Definition: Portfolio-level indicator capturing both portfolio and investee impact growth. Read more on pp. [110-111](#).
Base year: 2023 [2024 data will be available in Q3/2025]

You can find more information on p. [149](#).

Annual targets set by the Ministry for Foreign Affairs

The Ministry for Foreign Affairs is charged with steering Finnfund on the shareholders’ behalf. The Ministry for Foreign Affairs issues a Government Ownership Steering Memorandum, in which it sets Finnfund’s development policy along with financial and operational goals. At the beginning of 2024, it was decided that instead of bi-annual memoranda, the current ownership steering memorandum will cover four years, ending at the end of the current governmental term. Finnfund reports to its shareholders annually at the General Meeting on the achievement of goals.

The memorandum (in Finnish) can be found on [our website](#). The targets and the results for the year 2024 are presented in the following table.

	Indicators	Reference level 2023	Target 2024	Result 2024
1	Jobs generated by investees (direct investments/fund portfolio companies) , of which for women	107,000 direct investments, 168,000 fund portfolio companies 37%	To be reported To be reported	125,000 direct investments, 179,000 fund portfolio companies 37%
2	Number of investees (direct investments/fund portfolio companies) , of which SME companies (number) , of which owned by women (%)	114 companies, 135 fund portfolio companies 46 companies, 83 fund portfolio companies 2% direct investments	To be reported To be reported To be reported	161 companies, 165 fund portfolio companies 39 companies, 70 fund portfolio companies 1% direct investments
3	Number of Finnish companies involved in Finnfund's investments and their share of Finnfund's portfolio (%) (including suppliers, owners, and Finnish investors and service providers)	Number of new investment decisions: 34 Number of new investment decisions with Finnish companies involved: 14 (41% of all new investment decisions) of which - 10 investments with Finnish companies as suppliers, owners, investors, or service providers; - 4 OP Finnfund Global Impact Fund I investments.	To be reported	Number of new investment decisions: 26. Number of new investment decisions with Finnish companies involved as suppliers, owners, investors or service providers: 10 (38% of all new investment decisions), of which - 10 with Finnish companies as suppliers, owners, investors, or service providers; - 1 was also a joint Finnish investment due to being an OP Finnfund Global Impact Fund I investment.
4	Investments in digital infrastructure and solutions of the value of Finnfund's new investment decisions (%)		> 40%	45%
5	Investments in Ukraine of the share of Finnfund's new investment decisions (EUR million) (including companies operating outside of Ukraine (e.g. in Moldova) with development impacts on Ukraine)		Full use of the Ukraine-related loss compensation commitment/value of the investment decisions EUR 25 million by the end 2025	3%

1, 2 Based on the development cooperation performance reporting methodology of the Ministry for Foreign Affairs.
2 Applying the OECD DAC climate markers for investments, whose partial or main objective is to mitigate or adapt to climate change.



	Indicators	Reference level 2023	Target 2024	Result 2024
6	EFSD+ Guarantee provided by the EU to Finnfund (EUR million) (Finnfund's/joint programmes)		To be reported	EUR 100 million
	, of which used (EUR million)		At the end of the agreement 100%	EUR 9.9 million
7	Number of investments promoting gender equality that have met the 2X Challenge criteria	51%	To be reported	74%
8	Climate investments of the value of Finnfund's new investment decisions (%)	39%	To be reported	56%
	, of which for adaptation	31%	To be reported	38%

1, 2 Based on the development cooperation performance reporting methodology of the Ministry for Foreign Affairs.
2 Applying the OECD DAC climate markers for investments, whose partial or main objective is to mitigate or adapt to climate change.

	Indicators	Reference level 2023	Target 2024	Result 2024	Budget 2024
9	Return on equity as a five-year moving average	> 2% -2,9%	To be reported	-2.3%	-2.6%
10	Share of operating costs of the investments assets (including undisbursed decisions, excluding administrative expenses of the Finnpartnership program)	< 2% 1,7%	< 1,8%	1.4%	1.6%

9 Net profit/equity (average for the financial year). (Note that an increase in equity may lead to deviations.)
Although the company does not seek to generate profits for its shareholders, the income from its operations must in the long term at least cover the costs incurred.
10 Personnel and other operating expenses, excl. the expenses of the Finnpartnership business partnership programme divided by the sum total of investment assets and undisbursed commitments. A broad portfolio (note that an increase in equity may lead to deviations.)



Finnfund and official development assistance

Finnfund is a special purpose entity in which the State of Finland has a majority holding, and Finnfund’s operations contribute to Finland’s official development assistance (ODA), including the official climate finance provided by the State of Finland (p. [70](#)).

Official development assistance (ODA) is defined as government aid that promotes and specifically targets the economic development and welfare of the developing countries listed by the Development Assistance Committee (DAC) of the OECD (Organisation for Economic Co-operation and Development). These financial flows mainly consist of grants, concessional loans, and other flows in the form of, for example, equity and guarantees. Hence, Finnfund’s debt financing on market terms is not considered to be ODA.

A revised method for measuring ODA

In 2024, the OECD revised the method of measuring the ODA donor effort in private sector instruments (PSI) to enhance transparency and consistency, and to improve comparability across donors and monitoring and review mechanisms.

For Finnfund, the new method mostly affects the way ODA is measured for equity and equity-like mezzanine investments. While the previous method was based on cash flows, and the ODA donor effort was derived from invested capital with deductions for dividends and sales proceeds upon exit, the new revised method attempts to capture the donor effort, ex-ante, by utilising historical data for expected maturity and returns. In practice, this means that while the

final ODA could not previously be measured before the time of the exit, it can now be measured at the time of the initial investment.

Finnfund’s ODA for 2024 was 44.8 million euros.



The resilience of the global economy tested yet again

Following years of a series of economic and political shocks, the global economy remained remarkably resilient during 2024. Inflation eased across most major economies, and this paved the way for major central banks to start easing their policy rates, providing much-needed relief for consumers and businesses around the world. While economic performance has been largely uneven across countries, most major economies around the world managed to avoid a recession through the disinflationary episode in 2024.

Despite a slight moderation, growth in emerging Asia remained strong in 2024 and outperformed most other regions globally. Specifically, many of our key markets in the region, such as Vietnam, Indonesia, and the Philippines, capitalised on rising demand for their exports as

external conditions improved, while India reinforced its status as the world’s fastest-growing major economy, driven by strong consumer spending and significant public investment.

After a period of limited activity, 2024 saw a notable return for some of our key Sub-Saharan African markets to international financing. For example, Eurobond issuances in seven countries across the region (Angola, Benin, Cameroon, Cote d’Ivoire, Kenya, Nigeria, and Senegal) totalled 12.5 billion US dollars for the year – largely at highly oversubscribed levels – in an indication that investor demand has begun to return to the region. Moreover, growth accelerated in 30 of 54 African economies over the course of 2024, largely on account of strong performance in agriculture, tourism, and mining activities.



“Despite the elevated geopolitical risks, encouragingly, emerging and frontier markets are well poised to become the key driver for global growth in 2025. In the longer term, favourable demographics, increased urbanisation, and large gaps in infrastructure and digitalisation will continue to create attractive opportunities for investors in the region.”

Kristiina Karjanlahti
Chief Economist

Changes in US policy have impacted prospects across many Finnfund markets

Although the global economy was poised to improve further in 2025, the abrupt (and large) shifts in US policy in the first quarter of 2025 – as we were writing this report – pose a unique set of challenges. The withdrawal in US development assistance, together with a flurry of tariff announcements (and counter-responses from its major trading partners), has raised uncertainty significantly and will lead to slower-than-expected growth in 2025. These developments come on the back of what was already a fragile geopolitical landscape.

While many of our markets in South-east Asia (such as Indonesia, the Philippines, and Vietnam) are particularly exposed to the rise in trade risks, we expect the long-term growth outlook to

remain attractive as strong external buffers, favourable policy reforms, and a growing middle class provide support.

Moreover, we expect India’s large domestic economy to somewhat insulate itself against external uncertainty. Encouragingly, recent developments suggest that India could potentially benefit from the volatile trade landscape as its favourable relations with the US encourage multinational firms to relocate their supply chains away from China to the Indian market.

The outlook in Sub-Saharan Africa has been negatively impacted by withdrawal in US official development assistance, commodity price volatility, and slowing global growth. The impacts from these developments (and growth prospects) also vary significantly across the region. Our larger markets in East Africa (Rwanda, Tanzania, Kenya, Ethiopia) as well as in parts of West Africa (Senegal, Cote d’Ivoire, Benin) remain poised to

experience growth above five per cent this year, given their relative level of economic diversification and low reliance on trade with the US.

In the longer term, favourable demographics, increased urbanisation, and large gaps in infrastructure and digital-

isation will continue to create attractive opportunities for investors in the region. Improvements are also expected in Ghana, as it continues to re-establish macroeconomic stability, as well as in Zambia and Zimbabwe, as they recover from severe droughts experienced in 2024.

India is among the markets that can potentially benefit from the current volatile trade landscape. One of our investments in India is Fortum Charge and Drive India, which is developing a network of charging points in major cities across the country. Watch a [video](#) about their work or read about some of our other investments in India on pp. [44](#) and [123](#). Photo: Finnfund



EFSD+ enables risk-sharing for Finnfund's investments in EU priority areas

Finnfund is one of the partners of Global Gateway, a European strategy to boost smart, clean and secure links in the digital, energy and transport sectors and to strengthen health, education and research systems across the world. The strategic partnership, based on a shared vision, plays an integral role in Finnfund's ability to mobilise funding for innovative businesses in the European Union's (EU) partner countries.

In practice, this means, for example, EU guarantees that Finnfund can utilise for its investments. The guarantees can be accessed via specific programmes, each with its own sectoral and geographic focus, drafted jointly with the EU. The guarantees are a part of the European Fund for Sustainable Development Plus (EFSD+). All guarantees are also accompanied by technical assistance (TA), a form of financial

support used to create more impactful and bankable projects.

The guarantees enable Finnfund to mobilise capital to address the joint priorities of the EU and Finnfund, and moreover, to invest in locations and projects where sustainable financing is most acutely needed.

In 2024, we took significant steps to further strengthen our cooperation with the EU. We made the first investments under Africa Connected, a bilateral EFSD+ programme between Finnfund and the European Commission. Launched in 2023, Africa Connected promotes investments in digital infrastructure and solutions in Sub-Saharan Africa, addressing the significant coverage and usage gaps encountered in most African countries. Improvements in digitality enable better opportunities for education, employ-

ment, and entrepreneurship, and promote financial inclusion and gender equality. You can read more about our investments on pp. [29](#), [54](#) and [122](#).

We also finalised negotiations on four other EU guarantee programmes, which will provide more than one billion euros of guarantee coverage for investments in the financial, agro-forestry, and renewable energy sectors, as well as cross-sectoral value chains. These four guarantee programmes are utilised jointly with our European sister organisations through the EDFI Management Company. At the end of 2024, two of these programmes were already in use: [Carbon Sinks](#), and MSME+.

Read more on our [website](#).



CASE

Cassava’s digital infrastructure fosters connectivity in Sub-Saharan Africa

“Africa, with a population of approximately 1.4 billion, of which 60 per cent are under the age of 25, is in the middle of a digital revolution. Internet usage is growing fast, and it is important that the digital infrastructure is able to meet the growing need. This investment is a good example of how combining the funding and expertise of different actors can support the development of a strategically important industry”, says **Niklas Simola**, Investment Manager at Finnfund.

In December, Finnfund, together with the U.S. International Development Finance Corporation (DFC) and Google LLC, announced an initial equity investment of 90 million US dollars in Cassava Technologies Limited. Finnfund’s commitment is 15 million US dollars.

Cassava is a market-leading and diversified information and communications technology (ICT) platform in Africa. Operating in

over 30 countries, Cassava provides digital infrastructure and digital solutions to mostly enterprise and hyperscale customers across Africa, with its primary operations in broadband connectivity, co-location (data centres), cloud, cyber-security, and payment solutions.

The equity investment round supports Cassava’s effort to expand its digital infrastructure and enhance connectivity across the continent, connecting millions of individuals and businesses to the internet.

“The investment by DFC, Google, and Finnfund will further support the roll-out of our digital infrastructure and digital services across Africa. This, together with support from our existing shareholders, is a validation of our vision of becoming the leading digital solutions provider in our chosen markets and cements our position as the largest technology

company in Africa”, says **Hardy Pemhiwa**, President and Group CEO of Cassava Technologies.

Finnfund’s investment is part of our Africa Connected programme and made with support from the European Union and the European Fund for Sustainable Development Plus, one of the financing tools of Global Gateway (p. 28).

Read the [full article](#), or learn more about the investment on [our website](#).

Name: **Cassava Technologies**
Country: **Africa**
Investment year: **2024**
Sector: **Digital infrastructure and solutions**



Liquid Intelligent Technologies, part of Cassava Technologies, launched the Gaborone Metro Ring in Botswana, empowering businesses and economic growth. Photo: Cassava Technologies



Five key sectors

Each year, Finnfund invests 200–250 million euros in 20–30 projects with a special emphasis on sectors that are critical to sustainable development and where the private sector can play a crucial part: namely, renewable energy, forestry, agriculture, financial institutions, and digital infrastructure and solutions.

We have created Theories of Change for each of these sectors, to guide our impact thinking. Theories of Change, or impact pathways, describe how our financing and other inputs lead to changes in a company’s performance, generating direct, indirect, and wider economic, social and environmental impacts.

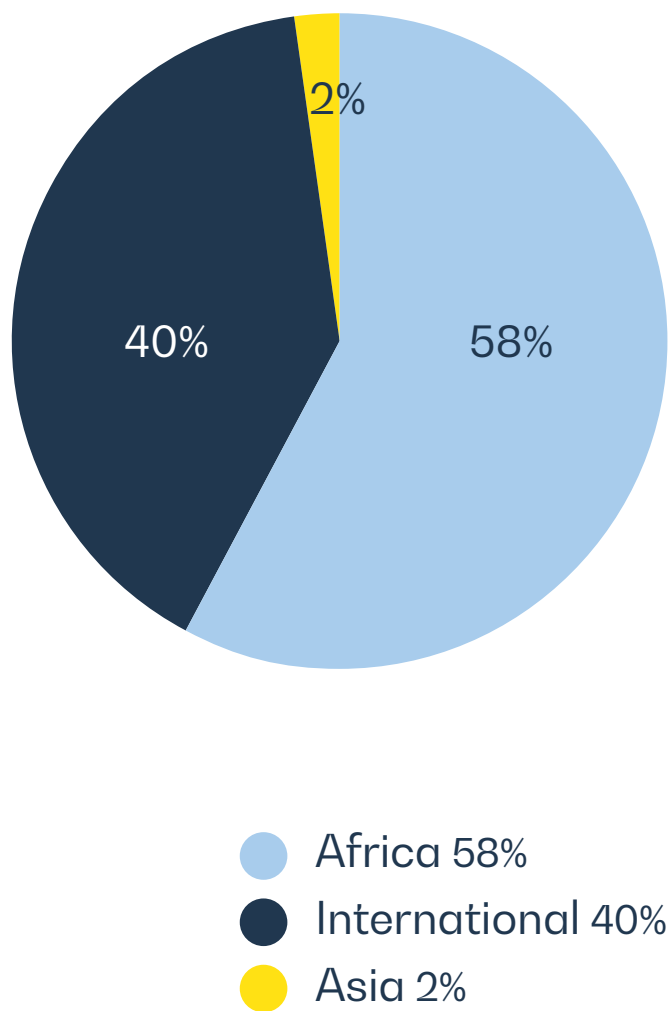
In addition to these five key sectors, we also invest in other areas relevant to sustainable development, whenever they match our investment strategy and meet our requirements.

Digital infrastructure and solutions

Digital infrastructure and solutions is Finnfund’s most rapidly growing sector and one of the key strategic priorities (p. [19](#)). Finnfund invests in commercially attractive high development impact businesses within the digital value chain of emerging and developing markets, focusing, in particular, on rural connectivity, improving existing infrastructure to enable high-speed and affordable internet, and technologies that promote digital and financial inclusion.

Infrastructure investments are needed to enable access to basic mobile services and to more affordable and higher-speed internet connections in developing countries. Digital solutions increase productivity and improve access to products and services. This all contributes to inclusive growth. Increasing digital connectivity not only supports eco-

Digital infrastructure and solutions portfolio and commitments, on 31 December 2024, geographical distribution (EUR 81.4 million)



nomic growth but also facilitates inclusive access to critical services in finance, education, and health, and provides possibilities for small businesses to connect with global value chains.

Digital technology also presents an opportunity to narrow the gender gap by enhancing access to welfare services, identification and financial services, and information. This can lead to increased privacy, bargaining power, household welfare, and female labour force participation.

At the end of 2024, Finnfund's investments (portfolio and commitments) in this sector were worth 81.4 million euros, representing approximately seven per cent of our portfolio. The majority of the investments were in telecommunications and information technologies, fintech, and information and communication solutions. In 2024, Finnfund began preparing a new fund focused on digital infrastructure and solutions, and aimed at institutional investors: the Finnfund Digital Access Impact Fund (p. [33](#)).

Read more about the impact on p. [112](#).



“Many emerging and developing countries are experiencing a digital revolution, creating a significant demand for better, more efficient, and affordable digital infrastructure and solutions. Consequently, this sector is one of our main focuses and a strategic priority, and we aim to substantially increase its share, and to offer other investors the opportunity to participate, for example, through initiatives such as the Finnfund Digital Access Impact Fund.”

Kuutti Kilpeläinen
Senior Investment Manager,
Head of the Digital Infrastructure
and Solutions portfolio



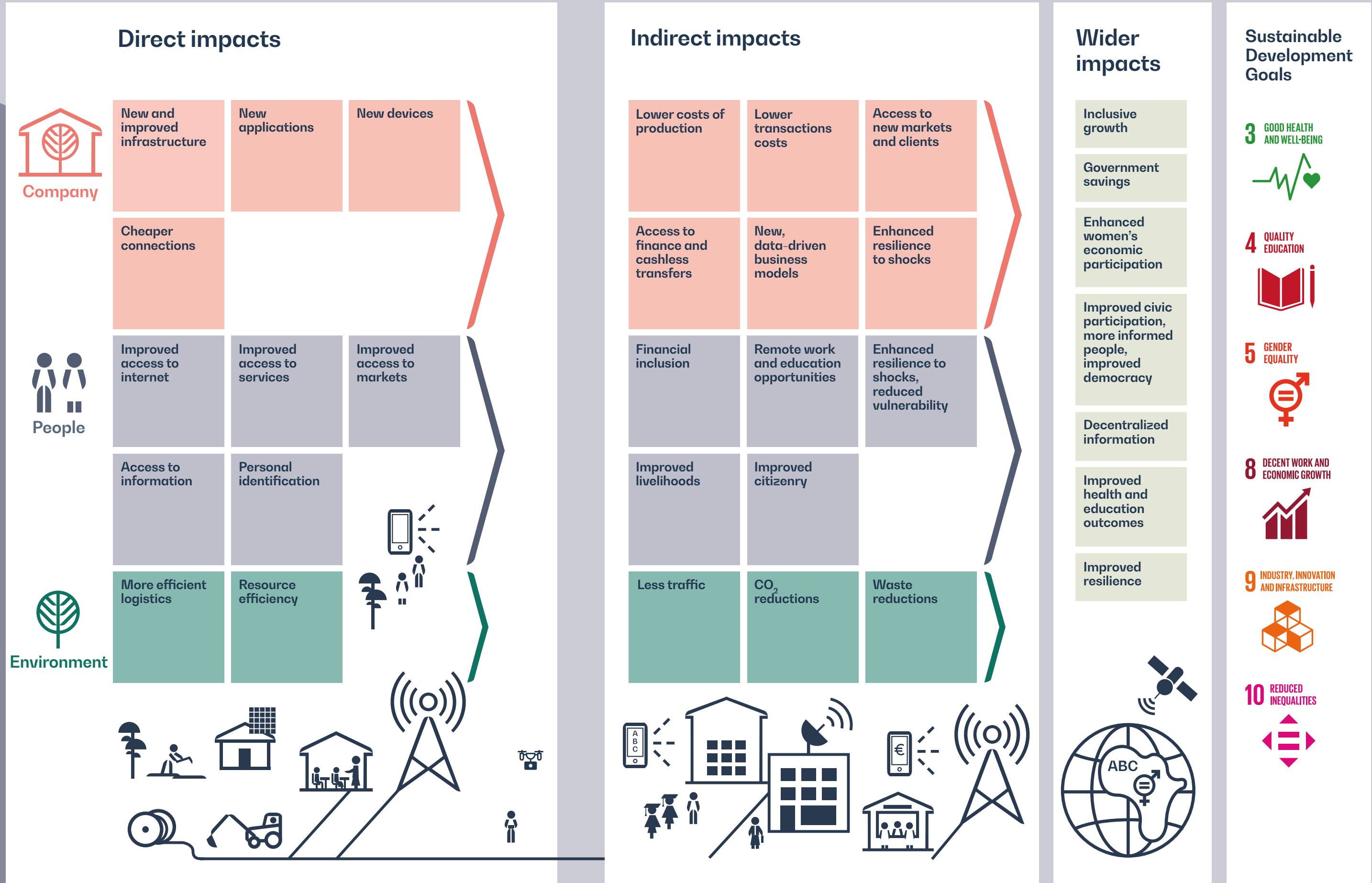
Our Theory of Change (ToC) for digital infrastructure and solutions

finnfund

- financing
- expertise and responsible practices
- mobilization of funding



Financing for Digital infrastructure and solutions





New fund initiative:
Connecting the unconnected

In 2024, Finnfund begun establishing a new private equity fund aimed at institutional investors.

The Finnfund Digital Access Impact Fund is an equity fund focused on digital infrastructure and solutions in emerging and frontier markets. The investments are targeted towards the regions and digital subsectors with the most attractive risk-return potential while focusing on creating positive social impact. In addition to financial return, the fund aims to increase digital, financial, and gender inclusion with its investments. The fund will meet the criteria for Dark Green Funds, according to Article 9 of the European Sustainable Finance Disclosure Regulation (SFDR).

The persistent challenges in the digital sector in emerging and frontier markets present a clear investment opportunity

for impact-minded investors. Digital infrastructure is the critical backbone of modern societies, but about a third of the global population still lacks access to essential digital services.

The fund’s investments will aim to bridge this digital divide by:

- Closing the **coverage gap** and connecting the unconnected, especially in rural areas and unserved or underserved communities.
- Closing the **usage gap** by promoting affordability and enabling reliable, affordable, and meaningful internet access for all by improving critical infrastructure.
- Promoting **meaningful access and digital, gender, and financial inclusion** by investing in scalable high-impact technology solutions.

The initiative contributes, for example, to Finnfund’s strategic goal of doubling

its investments in digital technology, and mobilising private finance to drive sustainable development (p. 19).

At the time of writing this report, the Finnfund Digital Access Impact Fund was fundraising and aimed to be launched in 2025.

Read more on [our website](#).

Read more
in this blog post by
Juho Uusihakala and
Kaisa Alavuotunki
on our [website](#).



“Today, more than two-thirds of the global population is online, and the number of people using the internet increases rapidly every year. However, to maximise the impact of connectivity on societies and the economy, digital connectivity must be universal and meaningful. For this to happen, three gaps or divides need to be closed: the coverage gap, the usage gap, and the quality gap.”

Juho Uusihakala
Senior Development Impact Adviser



Forestry

Forestry has long been one of Finnfund’s key sectors, and it has a key role in our climate ambition and climate action (p. [70](#)).

Forests are vital for our well-being – and survival – at both global and local levels. They play a key role in the fight against climate change and biodiversity loss. Forests sequester approximately one third of the carbon emissions stemming from the use of fossil fuels.

In addition, forests prevent erosion, help maintain clean water supplies, and provide many sources of well-being for local communities. Sustainably managed forests also bring jobs, services, and prosperity to people living in remote rural areas. However, rapid deforestation, particularly in many parts of Africa and Latin America, is diminishing global forest cover at an alarming rate.

A large majority of the forests managed by our investee companies have been certified by the international Forestry Stewardship Council (FSC®) as being socially and environmentally responsible and sustain-

able. This means, for example, that the companies must preserve at least 10 per cent of a forested area. In the case of Finnfund investees, the share of protected forest is often considerably higher.

At the end of 2024, our investments in forestry (portfolio and commitments) were worth 178.2 million euros, which represented approximately 15 per cent of the total portfolio. Finnfund’s forestry investments include, for instance, plantations, sawmills, and other wood-processing facilities. In 2024, industrial production received a significant boost with the full operational launch of Miro Forestry’s plywood production facility in Sierra Leone, complementing their existing factory in Ghana (p. [104](#)).

We also concluded negotiations on the EU guarantee programme Carbon Sinks, in collaboration with our European sister organisations and the EDFI Management Company (p. [28](#)). This programme enables us to utilise EU guarantees for investments in projects that reduce greenhouse gas emissions, such as those in forestry and regenerated agriculture. The first invest-

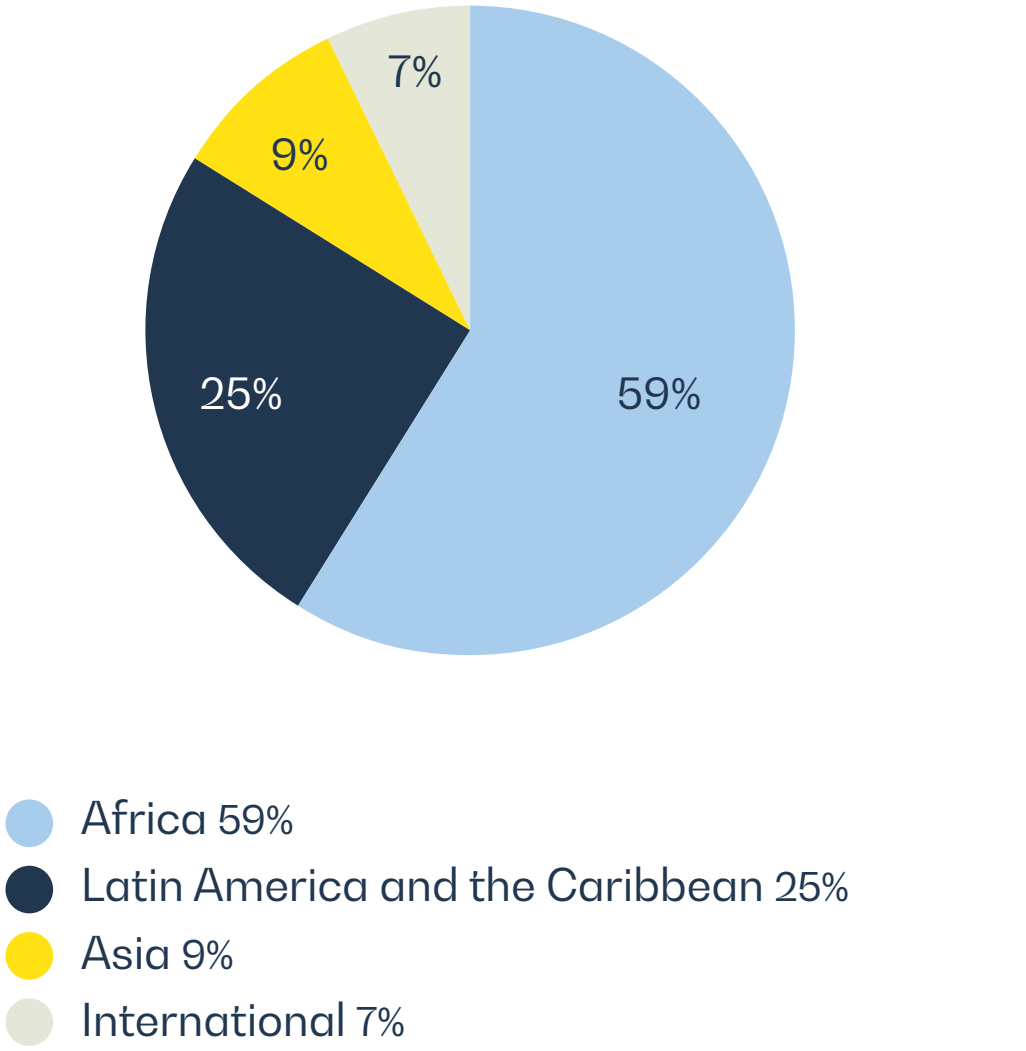
ments under this programme was announced in March 2025, just before the publication of this report (pp. [45](#) and [56](#)).

During the year, the Planetary Boundaries Investing Framework was also developed together with a Finnish investor (p. [88](#)). The first joint investment is expected to take place in 2025.

One of the highlights of the year was also the creation of Tausi Forest Limited, a joint venture between our investee company The New Forests Company (NFC) and Shell Nature Based Solutions, aiming to expand NFC’s current timber plantations and to launch new afforestation, reforestation, and restoration projects in East Africa.

Read more about the impact on p. [113](#).

Forestry portfolio and commitments, on 31 December 2024, geographical distribution (total EUR 178.2 million)



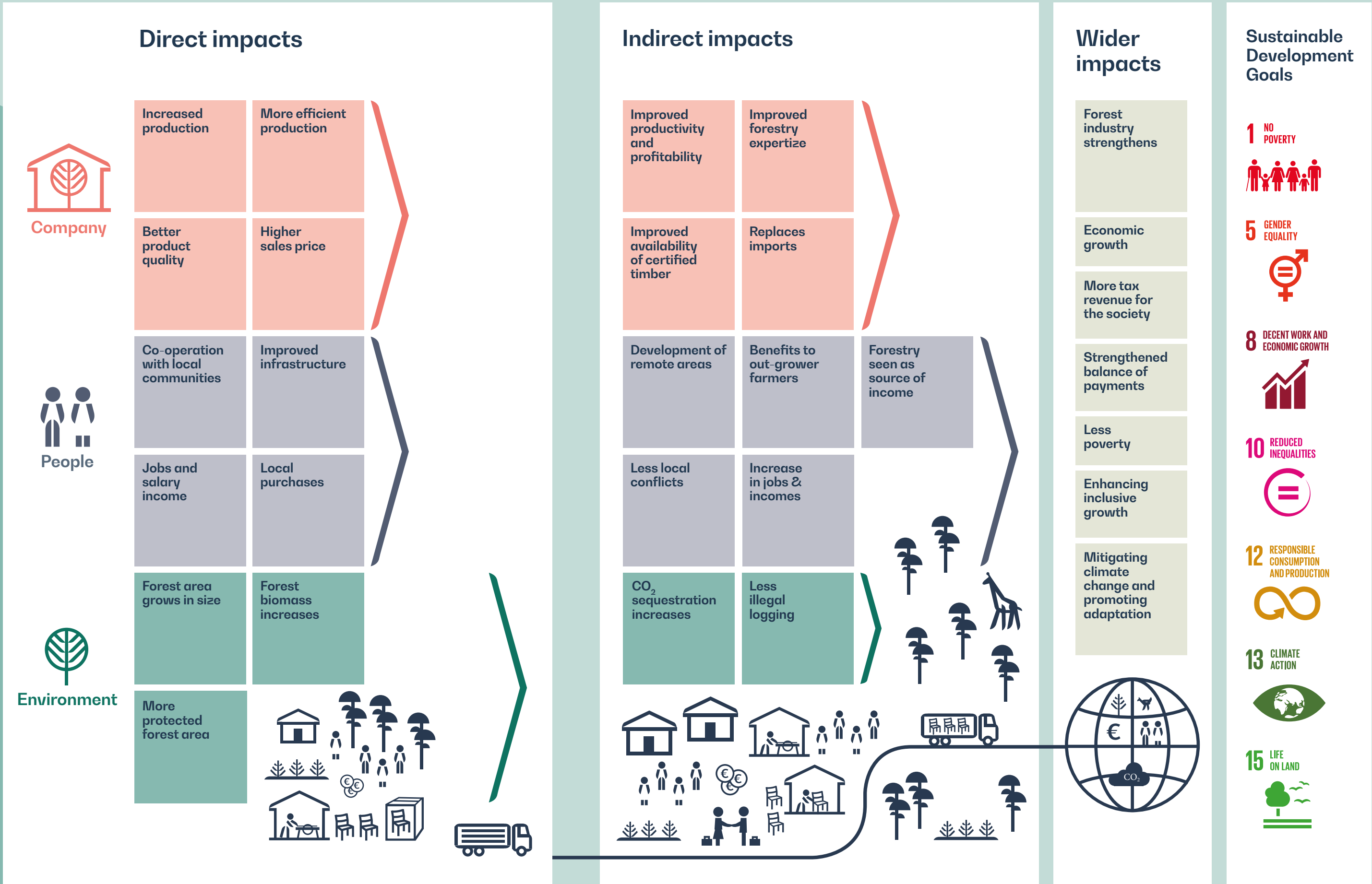


Our Theory of Change (ToC) for sustainable forestry

finnfund

- financing
- expertise and responsible practices
- mobilization of funding

Financing for Sustainable forestry and other wood industry, such as saw mills





Agriculture

Finnfund invests in the entire value chain of agriculture with the aim of improving primary farm production, particularly in Sub-Saharan Africa. Improving the productivity of agriculture in a sustainable manner creates jobs and raises the income of people dependent on farming.

Improving agricultural productivity is essential for feeding the world’s growing population. Agribusinesses can generate significant development impacts at local and regional levels, as they usually operate outside cities and towns, where they are often important and sometimes even the sole local employers. In many cases, agribusinesses are strongly associated with the local economy, working directly with local small-scale farmers, providing a marketplace for local produce, and helping farmers improve their productivity.

Climate change is making farming increasingly risk prone. Growth in productivity and yield, enabled by modern agricultural methods, improves food security in developing countries and strengthens the balance of payments. It also supports

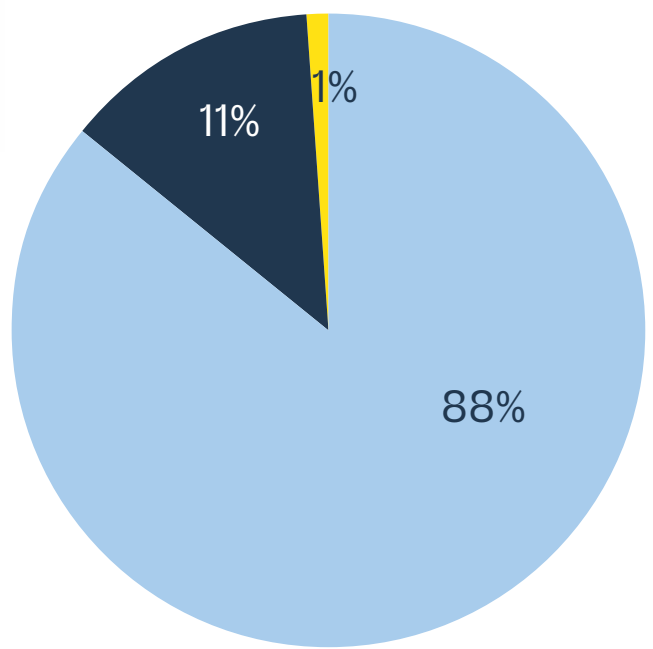
the entire agricultural value chain, including local food production, and helps climate change adaptation by, for example, introducing more resilient crops. Therefore, climate change adaptation is both a potential business opportunity and a precondition for any business to survive.

At the end of 2024, Finnfund’s investments (portfolio and commitments) in sustainable agriculture were worth 71.6 million euros, representing approximately six per cent of our portfolio, including both direct investments in agriculture and indirect investments through funds. We have also invested in financial institutions that increase access to finance in this capital-scarce sector.

As mentioned above, in 2024, we concluded negotiations on the EU guarantee programme Carbon Sinks (p. 28). The programme enables us to utilise EU guarantees for investments in projects that reduce greenhouse gas emissions, such as those in agriculture. The first investments under this programme are anticipated to be announced in spring 2025.

Read more about the impact on p. 114.

Agribusiness portfolio and commitments, on 31 December 2024, geographical distribution
(EUR 70.3 million)



- Africa 88%
- Asia 11%
- Europe and Central Asia 1%



“Sustainable forestry and agriculture are crucial for fostering local growth and creating positive impacts on climate, biodiversity, and food security. We are increasingly interested in Ukraine’s agribusiness sector, which is also of significant global importance, and we are planning to make our first investment in this sector in 2025.”

Ilkka Norjamäki
Associate Director,
Head of the Agri and Forestry portfolio



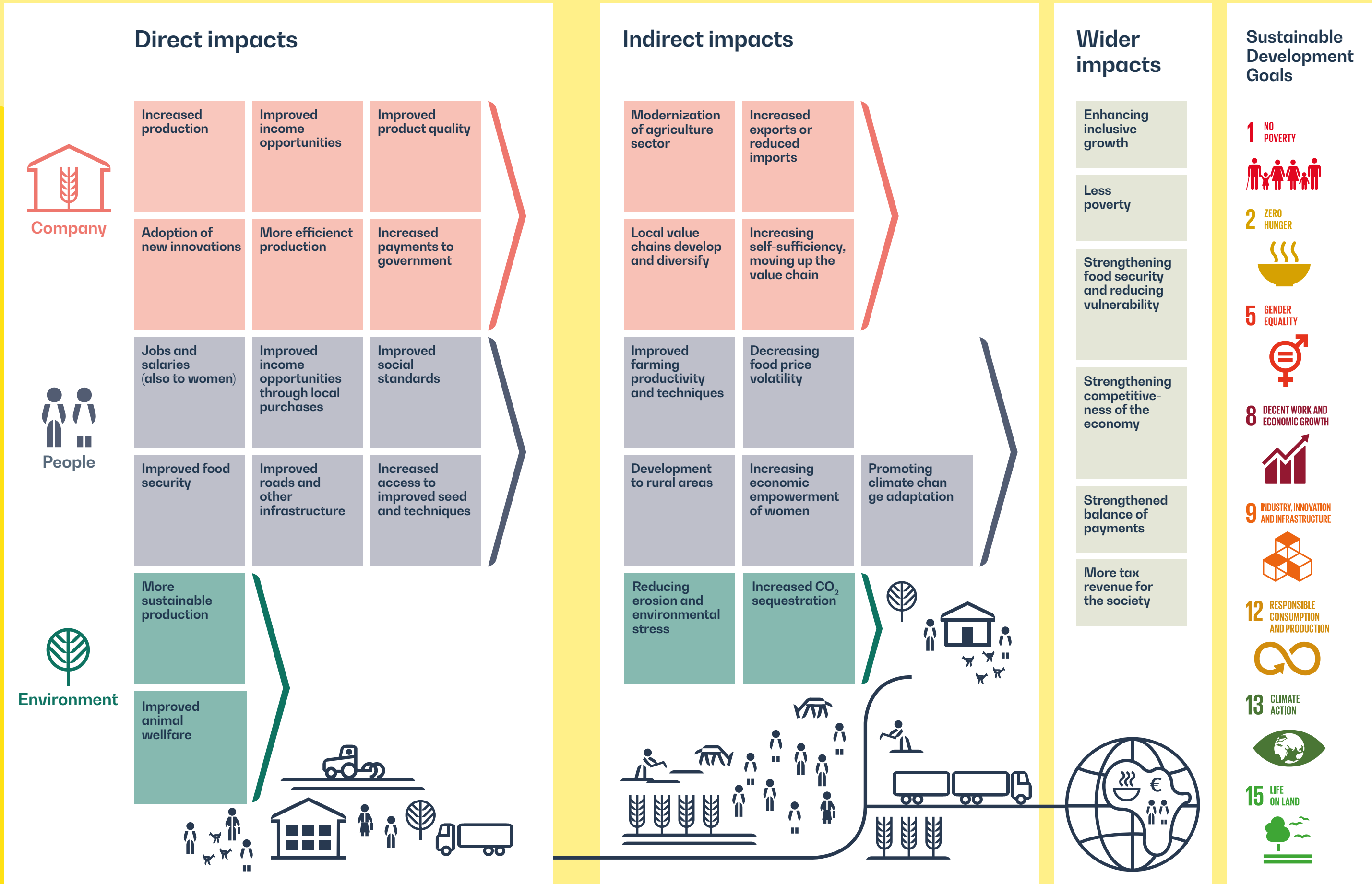
Our Theory of Change (ToC) for sustainable agriculture

finnfund

- financing
- expertise and responsible practices
- mobilization of funding



Financing for Agriculture and other primary production, food processing, storage and distribution





Energy

Finnfund invests in companies that generate more reliable, affordable, and sustainable energy than existing alternatives. Access to energy and energy transition are at the heart of development. Hundreds of millions of people live without access to energy or with unreliable or expensive power, which poses a key barrier to economic development in emerging economies.

Renewable energy is clearly a sector that can generate significant positive impacts at both global and local levels. All pathways that limit global warming to 1.5°C would require rapid and far-reaching transitions in energy, and such transitions are only feasible through a significant upscaling of investments in the sector. In addition, a reliable and affordable supply of cleaner energy can generate significant social and economic impacts at all levels of society.

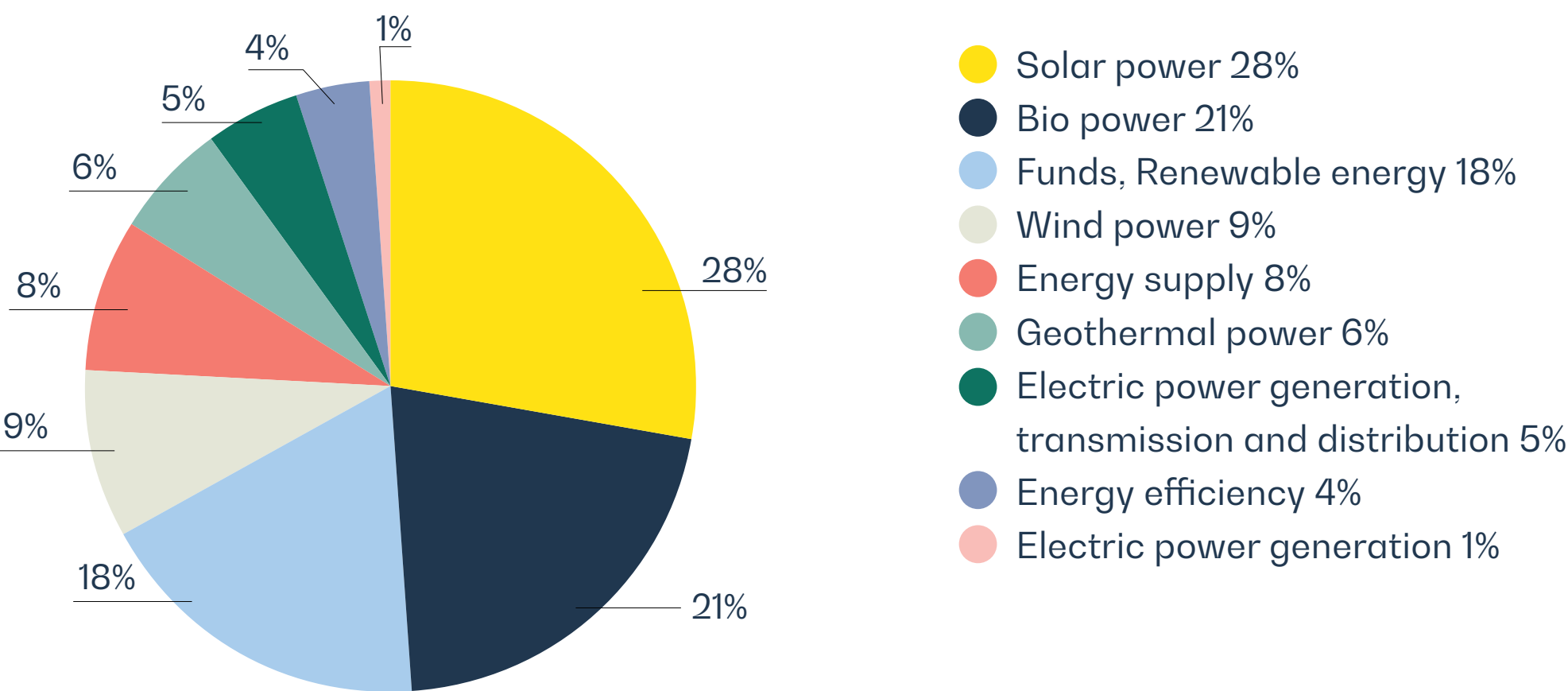
Our Statement on Climate and Energy underlines our commitment to the Paris Agreement and explains what this commitment means in practice. In addition, we are committed to making 1 billion euros worth of new investments in climate finance by 2030 (p. [74](#)).

At the end of 2024, our investments (portfolio and commitments) in this sector were worth 170.1 million euros, representing approximately 15 per cent of our portfolio. The majority of our energy investments are in grid-connected renewable energy power plants, but the share of commercial and industrial (C&I) solar-based and hybrid power solutions is becoming increasingly important. Investments include, for instance, solar, wind, hydro, biomass, and geothermal energy, as well as e-mobility and energy efficiency.

In 2024, Finnfund completed its exit from Lake Turkana Wind Power, the owner and operator of the largest wind farm in Africa. The wind farm was connected to the national grid in 2018, and today, it meets up to approximately 14 per cent of Kenya’s current electricity demand, serving 1.2 million homes.

Read more about the impact on p. [113](#).

Energy portfolio and commitments as of 31 December 2024 (total EUR 170.1 million)





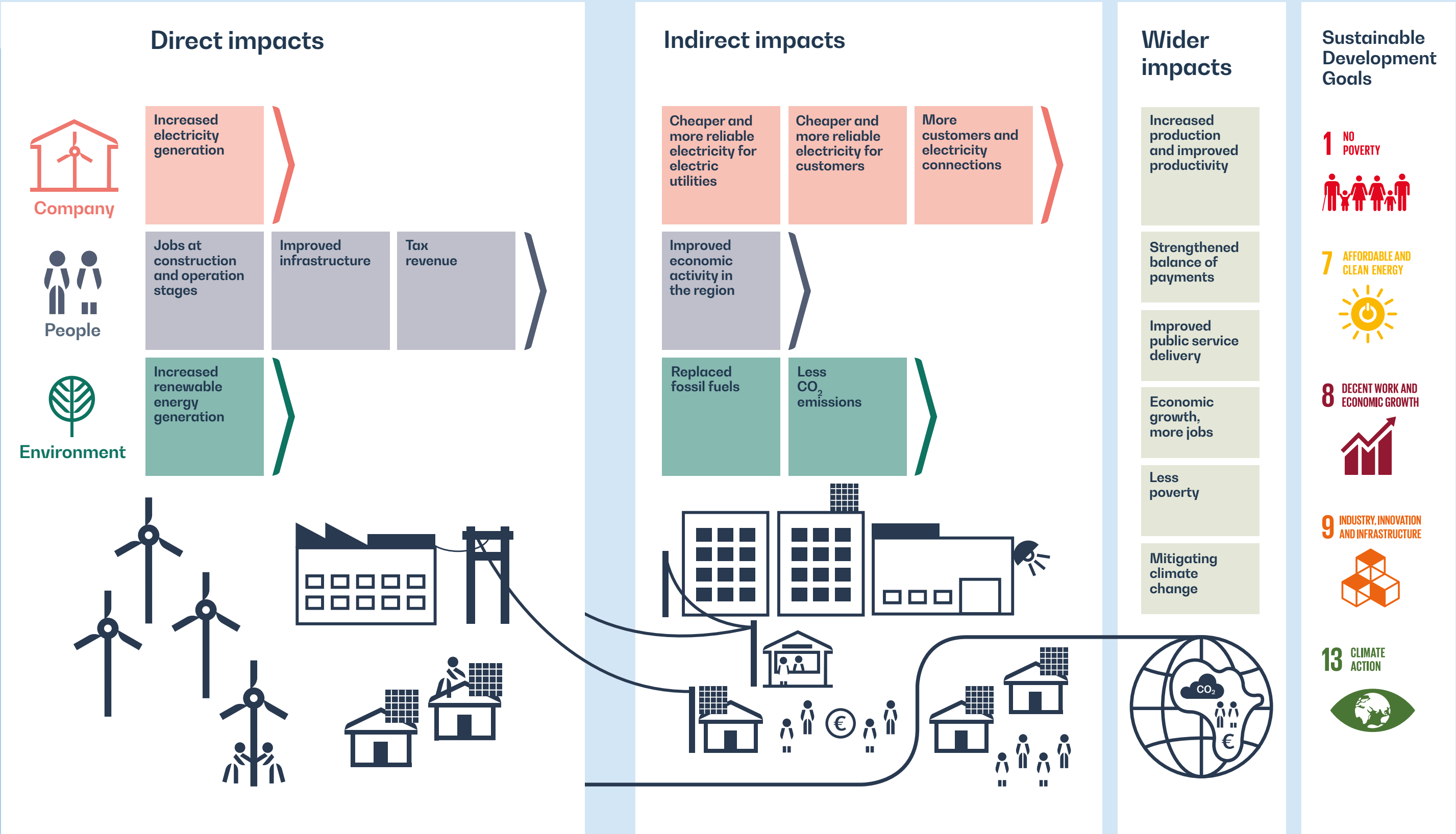
Our Theory of Change (ToC) for renewable energy

finnfund

- financing
- expertise and responsible practices
- mobilization of funding

Financing for

Power plants, off-grid solutions such as small solar panels, and solutions to improve energy efficiency



Financial institutions

Finnfund invests in local financial institutions, to build their capacity to better reach micro, small, and medium-sized businesses. Finnfund promotes financial inclusion by investing in selected financial service providers, including commercial banks, inclusive of insurance, and financial innovations.

In developing countries, many people do not yet have access to reliable, affordable financial services. Access to financial services plays a significant role in reducing poverty, creating jobs, and bridging the gender equality gap. Reliable, easily access to financial services for the poorest people and for small and medium-sized enterprises helps to build resilience to shocks and to improve the livelihoods of people and businesses. Digitalisation also plays a key role in fostering financial inclusion, as it enables financial institutions to reach new and previously excluded people.

Gender equality and, more specifically, women’s improved access to financial services is a significant criterion for us in selecting new investments. For instance,

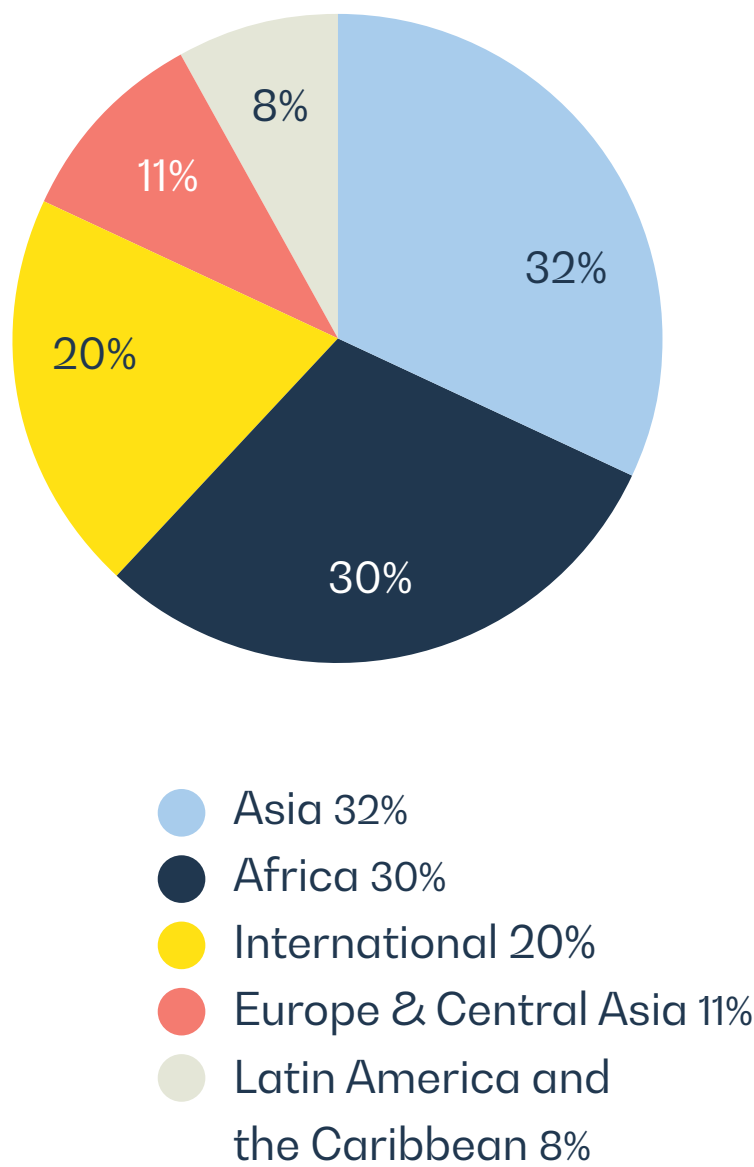
most microfinance customers in our portfolio companies are women.

Responsible lending practices are key. Finnfund is committed to the Client Protection Principles (CPPs), which strive to ensure that microfinance is based on responsible, sustainable lending practices, data privacy, and respect for human rights.

At the end of 2024, Finnfund’s investments (portfolio and commitments) in this sector were worth 339.5 million euros, representing approximately 29 per cent of our portfolio. Finnfund’s investees typically provide financial services to micro, small, and medium-sized enterprises (MSMEs), as well as to individuals who have few alternative sources of reliable and formal banking services, such as savings and digital money transfers. In addition, Finnfund invests in insurance companies.

Read more about the impact on p. [115](#).

Financial institutions portfolio and commitments, on 31 December 2024, geographical distribution
(EUR 335.3 million)



“Access to financial services plays a significant role in reducing poverty, creating jobs, and bridging the gender equality gap. In addition to investing in banks and microfinance institutions, we also provide financing for insurance companies in order to increase resilience in emerging markets and expand insurance coverage to underserved populations.”

Antti Urvas
Associate Director,
Head of the Financial Institutions portfolio



Our Theory of Change (ToC) for financial institutions

finnfund

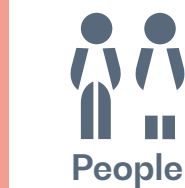
- financing
- expertise and responsible practices
- mobilization of funding



Financing for
Banks, microfinance institutions, fintech

Services include

Savings, money transfers, credits, insurances, digital fintech services such as mobile money



Direct impacts

Increased lending to MSME clients

New clients from unbanked groups

New companies gain access to financial services

Flexible credit processes through digital services

More jobs in financial institutions and companies

Digital services enable financial identity

Increased efficiency and credit risk management through digital solutions

Enhanced customer protection principles

Larger variety of financial services

Larger variety of financial services

Increased access to financial services for unbanked (incl. women)

Increased financial literacy

Increased payments to government

Increased availability of non-financial services

Better loan terms such as longer tenors and larger loan sizes

Indirect impacts

Improved and more diversified credit market

Improved viability in financial sector

Informal companies become formalized

New companies emerge and create jobs

Existing companies invest more and grow

Increased capacities to invest in future and mitigate risks

Enhancing equal access to financial services

Enhancing economic empowerment and independence of women

Wider impacts

Enhancing inclusive growth

Less poverty

Enhancing gender equality

More tax revenue for the society

Sustainable Development Goals

1 NO POVERTY



5 GENDER EQUALITY



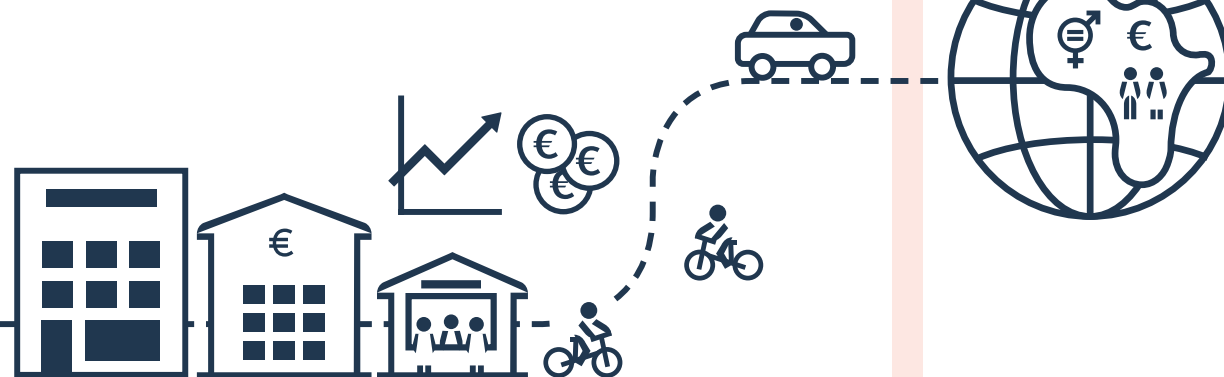
8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES





Financing through funds

Over the years, Finnfund has made fund investments to supplement our direct investments. Our fund investments expand the mobilisation of much-needed risk finance to small and medium-sized enterprises and also enhance our other impacts in the challenging countries in our investment mandate.

We have invested in funds that target a group of countries or a region within our geographical mandate. These funds can either be sector agnostic or thematic funds, where the thematic funds reflect Finnfund’s focus areas.

While Finnfund’s investment focus is, first and foremost, growth equity funds, we have also invested in other types of funds, including mezzanine and private credit funds. Finnfund prefers funds that provide us with co-investment opportunities.

Well governed and managed

It is essential that the funds in which Finnfund invests are well governed and managed. Before investing, Finnfund examines, for example, the fund managers’ competence and experience, and their funds’ investment strategies and policies. We seek to ensure that fund managers’ values and their funds’ principles and policies are aligned with Finnfund’s requirements.

Finnfund participates in the governance of the funds in which it invests (e.g., as a member of a fund’s Limited Partner Advisory Committee, LPAC) to ensure the proper governance of the funds, including the efficient and effective execution of the funds’ investment and impact strategies. Transparency is one of Finnfund’s key tenets, and Finnfund’s

investment funds are required to provide comprehensive information on their investments, including information on taxes paid annually.

At the end of 2024, Finnfund’s investments (portfolio and commitments) in funds were worth approximately 225 million euros, representing approximately 20 per cent of our portfolio.

In addition, Finnfund acts as an adviser and anchor investor in OP Finnfund Global Impact Fund I, the first global emerging markets impact fund in Finland (pp. [55](#), [63](#), [123](#) and [137](#)). In 2024, we also started establishing the Finnfund Digital Access Impact Fund, a new private equity fund that is managed by Finnfund, and aimed at institutional investors (p. [33](#)).

Cooperation with Finnish businesses

Collaboration with Finnish companies has always been part of Finnfund's work. While we cannot invest in a company registered in Finland, our investments very often involve Finnish companies as tech or service providers, owners, or co-investors. In 2024, Finnish companies were involved in 10 of our new investment decisions, representing 38 per cent of all the new investment decisions (p. [23](#)).

In 2024, we also placed emphasis on linking Finnish companies with our pipeline and portfolio companies. Finnish companies have lots of expertise and solutions in many of our key sectors, making them partners worth considering for our investees. In 2024, a total of 63 introductions were made between Finnish companies and our investees, several of which have already led to commercial partnerships. Our Team Finland partners across the world also provide invaluable help in finding the right Finnish companies to introduce to our investees.

Finnfund also manages Finnpartnership, a programme that promotes sustainable business between Finland and developing markets by providing grant financing and B2B matchmaking. Finnfund and Finnpartnership work closely together, directing Finnish companies toward each other, depending on the maturity of the projects, and cooperating in finding partners for Finnfund's investees. You can read more about Finnpartnership on p. [155](#).

In addition, Finnfund cooperates with Finnish investors, striving to encourage and mobilise investments in developing and emerging markets. Examples of this cooperation are, for instance, OP Finnfund Global Impact Fund I, the first global emerging markets impact fund in Finland (pp. [55](#), [63](#), [123](#) and [137](#)), and Finnfund Digital Access Impact Fund (p. [33](#)).



"Finnish companies can make excellent and reliable partners for companies in Finnfund's markets. Based on the wishes of our pipeline and portfolio companies, we made more than 60 introductions between them and relevant Finnish companies in 2024. Finnish companies were also involved as owners or suppliers in over a third of our new investment decisions."

Patrik Bredbacka
Team Finland Adviser

CASE

Gemco Kati: Fostering sustainability and international standards in the Indian mining sector

Various minerals play a key role in the green transition. As the mining sector grows and expands into new areas and regions in India, fostering sustainable mining practices and the circular economy is key.

“Being an exploration company, we will be the first ones to reach the field for a mining company”, says **Jijo George**, CEO and Director at Gemco Kati Exploration. Pvt. Ltd.

“By implementing responsible practices, we try our best to contribute to sustainability. Whether it is engagement with a project-affected community or environmentally responsible practices using advanced geophysics and remote-sensing techniques for more accurate mineral targeting and reducing unnecessary land disturbance, we leave no stone unturned. Efficient planning of resources and reducing waste help portray a better picture in project-affected communities.”

Gemco Kati was established in 2010 as a joint venture between Kati Ltd, a Finnish drilling company, and the Indian founders, namely the owners of Gemco, an Indian company specialised in exploration and drilling, with over 40 years of experience in the country. Finnfund has been financing Gemco Kati since 2016.

“We have collaborated with Finnfund for years, supporting Gemco Kati’s growth and development. Finnfund’s support has been invaluable to us, helping guide the evolution of our business. Its role as an enabler of the company’s growth has been crucial”, says **Matti Rautakoski**, Sales and Marketing Director at Kati Ltd.

As part of the cooperation, Finnfund introduced the idea of conducting an anonymous survey among their employees. The aim was to give employees an opportunity to provide feedback, for example, about their

working environment. In addition, the survey provided an opportunity to gain knowledge about their life quality and living standards.

“We could identify that the workers were, in general, happy about their work and opportunities in the company. However, during the survey, we identified that a large part of our crew was not sending their kids to school. We had run a campaign among our team to make them understand the importance of education, and we supported them in getting their future generation into mainstream education”, George says.

Read the [full article](#), or learn more about the investment on our [website](#).

Name: **Gemco Kati Exploration Pvt. Ltd.**

Country: **India**

Investment year: **2022**

Sector: **Other sector / mining support services**



Juha Hirvi, a drilling instructor at Kati, providing training for Gemco Kati last November in Nagpur, India.
Photo: Kati Ltd

A wide-angle photograph of a mountain valley. In the foreground, a lush green hillside is covered in dense forest. A small village with several houses and terraced fields is visible on a slope. The valley extends into the distance, showing more mountain ranges under a sky with scattered white clouds. A bright yellow rectangular box is centered over the middle of the image, containing the word 'Impact' in a bold, dark blue font.

Impact

In March 2025, just before the publication of this report, Finnfund announced its first investment under the Carbon Sinks EFSD+ programme. Mountain Hazelnuts was founded in 2009 to create a profitable business that provides long-term income for vulnerable communities in Bhutan by planting 10 million hazelnut trees to restore degraded mountain slopes. Read more about the programme on p. [28](#) and about the investment on our [website](#). Photo: Mountain Hazelnuts

Investing in impact

According to Finnfund’s new strategy, renewed in 2024, Finnfund’s mission is to build a sustainable future and generate lasting impact by investing in businesses that solve global development challenges with Finnish added value (p. 19). Responsible companies play an important role in solving major global challenges such as poverty, inequality, climate change, and biodiversity loss, and in meeting the [Sustainable Development Goals \(SDGs\)](#) by 2030.

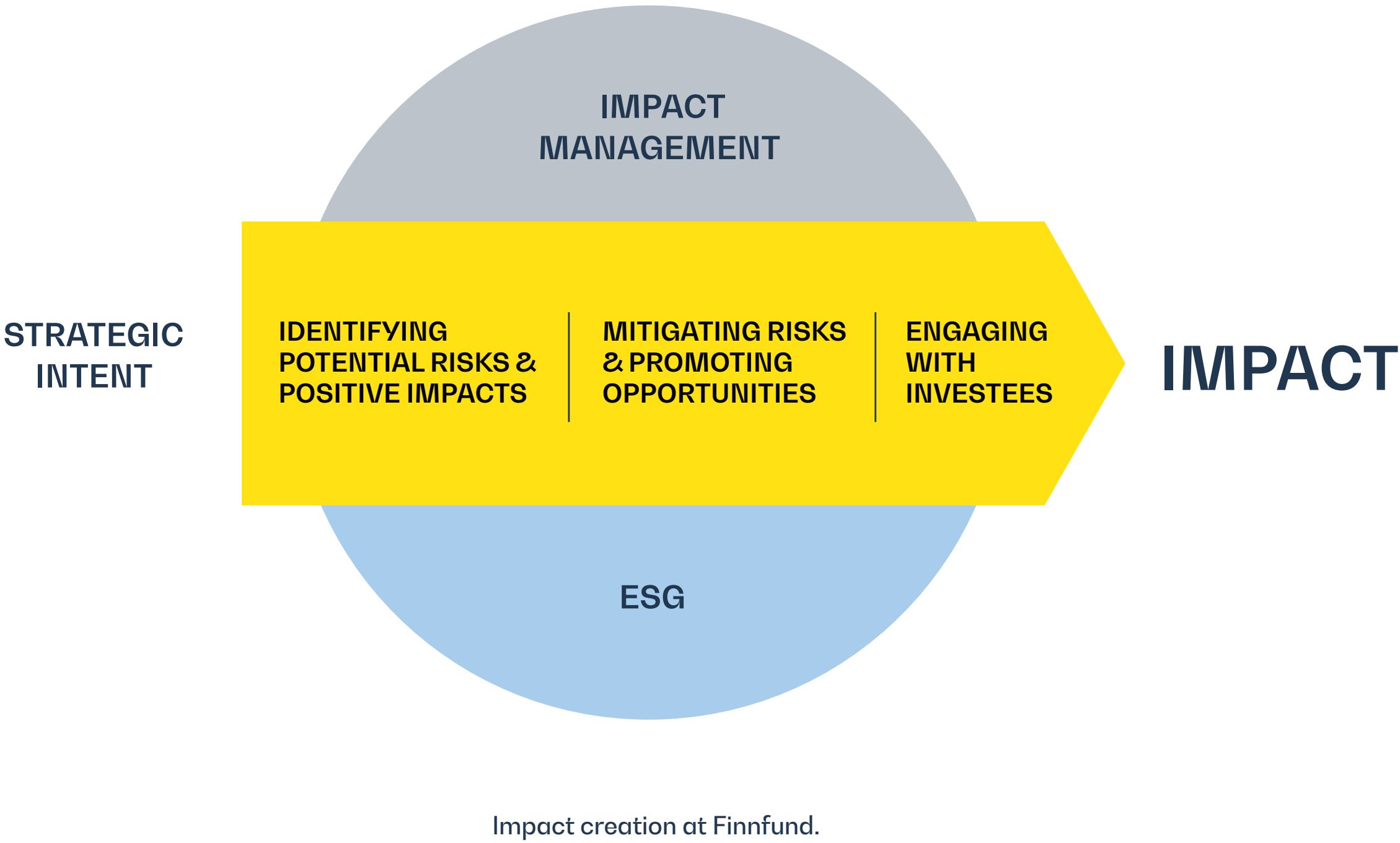
In our new strategy for 2024–2027, we have set, for example, strategic objectives of making half of the new investments in climate and nature, growing local impact by one-third, and doubling our investments in digital technology.

Many projects that have a significant development impact would never take off without long-term financing provided by Finnfund and other development financiers.

Finnfund’s funding is often catalytic because it helps projects to raise additional commercial financing.

Therefore, we strive to mobilise funding to enhance sustainable development and climate actions in developing countries. In 2024, we again mobilised over 1 billion euros of additional private and public capital through our new investments (p. 12). In addition, Finnfund aims to mobilise funding for sustainable development, for example, by issuing sustainability and green bonds (p. 152) as part of its own fundraising, as well as creating opportunities for fund investments and co-financing alongside Finnfund. At the end of 2024, 32 per cent of Finnfund’s financing was from private capital markets (p. 13).

We acknowledge that the greatest positive impacts are generated through our investments. However, sustainable busi-



ness practices, and all aspects of environmental and social sustainability and good governance, lay the ground for all our work.

Impact and sustainability governance

We strongly believe that sustainability is part of everyone's role within Finnfund, which is also seen in the way responsibilities are divided within our organisation. At Finnfund, impact and sustainability are owned by the Board of Directors and the managing director/chief executive officer (CEO). The CEO has ultimate responsibility for the successful implementation of Finnfund's sustainability and impact approach.

In terms of implementation, the director of impact and sustainability oversees our sustainability policies and the practices in our investment process. In 2024,

the complaints channel and the grievance mechanism, as well as the sustainability issues surrounding procurement, were overseen by the director of administration, but as part of the organisational changes, the complaints channel and the grievance mechanism will be overseen by the director of impact and sustainability as of the beginning of 2025.

The chief financial officer oversees sustainability in Finnfund's own funding, such as the issuances of Finnfund's sustainability bonds. In 2024, sustainability in human resources management was first overseen by the chief financial officer, and later, as part of the organisational changes, by the managing director/chief executive officer. Read more about the governance of Finnfund on p. [139](#).

Africado, a Finnfund investee since 2018, is growing and packing avocados in the north of Tanzania. From around the company's own farms, different varieties of avocados are gathered alongside crops from various smallholder growers. Read more in this blog post by Peter Chappell on our [website](#). Photo: Finnfund



Transparency and stakeholder engagement

Finnfund believes that stakeholder engagement is the basis for building the strong, constructive, and responsive relationships that are essential for successful, strategically savvy business decisions, as well as for the management of positive and negative impacts and risk mitigation within both our investments and our own operations.

Stakeholder engagement is an on-going process. We require our investees to engage actively with their stakeholders in all project phases, including planning, implementation, and monitoring. Specific requirements for stakeholder engagement vary, depending on the project size, scope, and impact, but compliance with host country obligations, as well as applicable international standards, is essential.

Likewise, Finnfund strives to build and maintain a mutually beneficial and fruitful dialogue with its stakeholders in Finland and in our target countries, as well as internationally.

Transparency as a guiding principle

Transparency plays an important role in Finnfund's operations. Transparent information on Finnfund's operations is important in fulfilling its development mandate. Finnfund publishes information on the principles, practices, and results guiding its activities as widely as possible. Finnfund also encourages the companies that it finances and its partners to be transparent and to adhere to good corporate responsibility practices.

Based on our [Disclosure Policy](#), Finnfund publishes information about its activities and investments on a continuous basis, for example on its website, in its annual report, and in its sustainability report, as well as in other publications. As stated in our [Human Rights Statement](#), Finnfund provides an open, easy-access complaints and feedback channel for stakeholders to voice their concerns related to Finnfund's investments.

Finnfund also requires its investees to establish and maintain operational-level grievance mechanisms that are accessible to affected communities and other stakeholders. Effective grievance mechanisms provide a channel for communities and other stakeholders to voice their concerns, and they are important from a human rights perspective. They enable investees to address and resolve disputes and grievances in a systematic manner. You can read more about grievance mechanisms and the grievances addressed by Finnfund in 2024 on p. [98](#).

At the end of 2024, we launched our new website, aiming to provide our stakeholders with information on our operations – our policies, guidelines, and processes – and our investments and results in a more coherent, timely, and accessible manner.

Our stakeholders

Finnfund has many different types of stakeholders in Finland and in our mandate countries, as well as internationally. Our stakeholders are, for instance, Finnfund shareholders, namely the State of Finland, Finland's export credit agency Finnvera, and the Confederation of Finnish Industries; our staff; our investees, co-financiers, and their stakeholders; civil society, academia, consultants, and other partners both in Finland and abroad, such as Finland's embassies; and other Team Finland members and development financiers, namely European Development Financiers (EDFI).

We have conducted stakeholder surveys to collect feedback and ideas from various stakeholders in Finland and abroad. The aim has been to gather information, for instance, on brand image, strengths, and weaknesses, as well as to ask both external and internal stakeholders how

they see the changes in the operational environment and what their expectations are for Finnfund. We have also wanted to know what aspects of sustainability and impact are material for our stakeholders, and what their expectations are, for example, in terms of our reporting and communications. In 2024, we conducted a stakeholder survey that contributed to the development of Finnfund's operations and to the preparation of the new company strategy (p. 19). To read more about the results, please see p. 51.

Active engagement is key

Finnfund conducts a continuous open discussion with various stakeholders both in Finland and abroad. We actively engage in discussions with our stakeholders, including public sector institutions, the private sector, and national and international civil society organisations, on the development and implementation of our policies and procedures. Finnfund is a member of many types of associations and working groups, as you can see in the list on p. 50.

We aim to seek and make use of collab-

oration opportunities with our stakeholders. For example, with our co-financiers, and particularly with our development financier partners, we actively work to harmonise our requirements and procedures for streamlined project assessment, and implementation procedures for improved efficiency and increased leverage in negotiations with our investees.

In 2024, Finnfund continued to seek to strengthen its openness and cooperation with stakeholders such as experts, NGOs, influencers, and the media. For example, we continued coordinating the meetings of the Impact Network, a network of Finnish actors interested in measuring and developing impact and responsibility. In March 2024, together with Fingo, the umbrella organisation of Finnish development organisations, we organised a session focusing on the EU directive on corporate sustainability due diligence and its impacts on developing countries (p. 95).

In October, we organised the "Growth from Ukraine" seminar for Finnish companies, in partnership with the Confederation of Finnish Industries and Finnpartnership. In addition, during the European parliamentary elections

in spring, we organised a panel discussion in cooperation with Fingo and the Finnish Development Policy Committee.



Finnfund's team participating in the GIIN Impact Forum in October. From the left: **Kaisa Alavuotunki**, Director of Impact, Sustainability, and Compliance; **Kristiina Karjanlahti**, Chief Economist; **Anne Valto**, Senior Development Impact Adviser; and **Hanna Loikkanen**, Chief Investment Officer. Photo: Finnfund



We also hosted several international meetings and working groups in Helsinki, such as the Development Finance Institutions’ Interact Lawyers Meeting in May, together with Nordic Development Fund (NDF) and Nefco, and the annual meeting of Nordic legal and compliance teams in November.

Finnfund’s experts also actively participated as speakers at various events in Finland and internationally.

As part of our cooperation with our investee companies, we also continued conducting impact surveys and studies to gain better insight into the voices of individual stakeholders, including our investee companies’ employees and local communities. To read more about these projects, please see pp. [44](#) and [63](#).

Political influence and lobbying

Our activities and commitments related to our political influence, including lobbying activities, reflect our role as a special purpose entity, development financier, and impact investor in which the State of Finland has a majority holding. Finnfund has irregular meetings with members of

the Parliament of Finland, ministers, other politicians and their advisers, and is occasionally invited to parliamentary hearings, organised by the committees of the Parliament, to provide information and insights on specific topics related to our mandate. Finnfund also has a representative in the current Development Policy Committee, a permanent advisory body on development policy. Finnfund also has regular meetings and other communication with the Ministry for Foreign Affairs of Finland, the government entity that is charged with steering Finnfund on the shareholders’ behalf. Finnfund’s lobbying activities that target Parliament or the ministries are disclosed to the [Finnish Transparency Register](#).

In 2024, Finnfund also participated in several working groups whose tasks were, for example, to renew the Finnfund Act, the legislation that guides our work, and to draft an act on the new state capital investment company (p. [139](#)). As mentioned above, during the European parliamentary elections in spring, we also organised a panel discussion in cooperation with Fingo and the Finnish Development Policy Committee.

Memberships and initiatives in 2024

- 2X Global
- Adaptation and Resilience Investors Collaborative (ARIC)
- Africa Infrastructure Development Association
- Dalberg Advisors (Investors for Health)
- Development Policy Committee
- EGN Suomi
- East Africa Venture Capital Association
- European Development Finance Institutions (EDFI ASBL)
- Finland-Southeast Asia Business Association
- Finnish Business & Society ry
- Finnish Business Travel Association
- Finsif, Finland’s Sustainable Investment Forum ry
- Finnish Venture Capital Association
- Fonden World Climate Foundation (World Biodiversity Network)
- Global Impact Investing Network (GIIN)
- Global Private Capital Association (GPCA)
- Helsinki Region Chamber of Commerce
- Institutional Limited Partners Association (ILPA)
- Investors for Health
- Loan Market Association
- Operating Principles for Impact Management (OPIM)
- Partnership for Carbon Accounting Financials (PCAF)
- ProCom – The Finnish Association of Communications Professionals
- Stichting Joint Impact Model
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)
- Yritystutkimus Association



Stakeholder survey:
Finnfund valued as a partner

Professional, responsible, innovative, reliable, and pragmatic. These were some of the characteristics attributed to Finnfund in a stakeholder survey, which surveyed, for example, Finnfund’s brand, the quality of cooperation and added value, expectations related to sustainability and impact, and the changing operational environment.

The study, covering a total of 163 responses from both external and internal stakeholders, was conducted in June-September 2024. The results were used for developing Finnfund’s operations, including reporting, and for the preparation of our new strategy (p. [19](#)).

Expertise and added value

According to the survey, a large proportion of stakeholders recommend Finnfund as a partner: the net promoter score (NPS) given by companies financed by Finnfund

was 78 and that of co-investors 65. When Finnfund’s investees were asked about the added value of Finnfund’s financing and co-operation, the average response was 4.5 on a scale of 1–5. A clear majority of investees and co-investors also rate cooperation with Finnfund better than that with other similar investors.

“The fact that our investees and co-investors value our cooperation and feel that they get added value from our work is very important to us. We are very grateful and happy about this feedback,” said **Jaakko Kangasniemi**, CEO at Finnfund.

Climate change and poverty reduction still at the forefront

Compared to the previous survey in 2022, climate change mitigation and adaptation were still considered the most important topics, but poverty reduction through

employment promotion and mobilisation of private finance for sustainable development and climate change were also highlighted in the responses.

According to the respondents, Finnfund has succeeded in acting as a good example of a responsible investor (external respondents’ average score 4.2, on a scale of 1–5), its operations generate development impacts (4.1), and Finnfund operates transparently (4.1). Finnfund’s operations are also considered to enhance environmental and social sustainability, and good corporate governance (4.1). Our mission and vision are also well reflected in our operations; the average response was 4.1 on a scale of 1–5.

Increasing transparency

Awareness of Finnfund’s operations had increased again compared to the previous survey. External stakeholders are also

satisfied with the quality and quantity of information produced by Finnfund. The overall score for Finnfund’s work was 4.1 on a scale of 1–5.

“We always seek to improve our co-operation and communication, so it is valuable to hear what our stakeholders think and expect from us. We also asked for the first time specifically about openness and transparency, and we are pleased to note that our stakeholders are quite satisfied with that, too. The work will continue,” says **Kirsi Pere**, Communications Manager at Finnfund.

The responses also highlighted the rapid changes in the fields of impact investing and sustainable finance, as well as geopolitical uncertainties. Many respondents want to see Finnfund as a strong actor in the midst of these changes.

Read more on [our website](#).

Some responses

“Finnfund had the vision and the courage to make an equity investment in us when other development banks would only do debt.”

“Professional, engaged (this is impression gained from collaboration with individuals).”

“Keep delivering on your bold vision and on your significant mission! You do indeed put people and the planet at the centre of all that you do. Delighted to partner together!”

“You keep what you are doing. The world has too few of you.”

“Committed.
Patient.
Inquisitive.
Flexible.”

“Finnfund understands commercial forestry and the need to invest to help mitigate the negative effects of climate change and the loss of biodiversity. Finnfund has the ability to actively help catalyse other development banks’ investments by bringing their expertise to bear and helping to give private investors the confidence to invest.”

“I understand that Finnfund is a good employer. I would be happy to work with them someday.”

Scope of this report and materiality

Sustainability reporting has developed and will develop strongly in the next few years, and, for example, the European Corporate Sustainability Reporting Directive (CSRD) plays a central role in this. The directive does not apply to Finnfund, but we acknowledge the concept of double materiality in our impact and sustainability approach, and we continuously strive to develop our reporting, aiming to incorporate that approach increasingly in our reporting and communication.

As stated above, we acknowledge that the greatest potential for positive and negative impacts lies within our investments. Therefore, in this impact and sustainability report, we also put a strong emphasis on reporting the development impact of our investments and the sustainability work within our investments.

In addition, we aim to provide information about our strategy, policies, and practices in terms of sustainability and impact, as

well as to report openly and transparently both the results and the challenges we have faced in 2024.

The focus is on impact management and sustainability (environmental, social, and governance) aspects that present the most significant risks and opportunities – and that play an integral role in our mandate and strategy – such as climate change, biodiversity, human rights, gender equality, responsible tax, and good corporate governance. These aspects have also been highlighted by our stakeholders, for instance, in our latest stakeholder survey, as explained on p. [51](#). The material sustainability and impact topics for Finnfund, according to the CSRD, are listed on the right side of this page.

Material sustainability and impact topics for Finnfund (according to the CSRD/ESRS)

- Climate (pp. [70](#), [117](#), [135](#))
- Biodiversity and ecosystems (p. [70](#))
- Finnfund's own workforce (p. [130](#))
- Workers in the value chain (pp. [90](#), [93](#), [130](#))
- Affected communities (pp. [90](#), [93](#), [130](#))
- Business conduct (pp. [48](#), [93-106](#), [124-134](#), [139](#))

CASE

CREI improves mobile connections in South Sudan

South Sudan has one of the lowest rates of mobile access and connectivity in the world. Finnfund’s five million US dollar mezzanine loan to Communication & Renewable Energy Infrastructure (CREI) facilitates the installation, operation, and maintenance of 413 telecom site hybrid power solutions in South Sudan. The project will contribute to a significant increase in solar power production and a decrease in diesel usage. It is expected to benefit over two million people by enhancing the reliability of connections in a country that has the world’s poorest mobile connectivity.

“Improved mobile connections contribute to economic growth and improve living standards and inclusivity through increased access to financial, education, and healthcare services”, says **Valtter Louhivuori**, Head of Finnfund’s Nairobi office.

“This partnership aligns with our mission to lead the transition towards sustainable telecom and energy infrastructure across Africa and Asia, and to achieve lasting positive

impact. We are confident that our combined efforts will enable the telecom stakeholder to expand and contribute to telecom sector development in South Sudan”, says **Kadri El Hakim**, CEO at CREI.

Finnfund’s investment is part of our Africa Connected programme and made with support from the European Union and the European Fund for Sustainable Development Plus, one of the financing tools of Global Gateway (p. [28](#)).

Read the [full article](#), or learn more about the investment on our [website](#).

Name: **Communication & Renewable Energy Infrastructure (CREI)**
Country: **South Sudan**
Investment year: **2024**
Sector: **Digital infrastructure and solutions**



In June 2024, Finnfund invested in CREI to improve mobile connections in South Sudan.
Photo: Krishna Kumar / CREI

CASE

AwanTunai fosters the digitalisation and growth of MSMEs in Indonesia

In April 2024, OP Finnfund Global Impact Fund I announced its investment of 5 million US dollars in equity in AwanTunai, an Indonesian fintech company. AwanTunai offers affordable inventory purchase financing, integrated online ordering, and inventory management solutions to merchants and wholesalers across the country.

“OP Finnfund Global Impact Fund I is excited to support AwanTunai’s growth in Indonesia, where the FMCG sector has a major working capital issue that traditional financial institutions cannot solve. With this investment, we aim to increase the digital and financial inclusion of micro, small, and medium-sized enterprises and also promote gender equality, as small retailers, often women, have been underserved”, says **Kuutti Kilpeläinen**, Senior Investment Manager and Head of the Digital Infrastructure and Solutions portfolio at Finnfund.

The investment was part of a funding round that included commitments from several impact investors and development financiers.

Through this investment, OP Finnfund Global Impact Fund I aims to foster the digitalisation and growth of Indonesian micro, small, and medium-sized enterprises (MSMEs), operating particularly in the fast-moving consumer goods sector (FMCG), which have often been underserved. With AwanTunai’s solution, the MSMEs can grow their business, which can also, eventually, increase the accessibility of goods for end clients.

Currently, AwanTunai has over 80,000 active MSMEs on its platform. The company is looking to further expand its geographical footprint in Indonesia and to increase its supplier and merchant outreach. AwanTunai’s vision is to provide affordable financing and services for the millions of underserved micro businesses that employ 90 per cent of Indonesia’s workforce.

Read the [full article](#), or learn more about the investment on our [website](#).

Name: **OP Finnfund Global Impact Fund I / AwanTunai**
Country: **Indonesia**
Investment year: **2024**
Sector: **General fund / digital infrastructure and solutions**



AwanTunai offers affordable inventory purchase financing, integrated online ordering, and inventory management solutions to merchants and wholesalers. Photo: AwanTunai

Development impact and sustainability of our investments

Every Finnfund investment must meet three criteria: it must generate positive impact, be sustainable, and offer an appropriate risk-adjusted return. We assess each investment against these criteria before making an investment decision, and we continue to monitor the performance of our investments against these three criteria throughout our investment period. Using our leverage as a financier, we encourage our investees to constantly improve their sustainability and impact practices with regard to people, the environment, and society.

Finnfund's strategy also guides us to invest in companies that contribute to the [Sustainable Development Goals \(SDGs\)](#) (p. 19).

As part of our development impact assessment of each new investment, we link

the objectives of the investment against one or two SDGs and related targets. Reflecting these targets against each investment helps in part to ensure alignment with our priority sector theories of change.

Mountain Hazelnuts works with Bhutanese small-holder families and community groups to provide additional income-generating opportunities that also help to restore the nation's fallow and degraded land.

Read more on p. 19 and on our [website](#).

Photo: Mountain Hazelnuts

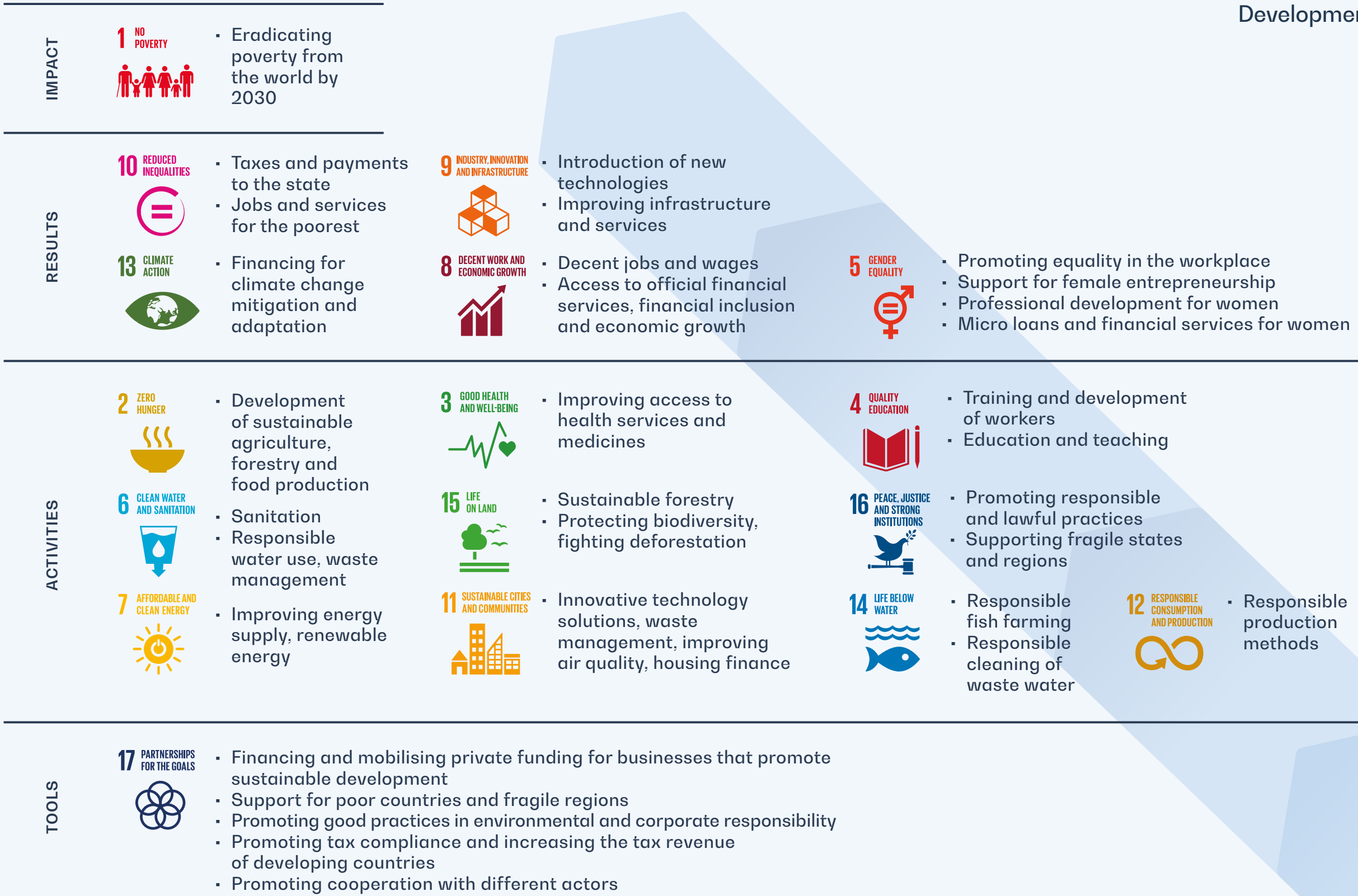


How does Finnfund promote Sustainable Development Goals?

 Why do companies matter? During the preparation of Agenda 2030 and the Sustainable Development Goals, it became clear that they cannot be met by official development aid only. It is estimated that developing countries will require fresh investments worth up to 4,000 billion US dollars to achieve these goals. A significant share of this would need to come from the private sector.

It is also clear that companies alone cannot resolve all development challenges – as is hardly ever the case with a single tool. Different types of actions and actors are needed. However, responsible companies can create stability and prosperity, and develop and provide tools e.g. to make it easier to adapt to dry seasons caused by climate change.

This figure illustrates how Finnfund’s investments promote the achievement of the 17 Sustainable Development Goals.





Our approach to impact and sustainability

We believe that sustainability is a prerequisite for positive impact. Sustainable, responsible business practices add value to investments and contribute to generating a positive impact. They play a key role in the risk management of each project and in ensuring that the “do no harm” principle is respected in our investments. Simultaneously, responsible and environmentally, socially, and economically sustainable business practices can improve the operational and financial performance of a company, enhance employee well-being and commitment, and bring a competitive advantage.

We strongly believe that it also improves the company’s risk management to ensure that the “do no harm” principle is respected in our investments, as it helps to anticipate unexpected risks and impacts, enhances co-operation with stakeholders, and strengthens the social licence to operate.

When financing private companies, financial profitability is key to creating an impact. If a company fails to keep its business running, it will not achieve the desired impact.

Therefore, the viability of the business model is another prerequisite for Finnfund’s investment.

Alongside their core business activities, our investee companies also engage in community development projects, which form an additional element of their social licence to operate.

Impact and sustainability in-house capacity

Finnfund has ten full-time staff members working on environmental and social sustainability and development impact matters. In 2024, the sustainability (environmental and social) team continued with six advisers and the development impact team with four advisers.

Governance matters are integrated into the workstreams of various in-house teams, namely risk management, investment operations, and legal affairs. Transparency matters and stakeholder engagement are also integrated into the work of several teams, namely communications, impact and sustainability, and investment operations. Responsible tax issues are

mainly taken care of by the legal team’s six in-house lawyers, as well as by an internal tax committee that includes experts from the legal, impact, and investment teams.

Know-your-customer (KYC) processes, including anti-money laundering and countering the financing of terrorism, are taken care of by the compliance team, which at the end of 2024 consisted of four full-time specialists. In 2024, the compliance team was working under the Director of Administration and the Deputy to the CEO, but as part of the organisational changes, the team will report to the Director of Impact and Sustainability as of the beginning of 2025.

The sustainability and impact topics are ever more important in Finnfund operations. Finnfund’s experts look for opportunities to develop their capacities and learn from peers, investee companies, and other stakeholders.

In 2024, our experts participated in networking and training sessions on, for instance, human rights in supply chains, land rights and resettlement, children’s rights and business impact, ILO labour

standards, sustainable forest management and good agriculture practices, and TNFD reporting, as well as know-your-customer and sanctions, and the prevention of money laundering. In November, the compliance team also participated in organising a Nordic lawyer and compliance annual meeting in Helsinki.

INSIGHT



Kaisa Alavuotunki
Director of Impact, Sustainability
and Compliance

Putting people and the planet at the core

“The year 2024 was a year of significant changes. Despite global political and economic turmoil, we are pleased to see the impact investing landscape developing rapidly. There is growing interest among private investors in many impact-related themes with which we actively engage, including biodiversity, climate, and gender equality.

These themes are also reflected in our new strategy, which emphasises three key areas: digitalisation, climate and nature, and local growth, decent jobs, and livelihoods. Additionally, we strive to support the reconstruction of Ukraine and to enhance Finnish added value within our investments (p. [19](#)).

In 2024, our impact and sustainability focus was particularly on nature and biodiversity. Finnfund adopted its first policy statement on nature and biodiversity, guiding our investment activities to strengthen

the values of nature and biodiversity. You can learn more about the strategy in our first combined report under the Taskforce on Nature-related Financial Disclosures (TNFD) and the Taskforce on Climate-related Financial Disclosures (TCFD) frameworks (p. [70](#)).

On the social side, we focused on strengthening our human rights-oriented approach to digital-sector investments, conflicts, and supply chains. We also refined our approach to assessing and managing gender-based violence and harassment within our investments (p. [93](#)).

To better integrate our compliance and know-your-customer processes, including anti-money laundering and countering the financing of terrorism, into our sustainability risk management processes, at the end of the year, our compliance team joined our Impact and Sustainability unit, now renamed Impact, Sustainability, and Compliance (p. [103](#)).

Aligned with our strategy, we are also actively engaging with private capital to mobilise more funding for sustainable development and to offer like-minded investors inspiring, impactful, and financially attractive investment opportunities. In terms of developing new initiatives, in 2024, we worked on the Planetary Boundaries Investing Framework (p. [88](#)) and the Finnfund Digital Access Impact Fund (p. [33](#)), and we strengthened our collaboration with UNICEF on the adoption of UNICEF’s Child-lens Investing Framework (p. [97](#)). As you can read in this report, the work with all these will continue in 2025.”

Development impact management

As a development financier and impact investor, the generation of positive development impacts and the mobilisation of funding for sustainable development and climate actions are the raison d'être for Finnfund. The UN Sustainable Development Goals and the targets set by the Paris Agreement cannot be met without private sector involvement.

Finnfund invests only in private companies that are expected to generate a positive net impact on society, as well as to solve global development challenges.

As explained above, in our new strategy, introduced in 2024, we aim, for instance, to grow local impact by one-third, and to target half of our new investments at the climate and nature (p. 19).

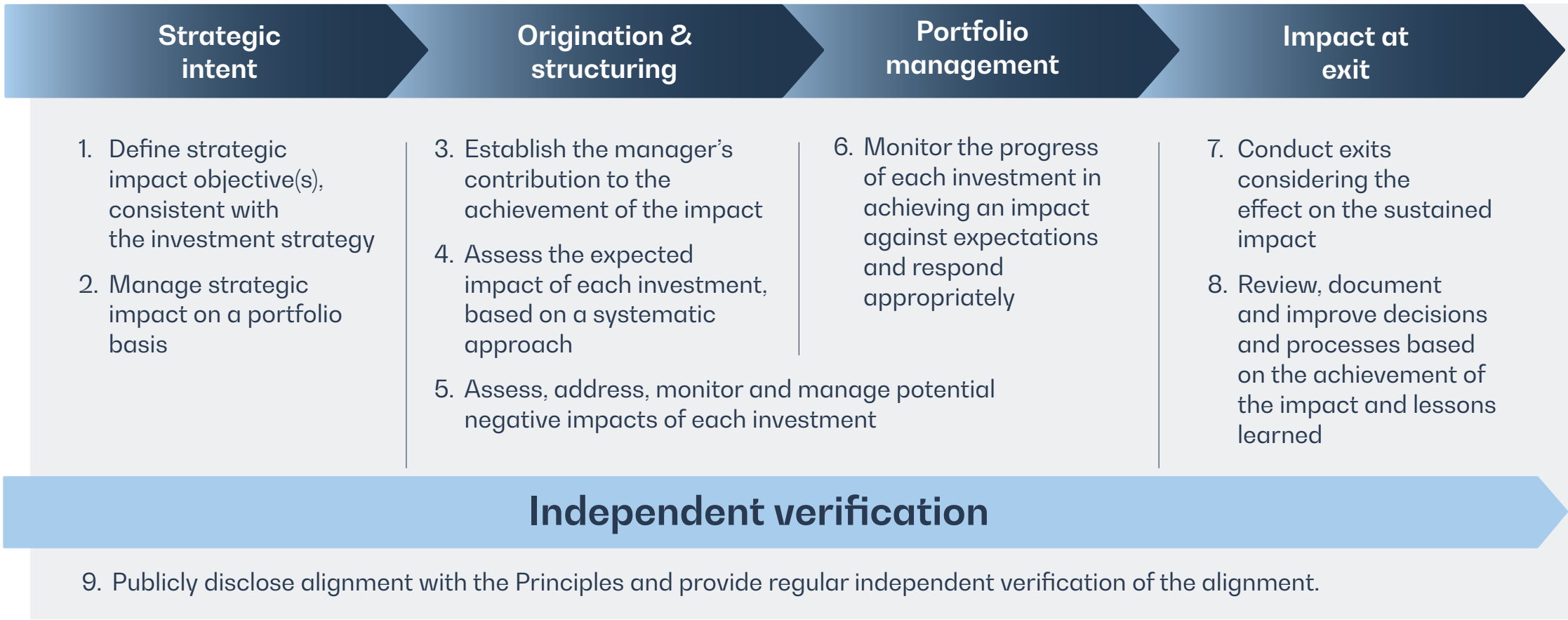
Framework for assessing and monitoring development impacts

Finnfund assesses the expected development impact of every investment before

the investment decision, and monitors and manages the development impact throughout each investment's life cycle, that is, up to exit.

Finnfund is one of the first signatories to the [Operating Principles for Impact Management](#) (OPIM). The nine principles

of OPIM provide an internationally recognised framework for investors, to ensure that impact considerations are purposefully integrated throughout the investment life cycle and to require a robust investment thesis of how the investment contributes to achieving an impact.



The Operating Principles for Impact Management (OPIM) provide a framework to ensure that impact considerations are purposefully integrated throughout the investment life cycle.

Theories of Change guide our impact work

For each of our five key sectors, we have created Theories of Change (p. 30-41). These guide our impact approach in assessing investments before financing decisions, monitoring projects annually, and commissioning specific impact studies and surveys.

The Theories of Change lay the foundation for all impact assessments by defining their broader social impact and their contribution to the SDGs, and by helping us better identify potential direct and indirect impacts of investments.

Development Effect Assessment Tool (DEAT)

Impact is one of the key components in making investment decisions. Our tool for screening investments before making an investment decision is the [Development Effect Assessment Tool](#) (DEAT).

Each potential investment gets an impact



score, which consists of its strategic relevance (e.g. its climate and gender impacts), its contribution to market and local economic development, and the (financial and value) additionality of Finnfund’s financing.

Monitoring direct impact on an annual basis

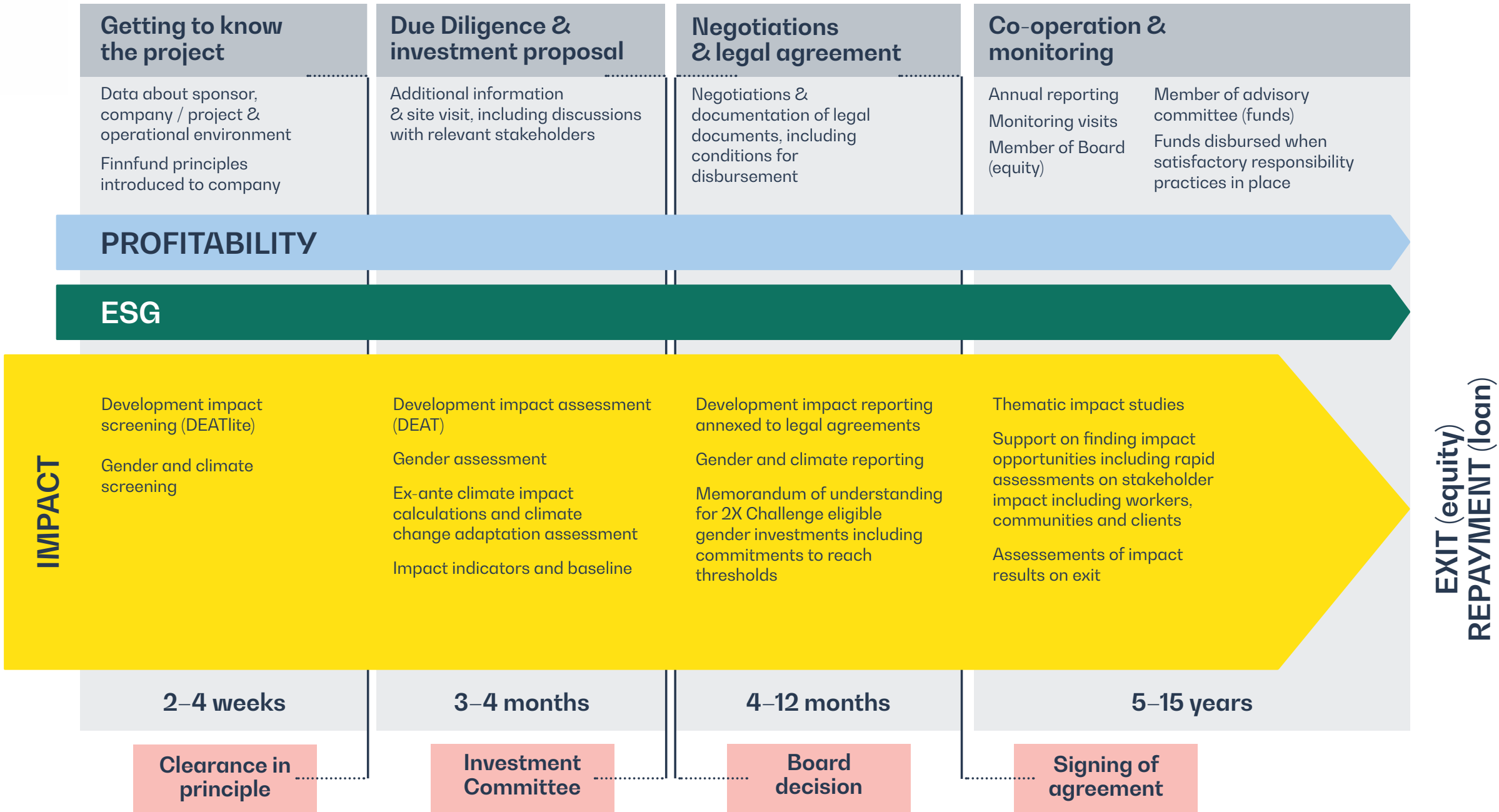
As part of the due diligence process, Finnfund collects baseline values for key indicators and monitors these annually. In addition, Finnfund agrees with the investee development impact-related key performance indicators (KPIs), which best reflect the development impact of the investment. These development impact KPIs are monitored and presented as part of an annual assessment of each investment by Finnfund’s Portfolio Management Committee (PMC). Alongside monitoring these KPIs, PMC also reviews development impact through climate, gender, and additionality dimensions. Monitoring of a broader range of development impact indicators is undertaken annually, using an easy-to-access electronic platform, which investees use for reporting. The majority of our indicators

are based on the [Harmonized Indicators for Private Sector Operations \(HIPSO\)](#), or the IRIS+ indicators developed by the [Global Impact Investing Network \(GIIN\)](#), and hence they have been collectively agreed upon by international development finance institutions and impact investors.

Capturing indirect impact through studies, surveys, and modelling

With direct impact representing only part of the overall impact of our investments, identifying indirect and broader impacts is a key aspect of understanding the results of our investments. For example, our interest is not only in the number of jobs our investees create and support, but in the broader impact these jobs create as a way out of poverty.

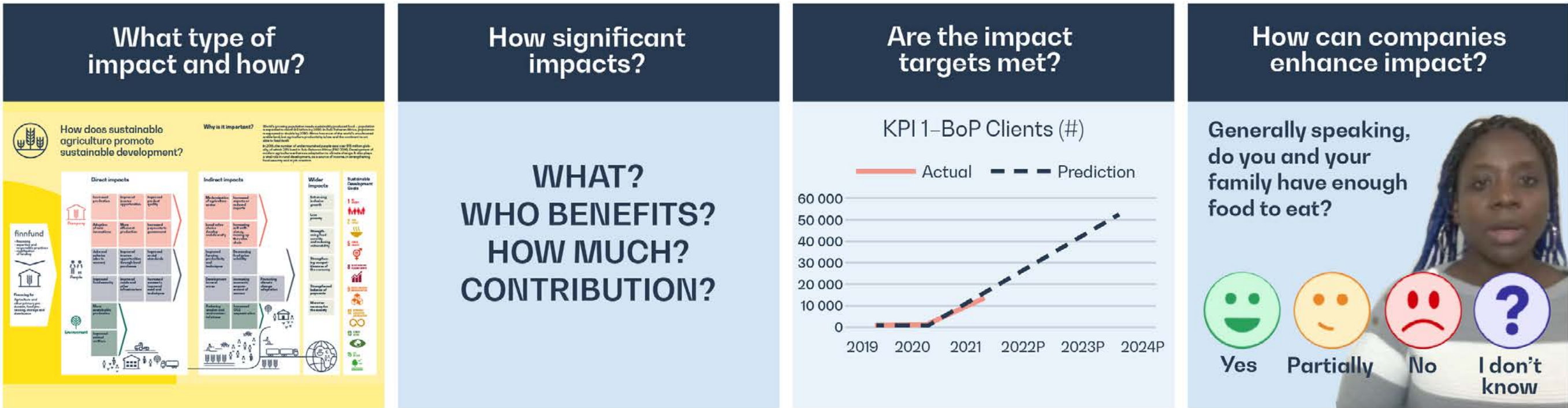
In 2024, we continued conducting rapid stakeholder surveys, asking the main stakeholder groups of our portfolio companies how the companies’ operations have affected their lives. We concluded eight studies and supported the 60 decibels MFI index 2024. These surveys help our investee companies to better under-



Development impact as part of Finnfund’s investment process.

stand who their stakeholders (such as employees, customers, and community members) are, how they experience the impact of the company, how significant the impact is, and what could be done to further improve the benefits. One benefit of the rapid surveys is that the results are available to enable investees' management to take appropriate action.

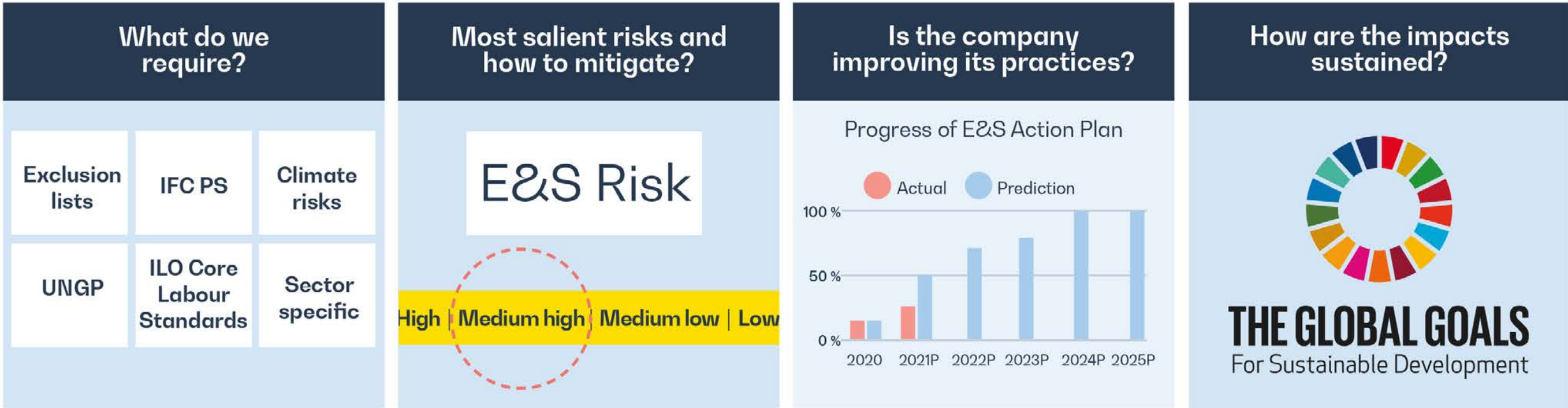
You can read more about the surveys on pp. [44](#) and [63](#) and on our [website](#).



OPPORTUNITIES TO PEOPLE AND PLANET



DO NO HARM – RISKS TO PEOPLE AND PLANET (ESG)



Impact creation at Finnfund.

CASE

Africa Mobile Networks:
Network connections open up
the world

What happens when a Nigerian village gets access to a mobile network? We wanted to find out, so we organised a community survey together with our investee Africa Mobile Networks (AMN). The members of local communities were able to share their experiences and tell us, in their own language and anonymously, how the network connection has impacted their lives and those of their families.

“Before the installation of the network, we were facing lots of challenges, no means of communication, no means to communicate with the town for assistance. It is a very important issue for us. The installation of this network has given us a bright light; we can get assistance with health or education. Everyone needs this network. It has assisted us in so many areas. Everything has been pushed up, just because of the network”, says **Aminu**, a resident of Yebu village, in an interview held after the community survey.

Nearly all (98%) respondents said that building the telecom towers has brought positive development to the region. Just as many said that the internet connec-

tion has positively impacted local businesses (98%) and improved the quality of their daily lives (88%).

AMN builds small solar-powered network base stations in sub-Saharan Africa. In March 2025, AMN was operating more than 4,200 base stations across more than 10 countries in Africa, providing crucial connectivity to 13 million people.

“AMN envisions a future in which all communities of any significant size have access to telecommunication services. We leverage our low-cost base and our experience in rolling out quickly and efficiently to positively impact those living in rural communities across Africa. Our unique business model means that we can profitably connect rural and ultra-rural communities, and this is key to ensuring sustainable development of mobile services”, explains **Mike Darcy**, the CEO of AMN.

Read the [full article](#), or learn more about the investment on our website [here](#) and [here](#).

Name: **OP Finnfund Global Impact Fund I / Africa Mobile Networks (AMN)**
Country: **Sub-Saharan Africa**
Investment year: **2022**
Sector: **General fund / telecom**



People responding to the survey, which was carried out with the help of video survey technology developed by Work Ahead, a Finnish technology company. This technology enables respondents to hear the questions in their local language and to answer anonymously by pressing an icon on the screen.
Photo: AMN

Sustainability risk management

At Finnfund, we believe that conducting business in a responsible manner is not only a wise but a smart and beneficial decision. Responsible and environmentally, socially, and economically sustainable business practices can boost the operational and financial performance of a company, enhance employee wellbeing and commitment, and bring a competitive advantage. These practices also improve a company's risk management capacity, helping to mitigate unexpected risks and impacts, enhance cooperation with stakeholders, and strengthen the social licence to operate.

Our approach to sustainability risks

Finnfund's overarching [Sustainability Policy](#) guides the assessment and management of sustainability within investments. It covers environmental, social, and governance issues, as well as the impact created

through sustainable business practices. The Sustainability Policy is accompanied by several thematic statements on, for example, [human rights](#), [gender equality](#), [disclosure](#), and [responsible tax](#), as well as adopted internal guidelines and tools to support implementation. In 2024, we also adopted a new [Statement on Nature and Biodiversity](#) that complements our previously published [Statement on Climate and Energy](#).

Sustainability is a joint effort by Finnfund, its investees, and third parties, such as co-financiers. Together with like-minded investors, such as the other members of the Association of [European Development Finance Institutions](#) (EDFI), Finnfund builds leverage and maximises impact and sustainability in its investments.

Finnfund has endorsed the EDFI [Principles for Responsible Financing of Sustainable Development](#) and the [Operating Principles for Impact Management](#). We have aligned our practices and investee require-

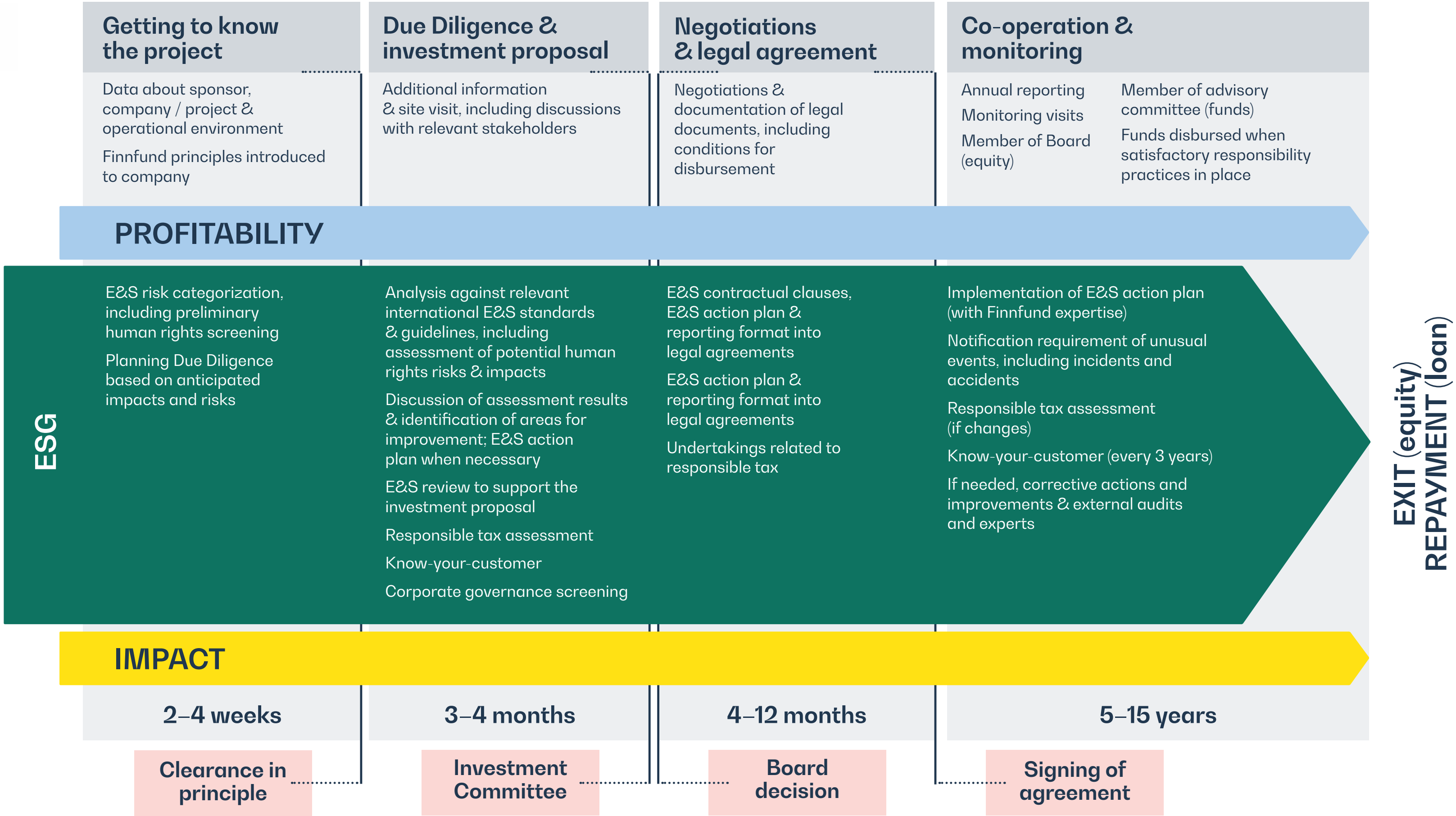
ments with the jointly agreed harmonised minimum environmental and social requirements applicable to EDFI co-investments, including our [Exclusion List](#).

In 2024, as explained below, Finnfund continued enforcing its human rights approach. On biodiversity, the focus has widened from assessing the risks to assessing both the risks and opportunities, and to providing training sessions and capacity building to investee companies. The sustainability team developed a comprehensive Biodiversity Standard Operating Procedure (SOP) to harmonise our efforts and ensure alignment with the International Finance Corporation's Performance Standard 6 (IFC PS 6) requirements. This SOP provides a robust framework for identifying and managing risks and impacts on biodiversity and ecosystem services, outlining clear guidelines for risk and impact identification, as well as mitigation measures. In addition, climate change risks, impacts, and mitigation



"We do not require a company to be perfect to qualify for investment. However, as an investor, we expect our investees to demonstrate a strong commitment to setting clear sustainability goals, and we actively support and assist them in developing their sustainability policies and processes."

Riikka Thomson
Head of Environmental and Social



Finnfund’s investment process from a sustainability point of view.

and adaptation opportunities are carefully assessed using further improved assessment tools in a specific project team climate assessment meeting (p. [70](#)).

Sustainability risk management in Finnfund’s investment process

Finnfund investee companies must commit to our sustainability requirements. Environmental sustainability, social responsibility, and corporate governance (ESG) are incorporated into every stage of our investment process, from identification of potential investments to on-going monitoring, as shown in the figure on the left.

Finnfund concentrates on the key ESG impacts, risks, and opportunities relevant for each project. The more significant the risks and anticipated adverse impacts, the stricter the requirements become and the more closely Finnfund monitors each project.

Finnfund applies specific procedures for environmental and social due diligence, management, and monitoring, as well as corporate governance, corruption, and taxation matters. All are integrated into the investment process and codified in our internal guidelines. We adopt different procedures for direct and indirect investments, as well as

for different financing instruments.

We actively support and assist our investees in developing their sustainability policies and processes. We monitor them to ensure they take corrective action if discrepancies are found between their practices, commitments, and the actual situation on the ground.

IFC Performance Standards as a basis for environmental and social assessment

Finnfund requires its investees to comply with Finnfund's [Exclusion list](#), applicable host country laws and regulations, and relevant international obligations, including the ILO core labour standards and conventions on basic terms and conditions at work. In addition, all Finnfund investments associated with medium to high inherent environmental and social risks and adverse impacts are required to achieve compliance with international standards on environmental and social management and performance, over a reasonable time period.

The nature of a project and its associated negative impacts and risks define

which standards apply to it. The principal environmental and social risk management framework defining Finnfund clients' responsibilities for managing their environmental and social risks is the [IFC Performance Standards on Environmental and Social Sustainability](#) (IFC PS) with the associated World Bank Group general and industry-specific [Environmental, Health, and Safety Guidelines](#).

The IFC Performance Standards address eight topics:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labour and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention;
- PS 4: Community Health, Safety, and Security;
- PS 5: Land Acquisition and Involuntary Resettlement;
- PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;
- PS 7: Indigenous Peoples;
- PS 8: Cultural Heritage.



Finnfund's Environmental and Social Adviser, **Harold Gordillo**, met with the employees of the New Forests Company, a Finnfund investee since 2015, as part of a monitoring visit in Uganda. *Photo: Finnfund*



Compliance with PS 1 and PS 2 is required for all medium- to high-risk investments. Additional compliance with PS 3 to PS 8 is required when risks related to the specific themes are triggered by the project and its indirect area of influence.

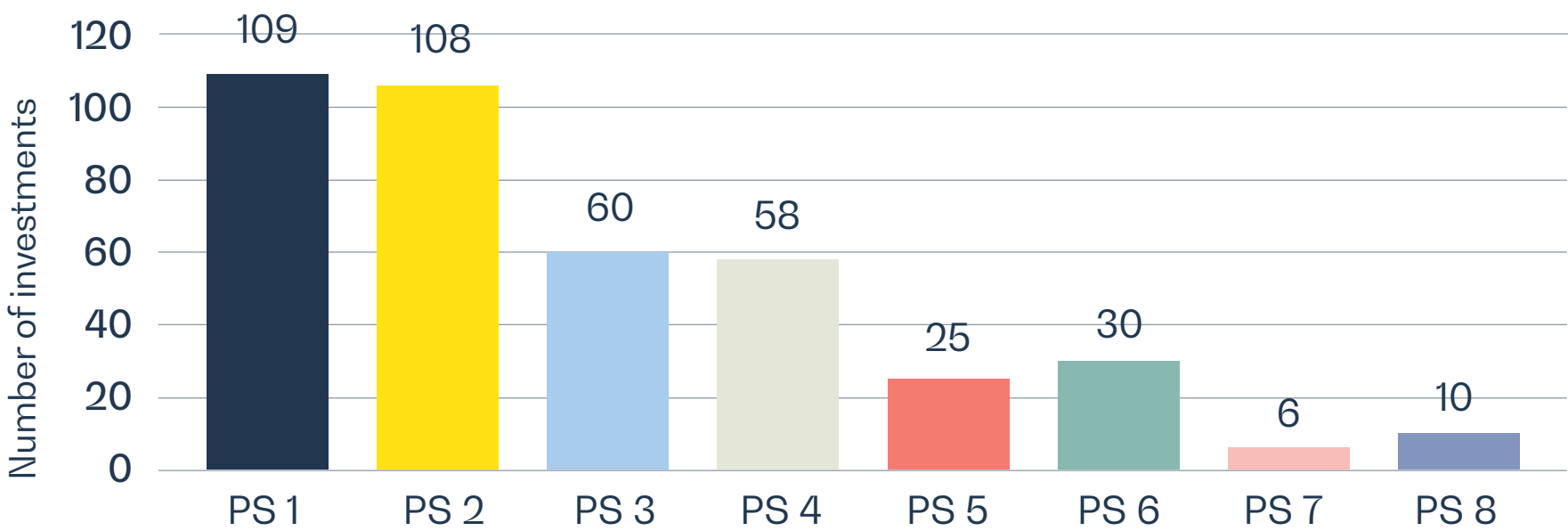
Other relevant international standards and principles include, for example, [the UN Guiding Principles on Business and Human Rights](#) (UNGP), which also create a basis for our human rights management approach (p. 93), as well as various internationally recognised certification standards, such as the ISO management system standards for environmental and social management, occupational health and safety and information security management, as well as sector-specific certifications such as FSC™ for sustainable forest management, Global GAP for good agricultural practices, and SA8000 for social accountability, among others.

Finnfund is a signatory to the Investor Guidelines for Responsible Investing in Digital Financial Services, which requires its members to comply with the responsible digital finance guidelines and client protection prin-

ciples. Finnfund is also committed to the [SPTF/Cerise Client Protection Pathway](#), which strives to ensure that microfinance is based on responsible, sustainable lending practices, data privacy and respect for human rights.

As explained on p. 70, Finnfund is also committed to the Task Force on Climate-related Financial Disclosures (TCFD), and in 2024, we also joined the early adopters of the Task Force on Nature-related Financial Disclosures (TNFD).

The IFC PS triggered by the Finnfund portfolio as of 31 December 2024





Working together to improve sustainability

Potential investments are assessed according to Finnfund’s due diligence process against the applicable requirements. Identified gaps in the investee’s environmental and social management and performance are discussed with the investee company and documented in an Environmental and Social Action Plan (ESAP) with a clear description of the gap identified, necessary actions, resources, expected outcomes, defined budget, and mutually agreed deadlines. The ESAP is a legally binding requirement included in the financing agreement.

Compliance with and progress in the ESAP are followed up regularly by Finnfund’s environmental and social advisers. This approach ensures that the measures taken are appropriate for the level of risk and impact, and that the resources of the investee company are used efficiently. It also ensures that all potential issues are addressed in a manner that is commensurate with their severity.

Finnfund does not expect a company to be perfect to qualify for investment. The focus is on investing in companies that are committed to setting clear sustainability goals and that are eager to continually enhance their environmental and social management and performance. After Finnfund decides to invest, it typically takes the investee company between 1 and 3 years to complete the Environmental and Social Action Plan (ESAP) and reach the required performance level.

Compliance with environmental and social standards is not a one-off accomplishment. It is a dynamic process that progresses and expands throughout the investment’s duration.

As a development financier, Finnfund encourages its clients to appreciate the advantages of sustainable operations. It promotes business practices that aim to reduce environmental harm, contribute to sustainability, and ensure responsible resource usage. The goal is to create

a continuous cycle of improvement and sustainability in all operations during and after Finnfund investment.

For example, during 2024, Finnfund provided GHG accounting training for several of its portfolio companies. This helped companies to identify their emission sources and start working towards mitigating them. Companies often find financiers’ emission reporting requirements burdensome and challenging, and investees gave positive feedback on this training, including as it applies to investees’ reporting obligations to other stakeholders. The individuals trained also saw that the new skills they acquired related to GHG accounting served their personal career development. With this training, Finnfund gains valuable information and is able to increase the accuracy of its portfolio emissions accounting.

CASE

WorldLink expands the existing fibre network and builds its first Tier 3 data centre in Nepal

Nearly half of the population in Nepal still lacks broadband internet access, and there is a notable disparity between urban and rural areas. Finnfund’s 10 million euro equity investment in WorldLink Communications Ltd, the largest internet service provider in Nepal, will be used to expand the existing fibre network and to build WorldLink’s first Tier 3 data centre.

“Finnfund’s investments in digital infrastructure seek to provide communities with faster, more affordable and reliable internet, and WorldLink has been working towards bridging the digital divide in Nepal by expanding its services to rural areas of Nepal and to remote villages”, says **Kuutti Kilpeläinen**, Senior Investment Manager and Head of the Digital Infrastructure and Solutions portfolio at Finnfund. “Being a Finnish impact investor, we of course also value the fact that WorldLink uses Nokia’s advanced technology to enhance its internet services.”

WorldLink’s expansion into the data centre sector will benefit not only WorldLink’s customers but also other internet service providers, as well as telecoms and both public and private sector organisations.

“Finnfund’s investment is a significant milestone in our mission to connect every corner of Nepal to fast, reliable, and affordable internet”, says **Dileep Agrawal**, Chairperson of WorldLink. “By expanding our fibre network and establishing a world-class data centre, we aim to bridge the urban–rural digital divide and accelerate digital transformation across the country.”

WorldLink provides employment to over 5,000 people and has 35 per cent broadband market share in Nepal, reaching over 900,000 households. The company currently provides services in 73 of the 77 districts in Nepal.

Read the [full article](#), or learn more about the investment on [our website](#).

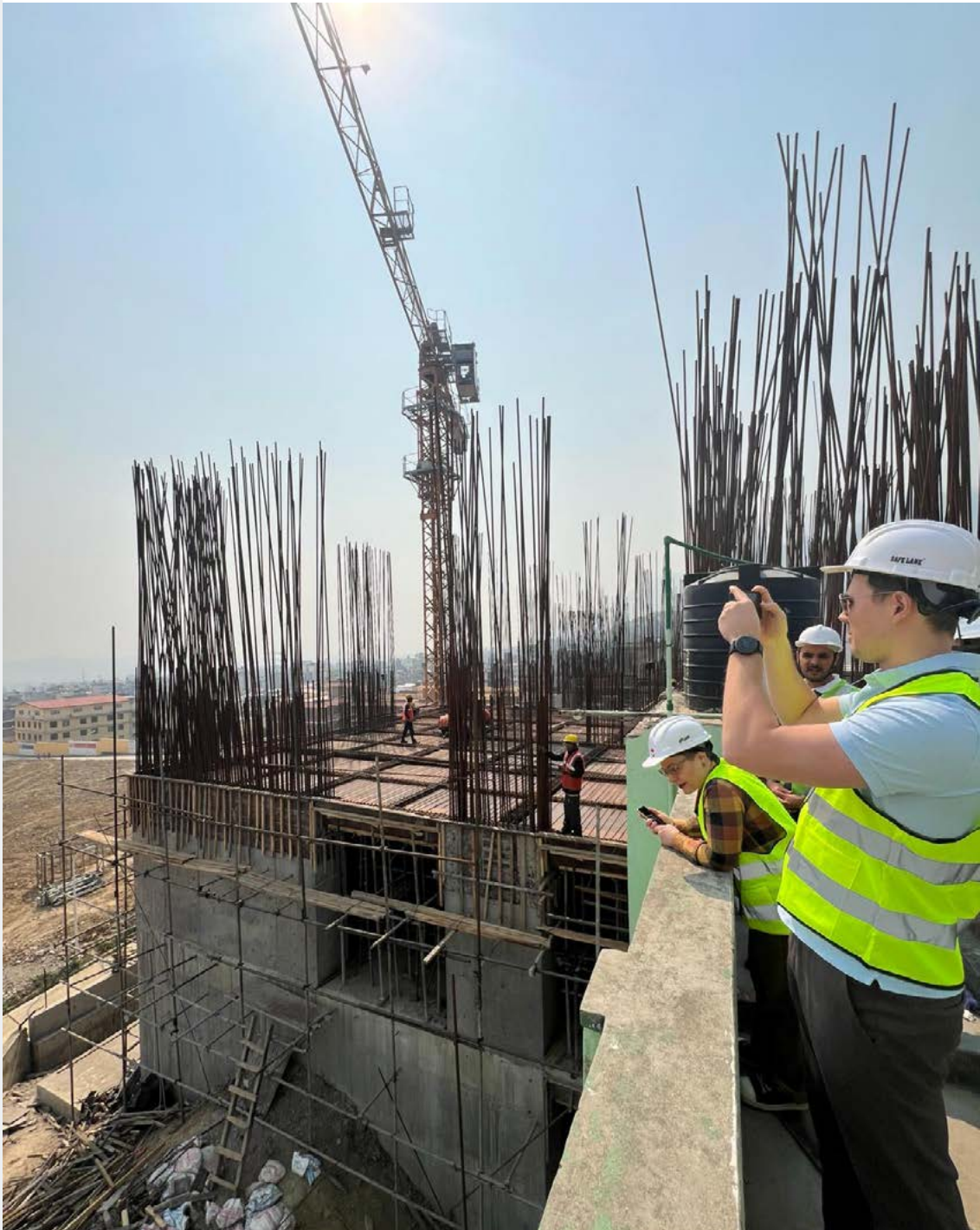
Sylvie Fraboulet-Jussila, Finnfund’s Senior Environmental and Social Adviser, and **Kuutti Kilpeläinen**, Senior Investment Manager and Head of Digital Infrastructure and Solutions portfolio, visiting WorldLink’s construction site in Nepal. Photo: Finnfund

Name: **WorldLink Communications**

Country: **Nepal**

Investment year: **2024**

Sector: **Digital infrastructure and solutions**



TCFD & TNFD

Climate change, biodiversity, and ecosystems

Climate change and biodiversity loss are all-encompassing global challenges that fundamentally affect all aspects of societies, economies, and the planet. The two crises are inextricably linked and, therefore, they need to be considered together: climate change is one of the main drivers of biodiversity loss and one of the recognised Earth system boundaries.

Simultaneously, degrading or destroyed ecosystems can no longer sustain their climate-regulating functions, strengthening climate change in turn. In addition, ecosystems lose their adaptive capacity against climate change effects as a result of the changing climate itself.

We acknowledge that climate change disproportionately affects developing countries, which often have less capacity to adapt to climate change. It has also become clear that the most vulnerable population groups, such as Indigenous peoples, women, and the poor people living

in rural areas in developing countries, while not being the cause of these crises, often suffer the most from them.

As a development financier and impact investor, Finnfund places climate change mitigation, adaptation, and resilience, and the fight against biodiversity loss, among its key objectives and development achievements.

As further explained above, this is reflected in Finnfund's strategy and the key sectors that we finance, as well as throughout our investment process.

Since 2021, we have continuously developed our approach to assessing and managing climate-related risks and opportunities, aligned with the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD): governance, strategy, risk management, and metrics and targets. In 2023, the TCFD was disbanded and its recommendations were incorporated into the ISSB (International Sustainability

Since 2022, Finnfund has partnered with MLR Forestal, a Nicaraguan agroforestry company, on a pilot project to restore 554 hectares of degraded forest land with significant biodiversity potential in Nicaragua. Read more on our [website](#).

Photo: Finnfund





Standards Board) standards. Finnfund does not currently report according to the ISSB standards, but we continue to apply the TCFD reporting framework, which is presented below, as enhanced by our TNFD report. As of the beginning of 2024, Finnfund also joined the early adopters of the Task Force on Nature-related Financial Disclosures (TNFD).

Governance

Finnfund's Board of Directors is responsible for overall oversight of Finnfund's approach to climate, biodiversity, and ecosystems, including keeping climate- and biodiversity-related risks and opportunities under review, and setting and ensuring the implementation of Finnfund's related strategies and actions.

In this context, the Board of Directors approved Finnfund's updated strategy for the period 2024–2027, which included a strong commitment to continue financing climate action. The new strategy period continues and refines Finnfund's earlier climate approach, as engendered first in

our Climate and Energy Statement of 2021, as well as in our strategy for the period 2022–2025. In August 2024, the Board of Directors also approved Finnfund's first Nature and Biodiversity Statement, which complements Finnfund's [Sustainability Policy](#) and the [Climate and Energy Statement](#). The Board is regularly updated on Finnfund's ongoing climate risk work and evolving investment processes and tool.

Finnfund's Management Team, led by the CEO, oversees Finnfund's operative climate, nature, and biodiversity agenda, including managing and overseeing the implementation of Finnfund's strategic targets, as explained below. Finnfund's Director of Impact and Sustainability, a member of the Management Team, is responsible for overall climate-related substantive issues, while the Chief Financial Officer manages and oversees Finnfund's climate, nature, and biodiversity risk exposures.

Finnfund's Investment Committee assesses the climate and biodiversity risks and opportunities of individual investments and related investees as part of Finnfund's

investment process. The Portfolio Management Committee is responsible for annual project monitoring, which includes climate and biodiversity dimensions.

Investment-related responsibilities for identifying, assessing, and managing climate, nature, and biodiversity risks lie with the investment and portfolio management teams, which are responsible for both identifying new investments and managing existing ones. These teams consist of subject-matter experts from the following teams/departments: CEO's office, Investment Operations, Development Impact, Environmental and Social Responsibility, Risk Management, Communications, and Legal.

Finnfund's Climate, Nature and Biodiversity Committee, established in 2023, brings together a broad range of Finnfund teams working on climate and nature issues as a forum for addressing these cross-cutting themes. The Committee aims to promote active ownership related to climate and nature issues and is responsible for developing Finnfund's internal processes and capabilities in the domain.

The Committee met four times in 2024 and addressed issues such as Paris alignment, the Planetary Boundaries Framework, carbon integrity, and climate-related tools used by Finnfund. In addition to the Committee meetings themselves, work was undertaken by its members in smaller task forces, which further developed and refined Finnfund's approach to assessing Paris alignment of financial institutions, as well as investments in the agriculture sector. These tools provide frameworks for analysing and structuring the analysis of potential investments with regard to the Paris Agreement on Climate Change.

Strategy

Climate change mitigation and adaptation, as well as biodiversity, play an integral role in Finnfund's strategy, and climate change and biodiversity loss are recognised as key drivers of emerging changes in the financial sector. While climate change and biodiversity loss cause significant risks to businesses and investors, they can also create new business opportunities across various sectors.



This is evident in both the geographies and sectors where Finnfund invests. Three of Finnfund’s five key sectors – namely agriculture, forestry, and energy – have a substantial impact on climate, nature, and biodiversity. However, they are also heavily reliant on natural resources. Additionally, two other sectors – digital infrastructure and solutions, and financial institutions – play a crucial role in supporting adaptation and resilience, as well as fostering and financing innovative solutions.

As further explained below and on p. [64](#), the assessment and management of risks and opportunities are integrated into our investment process, contributing to our portfolio-level risk management and origination of new investments, and at the end of the day, to the implementation of our strategy. The portfolio-level analysis of risks and opportunities, including various climate-related scenarios and the analysis of nature-related risks and opportunities, is still ongoing.

A list of some climate-related risks and opportunities identified for our key sectors can be found on p. [17](#).

In terms of nature- and biodiversity-related risks and dependencies, it is good to note that Finnfund’s portfolio consists mainly of unlisted, direct investments. Investee reporting is guided by the financing agreements, and in the case of older investments, reporting requirements do not cover indicators used in TNFD reporting. Therefore, investees report TNFD indicators mainly on a voluntary basis. In the Finnfund operating environment in developing and emerging markets, regulatory requirements rarely include elements that would support nature and biodiversity reporting as specified in the TNFD framework.

Finnfund has applied the NatureAlign tool to its high-level portfolio assessment. Country-level risk exposures in Finnfund’s direct investments in the four key sectors are presented in the table below. These four sectors cover some 50 per cent of the value of Finnfund’s portfolio. Indirect investments in financial institutions, which cover some 24 per cent of Finnfund portfolio, are not covered in this assessment. Biodiversity risk in other sectors, such as



health and education, is considered low.

Both agricultural and forestry investments are highly or moderately dependent on all ecosystem services (biomass provisioning, soil and sediment retention, water purification, soil quality regulation, flood control, climate regulation, water supply, local climate regulation, storm mitigation, water flow regulation, and rainfall pattern regulation). For agricultural commodity trading companies, the dependency is indirect. In the digital and energy sectors, dependencies are low and medium.

Should the risks materialise, they could cause significant disruptions to businesses, necessitating adjustments to business models and operations. If not well managed, this could hinder Finnfund’s strategic objectives and lead to substantial financial risks or devaluation within Finnfund’s investment portfolio. Conversely, combating climate change and biodiversity loss creates a demand for innovative solutions, new products, and services, which can generate new business opportunities for Finnfund’s investments and for Finnfund as an investor.

Finnfund aims to balance its investment portfolio both geographically and sector-wise. Additionally, as an investor, it strives to promote the development and

utilisation of innovative solutions and to assist its investments in recognising opportunities related to climate change and biodiversity.

Sector (direct investments)	Exposure to sectors with TNFD-defined material nature-related dependencies and impacts (in Finnfund's portfolio as per sector; %, investment value EUR)	Exposure to locations with a high presence of critical natural assets (%, investment value EUR)	Exposure to locations with high water scarcity (%, investment value EUR)
Forestry	100	13.4	13.4
Agriculture	100	15.9	22.1
Digital infrastructure and solutions	7.13	29.6	15.7
Energy	100	18.6	40.7
Combined (all sectors above, 76 investees)	71.7	20.1	22.8

Finnfund’s exposures (direct investments) to sectors with material nature-related dependencies and impacts, as well as to locations with a high presence of critical natural assets and high water scarcity as of December 2024.

Our commitment

Finnfund’s approach, with assessment and management of climate, nature, and biodiversity-related risks and opportunities, is based on Finnfund’s strategy (p. 19), the Sustainability Policy, the Exclusion List, and the Government Ownership Steering Memorandum issued by the Ministry for Foreign Affairs of Finland. In 2024, Finnfund updated its strategy for the period 2024–2027.

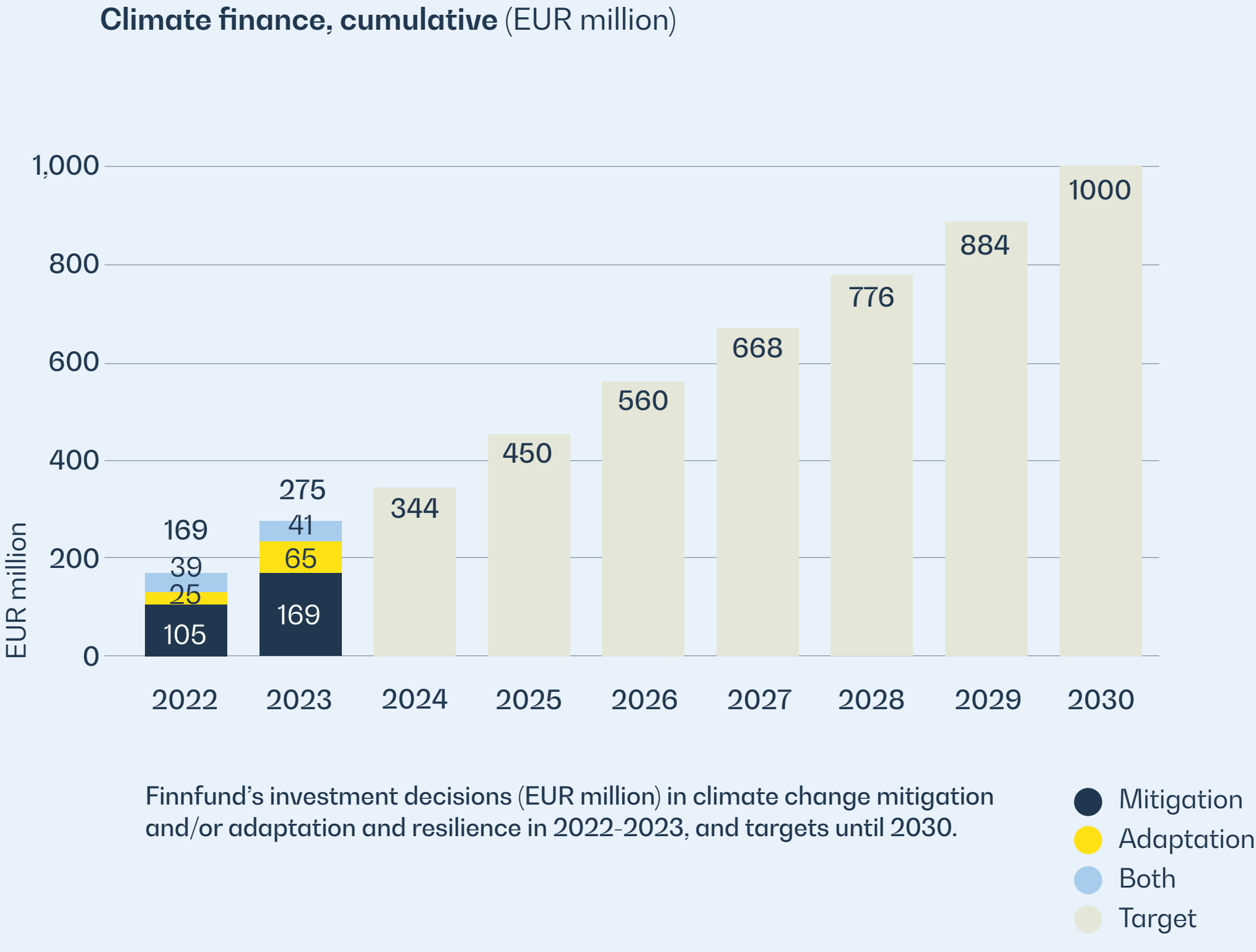
Driving climate action, accelerating the clean transition, and respecting planetary boundaries were identified as elements of a clean transition and nature, which Finnfund supports through our portfolio investments. In the climate context, renewable energy, the forestry sector, and adaptation finance continue to be at the core of our investment strategy. One of the three key strategy targets is to allocate half of our new investments to climate and nature (p. 22).

We also continue to aim to make one billion euros worth of new investments in climate finance by 2030, as already out-

lined in our [Climate and Energy Statement](#) adopted in 2021, and to align all new investments with the Paris Agreement, as well as to push for more systematic, harmonised, and transparent climate finance disclosures and reporting. In line with our updated strategy for the period 2024–2027, we will be assessing the need to refine parts of our climate and energy statement in spring 2025.

Progress towards this climate finance target is being reported to and reviewed by the Board of Directors annually as part of Finnfund’s company-level strategy. In 2024, Finnfund made investment decisions worth 124 million euros in climate change mitigation and/or adaptation and resilience projects. As such, Finnfund is on track to meet its commitment to make one billion euros worth of new investments in climate finance by 2030.

Besides Finnfund’s own climate finance targets, Finnfund’s investments are also a key part of Finland’s climate-related official development assistance (p. 25).





Nature and biodiversity statement

In August 2024, Finnfund adopted its first [Nature and Biodiversity Statement](#), which complements Finnfund’s Sustainability Policy and the previously published Climate and Energy Statement. It brings together the guiding principles and goals based on which Finnfund strives to strengthen the well-being and diversity of nature and to mitigate possible nature and biodiversity risks in its investment activities.

As explained above, the statement recognises biodiversity loss as a significant threat to the well-being of the planet and the sustainable development of societies and the economy. Companies and investors can actively protect and strengthen biodiversity through their own activities. Correspondingly, strengthening biodiversity can create new business opportunities and reduce business risks.

The policy statement is built upon three key targets. Finnfund is committed to:

1. Ensuring there is no net loss of biodiversity in our investments

Finnfund invests in companies whose operations do not cause negative net effects on biodiversity. The risks and opportunities related to nature and biodiversity are assessed for each investment decision, and they are monitored and managed throughout the investment’s life cycle. Special attention is paid, for example, to the protection of critical and natural habitats and to the rights of Indigenous peoples and other local communities, and to cooperation with them.

Since 2005, Finnfund has evaluated and minimised risks related to nature and biodiversity in its investments using the IFC Performance Standards framework (p. [64](#)).

2. Developing and fostering nature and biodiversity net gains

Finnfund seeks investment opportunities that develop and implement solutions contributing to the goals and targets set by the Kunming-Montreal Global Biodiversity

Framework (GBF), including mechanisms that address both biodiversity loss and climate change, both directly and indirectly affecting the drivers that cause and accelerate them. These drivers of biodiversity loss include land and sea use changes, pollution, invasive species, and unsustainable use of natural resources.

For example, since 2022, Finnfund has been working with the agroforestry company MLR Forestal operating in Nicaragua, aiming to restore 554 hectares of degraded forest land and to strengthen the natural values of the entire area (p. [102](#)).

3. Promoting more systematic, harmonised, and transparent nature-related financial disclosures and reporting

Global frameworks and standards to identify, monitor, report, and disclose biodiversity- and nature-related risks and impacts are just becoming established. Finnfund is committed to pushing for more systematic, harmonised, and transparent nature-related financial disclosure and reporting practices in its own operations,

and it is encouraging the companies it finances and other investors to do the same.

An example of this is the *Planetary Boundaries Investing Framework*, a new investment evaluation tool that can be used to evaluate and monitor both the positive and negative planetary effects of investments (p. [88](#)).

Risk management

The intensity and frequency of *physical climate risks*, which refer to risks posed by extreme weather events and chronic climate-related changes, are increasing globally.

In terms of climate-related *transition risks*, changes in regulations, markets, competition, and reputational aspects also continuously shape our target markets.

High dependency on natural capital and biodiversity and nature, and biodiversity risks associated with business activities, are increasingly understood and taken into consideration globally, and it is expected that regulation to protect natural resources and biodiversity should evolve if the commitments made in the Kunming-Montreal Biodiversity Agreement are to be met.

Together, these changes have an inevitable impact on the private sector and economic activity, with varying magnitudes, depending on the sector and country. Identifying and understanding these risks and finding ways to mitigate them and adapt to the related changes is a precondition for businesses' survival and success.

We believe that investors should understand the risks they have in their portfolio, and should actively seek ways to diversify investments and, in collaboration with the investee companies, find not only mitigation measures but also business opportunities that climate change adaptation and resilience, and biodiversity may bring.

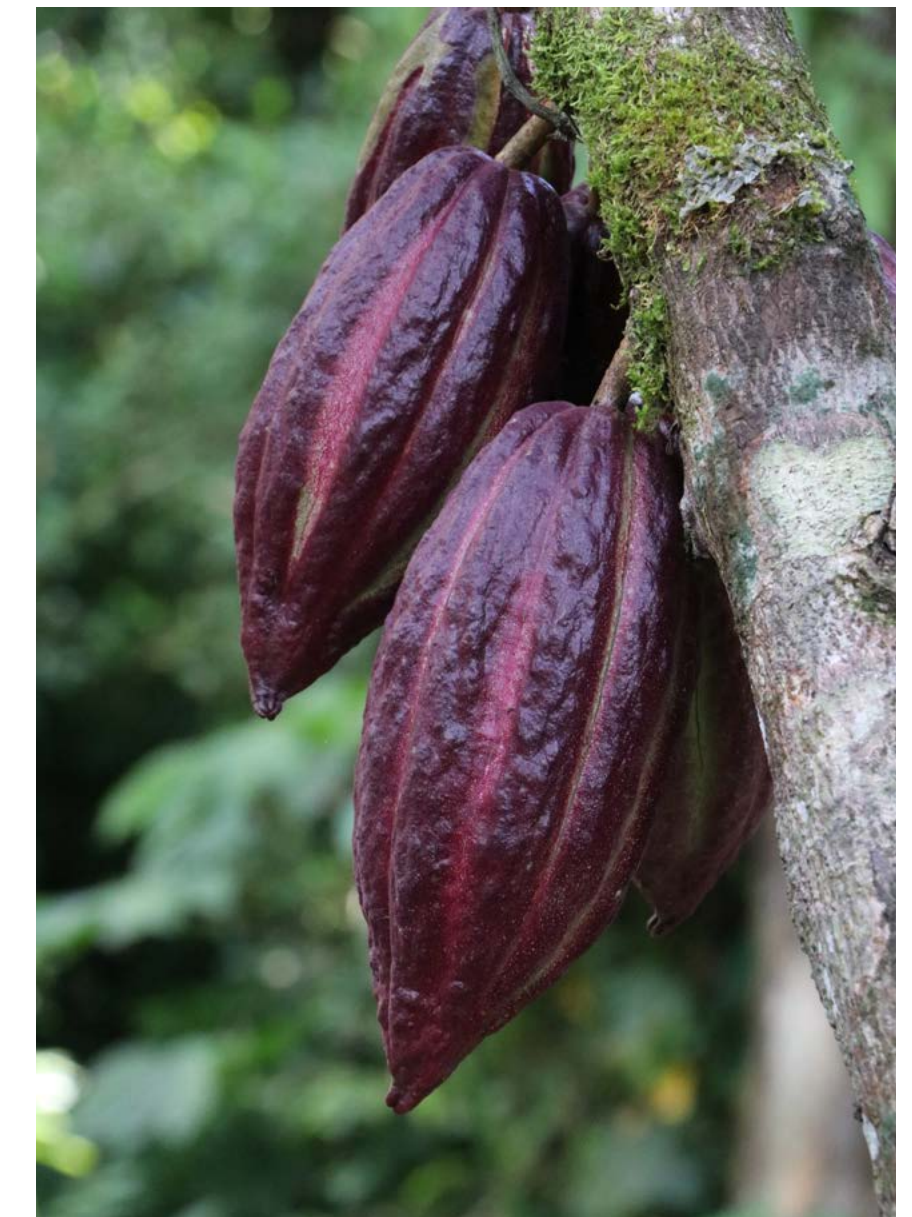
Work in progress

Finnfund started to develop its climate risk and adaptation framework and tools in 2020; this work is, by its nature, iterative and ongoing. The framework and tools are aligned with the principles of the EU Taxonomy Regulation and the Taxonomy Climate Delegated Act. Finnfund's physical climate risk (acute and chronic) and transition risk assessment tools were incorporated into the investment process in June 2021 and March 2022, respectively. A new country risk assessment tool was integrated into the investment process in 2023, and climate change impacts are also considered as part of overall country risk. To add to our analytical capacity with regard to climate risks, at end 2024, we decided to

start using a tool offered by Climate Risk Services for an initial one-year period. With this tool, we aim to have more granular climate risk-related information to inform our decision-making.

We will continue developing the assessment and management of climate-related risks and opportunities on a portfolio level, including different climate-related scenarios.

Finnfund nature and biodiversity risk assessment is based on the Finnfund Exclusion List and the IFC Performance Standards, and particularly on standards 6 and 3, and for ecosystems services also on standard 4 (p. [66](#)). An internal standard operating procedure ensures that processes and tools are systematically applied in investment cases in which biodiversity risks are present and material. In addition, a deforestation risk assessment is part of the procedure to ensure alignment with the Paris Agreement and to assess nature and biodiversity risks associated with deforestation and forest degradation.



Sustainable agroforestry in Nicaragua. Cacao fruits cultivated by MLR Forestal. Read more on p. [102](#) or on our [website](#). Photo: Finnfund

Key sector	Physical risks, Acute	Physical risks, Chronic	Opportunities	Transition risks
Renewable energy	Flooding damages a power plant	Changes in rain patterns impact hydro powerplant power generation	Site selection improves reliability of energy generation during extreme weather events.	Political uncertainties affect energy policy
Sustainable forestry	Wildfire destroys a forest plantation	Accelerating biodiversity loss weakens tree quality	Fire breaks protect the plantation as well as surrounding areas.	Increasing insurance premiums
Sustainable agriculture	Drought results in harvest losses and food insecurity	Emergence of tropical pests kills crops	Improved irrigation measures conserve water and improve yields	Regulations related to fertilisers or water use, or demand for certification or carbon data, disproportionately impact smallholders
Financial institutions	A natural disaster leaves local people unemployed	Rising sea levels hamper local economic activity	Financial institutions develop climate finance products and services	Climate change driven costs harm clients' ability to repay loans
Digital infrastructure and solutions	A hurricane destroys telecommunication infrastructure	Biodiversity loss restricts land use in infrastructure projects in remote areas	Climate-resilient infrastructure enables communities to recover faster	Increased raw material costs

Some examples of climate risks in our five key sectors.

Every investment is assessed

Many of Finnfund’s key strategic sectors, such as agriculture, forestry, and renewable energy, are highly dependent on natural resources and are vulnerable to the climate hazards and chronic risks that climate change imposes on them. Transition risks also play an important role, affecting our investments through regulation, market changes, competition, and reputational aspects.

Finnfund assesses the climate, and nature and biodiversity risks of every investment before the investment decision and monitors them during the investment period. This assessment includes both physical and transition risks of climate change for all direct investments. In the case of nature and biodiversity risks, the focus is on physical risks. Currently, the risk assessment methodologies cover direct risks and impact, and to some extent supply chain risks (Tier 1).

Based on this risk assessment, we also identify possible climate change adaptation needs and opportunities in every investment, both from a business perspective (adapta-



tion of) and in terms of the support the business may give to adaptation efforts among their clients and in society (adaptation through). When nature and biodiversity risks are identified, investees are required to follow mitigation hierarchy practices and establish biodiversity action and management plans that ensure no-net-loss as a minimum.

In terms of fund investments, the same principles of assessing the risks and opportunities apply, but the assessment can be made either by Finnfund or by the fund manager. Whenever applicable, the processes and methodologies of the fund manager are assessed as part of the due diligence process. The assessment of the capability of the fund manager is key, as the manager is responsible for managing their own portfolio assets.

Direct investments: Three phases for assessing climate risks and adaptation opportunities, and biodiversity risks

The following summarises and explains step-by-step the current process and methods for our climate risk and climate change adaptation assessment at an individual investment level for direct investments.

The assessment is made in three stages:

1. Screening

The first step in Finnfund’s investment process is an initial project screening, followed by a clearance in principle from the Investment Committee to proceed with further preparation of the investment.

a) Climate risks and adaptation opportunities

Physical climate risks and identification of adaptation potential are included in this first screening, with the aim of assessing the investment’s exposure and vulnerability to climate-related risks/hazards, as well as what scope there is for the invest-

ee to adapt to these. Transition risks are also discussed in this phase, but a more thorough transition risk assessment is only conducted in the due diligence phase.

Identifying physical climate risks guides us in identifying climate change adaptation needs at the economic activity level, and the potential contribution of the investment to adaptation and climate change resilience, either focusing on the economic activity itself or looking at the wider business environment, at system and society levels. Both acute hazards and chronic changes are included in the screening, and their relevance to the business is assessed.

An environmental and social adviser undertakes the physical risk screening, and a development impact adviser then assesses relevant adaptation opportunities. Every potential investment receives a risk rating that guides the next steps in the process, and the adaptation potential also contributes to the development impact scoring of the investment.

Screening for risks relies on existing public databases and data sources, such as IPCC, the INFORM Climate Change tool,

and other sector and country-specific sources. The final rating of the screening process provides an initial scaling for the existing risks in the business operating environment (geographical location(s) and sectoral risks), taking into consideration the vulnerability and readiness of the operating environment to adapt to hazards and changes.

In addition, based on the risk identification, the screening provides an assessment of the adaptation potential in the investment.

Since 2021, Finnfund has also included a consideration of physical and transition climate risks in its internal credit risk rating methodology. Based on the outcomes of the climate risk assessment undertaken in the due diligence phase, Finnfund applies standardised metrics as inputs in its credit risk rating. Depending on the specifics of each investment, climate risk can affect the overall credit risk rating class.

b) Biodiversity risks and opportunities

Finnfund has assessed the biodiversity risks and impacts of its investments since our first Environmental Policy was published in 2005. In addition to compliance with local laws and environmental regulations, Finnfund requires all investees to comply with the requirements of the IFC Performance Standards (IFC PS).

Nature and biodiversity risk screening is based particularly on PS 6 and PS 3. IFC PS 6 focuses on biodiversity conservation and sustainable management of living natural resources. It recognises that protecting and conserving biodiversity, maintaining ecosystem services, and managing living natural resources are fundamental to sustainable development. At the end of 2024, approximately 19 per cent of our investments had triggered IFC PS 6.

IFC PS 3 recognises that increased economic activity and urbanisation often generate increased levels of pollution to air, water, and land, and consume finite resources in a manner that may threaten people and the environment at the local, regional, and global levels. At the end of 2024, approximately

37 per cent of our investments triggered IFC PS 3.

IFC PS 4 assesses nature and biodiversity from the perspective of provision of ecosystem service for communities. At the end of 2024, approximately 36 per cent of our investments triggered IFC PS 4. The screening defines the ecologically appropriate areas of analysis for an investment and its main direct supply chains when relevant, and with IBAT and Google Earth tools, it creates an initial assessment of the investment's potential impact on critical and natural habitats. Land conversion and deforestation risk (including historic deforestation) is assessed using the Global Forest Watch database. Water risk is assessed at this stage using the WWF Water Risk Filter. The NatureAlign tool is also being tested to provide further guidance on the risks and possible positive impact pathways.

Even though it sounds contradictory, high risks are often associated with high potential for positive impact. The screening also takes into consideration activities that the investee may already be implement-

ing for risk mitigation and net gains, and the investee's potential to enhance those efforts to generate net gains, such as conservation and restoration activities.

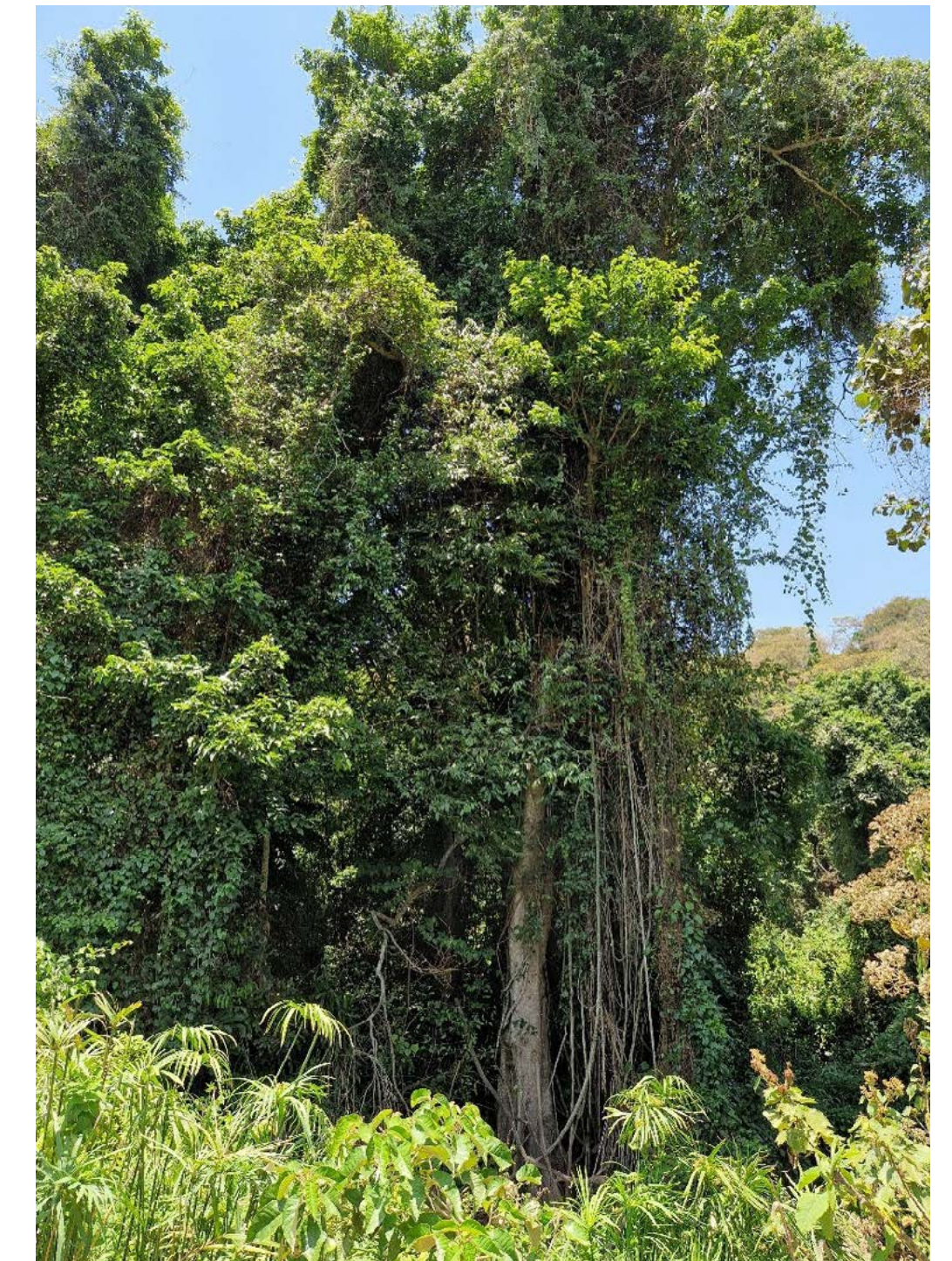
Identified risks are reflected in the overall environmental and social categorisation of the investment. The risk category and identified relevant performance standards guide the focus areas and methodologies to be used in the in-depth assessment in the due diligence phase.

An environmental and social adviser takes the main responsibility for screening biodiversity risks, and together with a development impact adviser, then assesses the investment's potential to deliver net gains in biodiversity. The screening gives a risk rating for the project as low or high, which guides the work in the following investment phases.

2. In-depth analysis during due diligence

a) Climate risk and adaptation

After a positive clearance in principle from the Investment Committee, the investment



In the north of Tanzania, under the shadow of Mount Kilimanjaro, and abutting its national park, can be found Africado, a major avocado growing and packing operation. Through their actions, landscapes are regenerated leading to positive impacts on the surrounding communities. Substantial areas of their farm in Kifufu are also protected as havens for natural vegetation and wildlife. Read more in this blog post by Peter Chappell on our [website](#). Photo: Finnfund

case proceeds to the due diligence phase.

Any climate risks or adaptation potential identified in the initial screening is further investigated during due diligence. Finnfund's transition risk assessment is carried out by investment analysts using a tool developed for Finnfund specifically for the purpose. The assessment builds on potential risks related to policy, technology, market, and reputation, and the tool guides the project team in identifying transition risks based on Finnfund's key sectors. Individual risks are identified and graded on a three-tier scale (high, medium, low). The likelihood of the risk materialising over the investment lifetime, as well as the impact on the investee itself, is also assessed. Risk mitigation measures are identified, and a residual transition risk level is assigned.

In the due diligence phase, the physical climate risk analysis covers the main supply chains of the economic activity and the market side, to build a comprehensive understanding of the risks and adaptation potential. The risks are assessed using a 'gender lens'; in other words, guiding questions are used to assess whether the risks

and vulnerabilities differ between the company's stakeholder groups, and between men and women.

Potential adaptation opportunities are further assessed in parallel with climate risk identification. If the company's adaptation activities increase the adaptive capacity and resilience of others, due diligence will specify the adaptation product or service, its benefits and beneficiaries, and the scale of benefits.

If the due diligence process identifies a need to improve the mitigation and adaptation efforts in the company, this may be included, for example, in the Environmental and Social Action Plan or in other contractual documents between Finnfund and the investee company (p. [68](#)).

b) Nature and biodiversity

The due diligence approach to biodiversity risks depends on the risk level and the types of risks identified in the screening. In high-risk cases, external expertise is often engaged to support the environmental and social adviser in further investigating the business and its environment, assessing

current capacities in managing biodiversity, identifying improvement needs and gaps in managing risks, and developing an action plan to support management of the biodiversity risks. If there is potential to achieve net gains, which means not only to mitigate biodiversity risks but to aim for improved status in biodiversity, specific targets are set, and action items are formulated with clear indicators for monitoring and follow-up.

3. Monitoring

After the investment agreement, Finnfund monitors its investee companies on an annual basis for their financial and environmental and social performance, and for development impacts. Climate risks, covering physical and transition risks, and biodiversity monitoring are integrated into this monitoring process.

We also collaborate with other development financiers to develop harmonised metrics and indicators to monitor adaptation impact.

Metrics and targets

a) Climate

Finnfund assesses the climate effects of every investment before the respective investment decision and as part of the monitoring of the investment. Finnfund uses metrics such as the absolute emissions of the investment, avoided emissions for energy investments, and carbon removals for forestry projects. Finnfund's carbon accounting stems from our desire to better understand the climate impacts of all our investments.

To support this goal, Finnfund joined the [Partnership for Carbon Accounting Financials](#) (PCAF) in 2022 and made its first PCAF disclosure in 2023. Finnfund's accounting is based on the GHG Protocol and the PCAF Standard, and it takes into account the direct and indirect emissions of the production and purchased services of each investee company, but not post-production use. Finnfund therefore accounts for Scopes 1 and 2, as well as Scope 3 upstream emissions, but not Scope 3 downstream emissions. These effects are attributed to Finnfund in proportion to our financing share, increasing or de-

creasing our share of financed emissions or removals as our funding share increases or decreases.

Finnfund begins by assessing the Scope 1, 2, and 3 upstream climate effects of every investment before the investment decision, as part of due diligence, as well as annually during the investment life cycle. Finnfund's carbon accounting is based on primary data collected from investees. The climate effects are assessed using input/output models that include country- and sector-specific emissions factors. When primary data is not available, Finnfund uses the Joint Impact Model (JIM) for annual portfolio GHG accounting for Scope 1 and 2 emissions. Scope 3 (upstream) emissions are always modelled.

Finnfund uses primary data to calculate and analyse the amount of carbon sequestered in our forestry projects, using the [FRESCOS tool](#).

Finnfund does not recognise carbon compensation or offsets as part of our portfolio emissions or removals. We follow the principles of absolute accounting and only account the absolute climate effects. How-



Forest First Colombia, a Finnfund investee since 2017, is establishing a large-scale forest plantation in Vichada Province, Colombia. The company uses modern technology and sustainable forest management practices. All native forest areas are set aside for conservation purposes. *Photo: Finnfund*

ever, in order to increase the transparency of reporting, we collect data on carbon credits sold by our forestry investments and carbon credits bought by all investees.

The annual attributed climate effects of Finnfund's investment portfolio, covering the year 2023, are presented on p. [117](#). The results for 2024 will be available at the end of 2025 and published in our 2026 Annual Report.

Finnfund assesses data quality and strives to improve its data continuously. Data quality is presented as the weighted average of Finnfund's outstanding amount.

The total portfolio emissions and carbon sequestration are reported to the Board of Directors annually, as is the carbon intensity (emissions per million euros invested) of the existing portfolio and new investment decisions. Emissions and carbon sequestration of new investment decisions are followed on a management and board level each quarter. Similarly, the amount of mitigation and adaptation finance is followed annually by the management and the Board of Directors.

Carbon footprint of our own operations

Besides portfolio emissions, Finnfund assesses and manages the carbon footprint of its own operations on an annual basis, covering the most essential emission sources.

As presented on p. [136](#), in 2024, the total operational carbon footprint of our own operations was 842 tonnes (t) of CO₂e, which averages approximately 8.4 tCO₂e per employee.

In principle, the most significant source of our emissions is business travel, which accounts for approximately 95 per cent of our emissions. Finnfund's operations require its staff to thoroughly familiarise themselves with the investees and to actively participate in management and monitoring of investments. This requires frequent visits to target countries. Finnfund is continuously developing electronic tools and encouraging personnel to use them.

b) Biodiversity

Finnfund has its own Nature and Biodiversity Framework, which has been built to guide identification of both biodiversity risks and positive impacts. The framework is based on the IPBES five drivers of biodiversity loss, and it supports Finnfund's reporting under the TNFD. The framework includes a set of indicators that are applied according to their relevance to the business and context and that can be aggregated at portfolio level. Currently, it is in the early stages of implementation and applied to direct investments. Three investments out of 26, hence approximately 12 per cent of new investment decisions made in 2024, were classified as investments with good potential to deliver biodiversity net gains.

Nature- and biodiversity-related data is collected based on materiality assessment. For now, materiality is assessed utilising the data based on the assessment of the investments against the IFC Performance Standards. Investees that receive annual monitoring surveys on biodiversity, including TNFD-related questions, are those

where Performance Standards 3 and/or 6 are applied (p. [66](#)), meaning that their operating environment or business is likely to have risks and impacts in biodiversity and ecosystem services.

For this reporting cycle, the biodiversity-related questions were sent to 34 investee companies (direct investments) applying IFC PS 6, of which 62 per cent (21) responded to the questions according to the data currently available. Some indicators, such as total land area controlled, are covered by general monitoring questions. In addition, questions related to water, emissions, and chemical usage were sent to 70 companies applying IFC PS 3, of which 57 per cent (40) responded to these questions according to the data currently available.

Indicators for nature and biodiversity in Finnfund’s investments, as guided by the TNFD recommendations for the financial sector, on December 2024

Driver of nature change	Indicator	Additional disclosure metric for financial institutions	Core global metric	Finnfund portfolio
Climate change	GHG emissions	GHG Emissions (Scope 1, 2, 3)	Refer to IFRS-S2 Climate-related Disclosure Standard	
Land/freshwater/ocean use change	Extent of land/freshwater/ocean use change		Total spatial footprint (km2)	
Total land area controlled				Forestry 571,033 ha (direct and through funds) Agriculture and energy sectors – not available
Conversions -land -freshwater -ocean				0 km2 conversion of natural/critical habitats during the reporting period 0.5 km2 conversion of modified habitat
Conservation -voluntary -required by statutes or regulations				Forest companies: protected areas (total) 111,833 ha
Restoration				Five companies operating in areas of high biodiversity values have species-specific conservation and restoration plans for 94 species altogether.



Read more in this blog post by Anne Valto on our [website](#).

“At Finnfund, we are now better equipped to assess, manage, and report biodiversity impacts of our investments, but the journey has only begun. Biodiversity is a complex issue, and our learning and development work continues.”

Anne Valto
Senior Development Impact Adviser



Driver of nature change	Indicator	Additional disclosure metric for financial institutions	Core global metric	Finnfund portfolio
Under sustainable management				<p>Forestry:</p> <p>564,000 ha (100%) are FSC certified or managed in alignment with FSC forest management principles and criteria.</p> <p>Agriculture: The minimum level to demonstrate sustainability is compliance with IFC Performance Standard requirements. In addition, applicable and relevant sustainability certificates are required in most cases.</p> <p>100% of aquaculture investments are sustainably managed (third-party certified or to be certified within a year).</p>
Pollution / pollution removal				Insufficient data available. Annual monitoring includes the topic, but reporting is voluntary.
	Wastewater discharged	Tonnes of emissions to water generated by investee companies per million EUR invested (expressed as a weighted average)	Concentration of key pollutants by type of pollutant (sector-specific guidance for types of pollutants)	37% of the companies responded to the monitoring question about emissions to water; only one (1) company reported minimal emissions (organic matter)

Driver of nature change	Indicator	Additional disclosure metric for financial institutions	Core global metric	Finnfund portfolio
	Waste generation and disposal	<p>Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested (expressed as a weighted average)</p> <p>Tonnes of non-recycled waste and radioactive waste generated by investee companies per million EUR invested (expressed as a weighted average)</p>		<p>51% of the companies responded to the monitoring question.</p> <p>Altogether, these 38 companies reported 150,000 tonnes of hazardous waste generated.</p> <p>Weighted average not yet available.</p>
	Plastic pollution		Not available	Not available
Resource use/ replenishment	Water withdrawal and consumption from areas of water scarcity	Average amount of water consumed by the investee companies (m3) per million EUR of revenue	<p>Partial data – dependent on GIS location work</p> <p>Water withdrawal and consumption (m3) (water source not available)</p>	<p>Water scarcity not used as a filter (geolocation data currently not available for analysis), water source not available</p> <p>57% of the companies responded to the question about their water consumption. These 40 companies consumed 70 million m2 water.</p> <p>Weighted average not yet available.</p> <p>Four companies reported new water regulations being introduced by the authorities to reduce water consumption.</p> <p>11 companies reported water usage reductions.</p>



“We consider climate change to present major challenges in developing countries, both from a mitigation and adaptation perspective. It is therefore important for us to have committed to continue financing climate action in our strategy period 2024–2027. With our current direction, we will make 1 billion euros worth of new climate finance decisions by 2030.”

Alekski Heiskanen
Environmental and Social Adviser



Driver of nature change	Indicator	Additional disclosure metric for financial institutions	Core global metric	Finnfund portfolio
	Quantity of high-risk natural commodities sourced	<p>Shares of investments in investee companies without sustainable land/ agriculture practices or policies</p> <p>Shares of investments in investee companies without sustainable ocean/ seas practices or policies</p>	<p>Quantity of high-risk natural commodities (tonnes) sourced including proportion of total natural commodities</p> <p>Quantity of high-risk natural commodities (tonnes) sourced under a sustainable management plan of a certification programme, including proportion of total natural commodities</p>	<p>0%</p> <p>Finnfund requires investees in forestry and agriculture to comply with the IFC Performance Standard requirements (within the investment period) and to acquire and adhere to a sustainability certificate relevant to their business</p> <p>Data reported on high-risk commodities insufficient to be reported.</p> <p>13 companies reported having specific sustainability requirements for their suppliers (62% of those who responded the question). The question was asked only for companies which apply IFC PS 6.</p> <p>0%</p> <p>All aquaculture investments apply IFC PS requirements and are already certified, or are to be certified in the near future.</p>



Driver of nature change	Indicator	Additional disclosure metric for financial institutions	Core global metric	Finnfund portfolio
Invasive species and other			Quantity/percentage of high-risk activities operated under appropriate measures to prevent unintentional introduction of IAS	100% Sector-specific guidelines (where the invasive species risk is material) under the IFC Performance Standards framework include requirements about controlling and managing invasive species. In addition, certification standards such as FSC require invasive species management plans.
State of nature	Ecosystem condition	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (Core PAI 7)	Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to a protected area or an area of high biodiversity value outside protected areas (Additional PAI 14.2)	0% Guided by IFC PS 6, any investment that has a potential impact on critical or natural habitat(s), such as protected areas and high biodiversity areas, must prepare a biodiversity action plan to ensure no net loss of biodiversity. 31 Finnfund portfolio investees apply IFC PS 6 (19%, 161 investees in total).



Investing within the planetary boundaries

We cannot keep on living the way we do. The negative impacts of human activities on the Earth system are at an unsustainable level. Climate change, biodiversity loss, and pollution are alarming examples of this. We need a massive change in the way we think, live – and invest.

We believe that more investments should be directed to businesses that can have a positive impact on keeping human activities within the planetary boundaries. In practice, this means, for example, investments in businesses that strengthen biodiversity, foster a circular economy, and reduce pollution and carbon dioxide emissions.

To address these challenges, we have been developing the Planetary Boundaries Investing Framework – a tool for assessing and monitoring investments’ potential for generating positive planetary effects, and for controlling negative outcomes – in cooperation with a Finnish investor.

The framework is inspired by the work of the Stockholm Resilience Centre and the Biodiversity Impact Assessment Framework developed by WWF Switzerland and The Biodiversity Consultancy.

During the year, the assessment tool was tested in a few initial investments, and the aim of the collaboration is to make joint investments in projects that mitigate the violation of planetary boundaries and reduce pressures on nature. The first joint investment is expected to take place in 2025.

Read more on our [website](#).

Our work in practice

INTERESTED IN KNOWING MORE?

Read more about the theme on our [website](#)

Read more about climate accounting on our website: [Climate accounting – our work in practice](#)

Read more about climate risk assessment on our website: [Climate risk assessment and identification of adaptation opportunities – our work in practice](#)

CASE

Siddhartha Bank strengthens Nepal’s financial inclusion and financing for renewable energy

Finnfund completed its first direct investment within the Nepalese banking sector by providing a loan of 10 million US dollars to Siddhartha Bank. It is one of the largest banks in Nepal, with a network of 196 branches spread across the country, including many remote areas.

The proceeds of the investment will be used to support the growth of micro, small and medium-sized enterprises (MSMEs), agriculture and agribusiness, and the development of the hydropower sector in Nepal. The investment will also support gender equality and women’s empowerment, with at least 30 per cent of the loan proceeds being allocated to women. The bank has developed tailor-made products for women entrepreneurs, and currently 41 per cent of its clients are women.

MSMEs account for nearly all registered firms in Nepal. By supporting improved

access to financing for these, the investment can help Siddhartha Bank contribute to Nepal’s national goals of becoming a mid-income country by 2030 and a developed country by 2043.

“MSMEs are the key pillar of Nepal’s economy, while their access to bank credit has been limited. Another challenge for Nepal’s development is that hydropower potential needs financing. Thanks to our investment, Siddhartha Bank can now grow its loan portfolio in those sectors”, says **Ulla-Maija Rantapuska**, Finnfund’s Senior Investment Manager.

Nepal exports surplus hydropower to India. As the country has a large trade deficit, this is a key development, enabling increased export earnings. Beyond reducing greenhouse gas emissions, strengthening Siddhartha Bank’s

capacity to increase lending to the hydropower sector can bolster Nepal’s financial and climate resilience.

Read the [full article](#), or learn more about the investment on [our website](#).

Name: Siddhartha Bank

Country: Nepal

Investment year: 2024

Sector: Financial institutions



Micro, small and medium-sized enterprises are the key pillar of Nepal’s economy.
Photo: Siddhartha Bank

Gender equality

Women and girls should have equal rights and opportunities everywhere and in all dimensions of life. Women's equality and empowerment is integral to inclusive and sustainable development.

The right of women and girls to equal treatment is not only a human rights issue, but also a fundamental precondition for the peaceful development of societies and the opportunities for future generations to live free from poverty. Equal participation of women and girls in society also strengthens economic productivity and economic growth.

Finnfund's [Gender Statement](#) compiles the measures through which Finnfund guides its investment decisions to better promote gender equality, the role of women in markets, and women's economic empowerment. The gender equality perspective is embedded in [our investment process](#), as we aim to support women as entrepreneurs, leaders, and workers, and

to recognise women as stakeholders in affected communities and as end-users of companies' products.

Finnfund is a founding member of the [2X Collaborative](#), a global industry body that convenes the entire spectrum of investors to promote gender lens investing. In 2023, the 2X Collaborative joined forces with GenderSmart, and together they are now called [2X Global](#).

We assess the potential of every investment to promote gender equality

As part of our due diligence process, the potential of every investment to promote gender equality and women's empowerment is assessed before an investment decision. This means that we screen all our investments through 2X Challenge criteria, launched by the international 2X Challenge initiative, including indicators on ownership and entrepreneurship, leadership, employ-



Like many other financial institutions in India, SATYA MicroCapital previously required that borrowers should be married, and widow members needed to have a son acting as their co-borrower. In 2023, Finnfund invested in the company, the policy was changed, and SATYA has worked on removing marital status from loan eligibility and implementing changes in their operations to accommodate the policy change. *Photo: SATYA MicroCapital*



ment, and products and services.

The 2X Challenge has defined specific thresholds for each criterion per country, to determine whether an investment is eligible. Each new investment is required to report annually on the 2X indicators, and the data is also collected from the companies.

New category: Emerging 2X

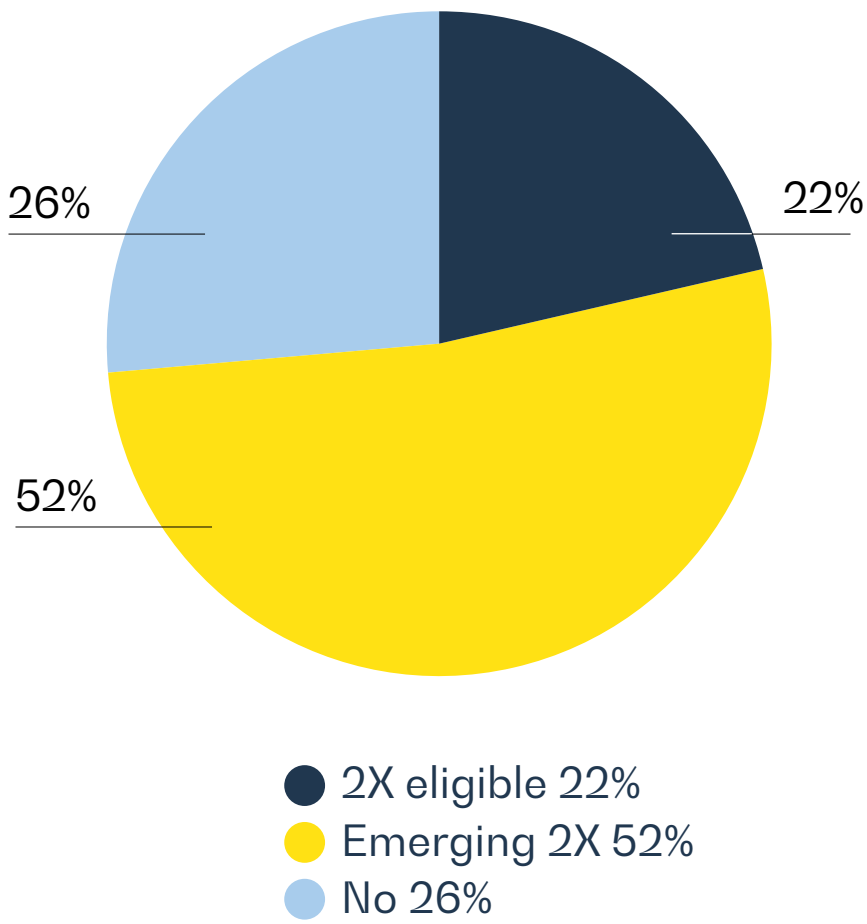
Revised new 2X criteria were launched in 2024, particularly to emphasise safeguarding and gender governance, and to raise the bar for stronger contributions in promoting gender equality. Gender is a central part of our impact work, not only in the companies and institutions that already meet the 2X criteria, but even more so in those companies that are on their journey to better gender equality. For these Emerging 2X investees, we set concrete measurable targets in their Environmental, Social and Impact Action Plans that will

demonstrate and measure their commitment and progress to improve their gender performance and help them become 2X eligible.

In addition, a gender lens is always integrated into our surveys and studies, meaning that each time we launch a study, it includes an assessment of the results through a gender lens. Hand in hand with striving for the positive impact is always ensuring that the risk of gender-based violence and harassment (GBVH) is properly mitigated (p. [96](#)).

In 2024, approximately 74 per cent of our new investment decisions promoted gender equality and met the 2X Challenge criteria or had made a commitment to get there (51% in 2023); 22 per cent of them met the 2X Challenge criteria and 52 per cent of them were categorised as Emerging 2X investments. Read more about the theme on our [website](#).

Gender equality in new investment decisions in 2024
(decision value EUR, %)



CASE

Continued support for women-led micro-enterprises in Pakistan through the Kashf Foundation

In 2024, Finnfund committed 10 million US dollars as a follow-on investment to the Kashf Foundation (Kashf), one of the leading microfinance institutions in Pakistan. The initial investment was made in 2021, and since then, Kashf has grown to become the largest distributor of microinsurance solutions in Pakistan and has also introduced health insurance products aimed at underserved women who did not previously have access to insurance.

“Kashf has successfully built a distinct and unique niche for itself in the microfinance sector,” says Finnfund’s Investment Manager, **Antti Partanen**. “Since we started our partnership in 2021, we have been impressed by the impact of both the financial and non-financial services that Kashf offers, and with the addition of insurance products, they can now further strengthen the safety nets of low-income households and especially those of women.”

Pakistan has one of the lowest financial

inclusion rates in the world, with 79 per cent of its 231 million people operating outside the formal banking system, according to the World Bank’s Global Findex Database. Only 13 per cent of Pakistani women have bank accounts, compared to 28 per cent of men.

Most low-income households in Pakistan lack access to formal safety nets and are highly vulnerable to shocks such as the death of the head of the household, an illness, or a disease.

Kashf currently serves over 750,000 customers, and more than 70 per cent of its loans are deployed to micro-enterprises owned by women. Its services are offered via more than 380 branches, and the target is to grow the network to 450 in two years.

Read the [full article](#), or learn more about the investment on [our website](#).

Name: **Kashf Foundation**
Country: **Pakistan**
Investment year: **2024**
Sector: **Financial institutions**



Kiran Arif is a client of Kashf Foundation, one of the leading microfinance institutions in Pakistan.
Photo: Hassan Kausar

Human rights

Respecting and promoting human rights remains essential in Finnfund's work as a development financier and responsible impact investor. Our human rights due diligence (HRDD) approach – based on the [UN Guiding Principles on Business and Human Rights](#) (UNGPs) – is part of our [Sustainability Policy](#) and is described in our [Human Rights Statement](#), but it is also strongly linked to our wider impact approach and to our aim of promoting [gender equality](#), decent work, children rights, digital rights and so forth.

A human rights perspective is embedded into [our investment process](#), focusing on workers and other stakeholders, such as affected communities, consumers, or end-users both in our value chain and in the value chains of our investee companies, and covers topics such as labour rights, children's rights, gender-based violence, privacy and data security, the right to health and safety, and so on.

In addition, the [IFC Performance Standards](#) (IFC PS) and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (also known as the [ILO Core Labour Standards](#), ILO CLS) and the United Nations' Guiding Principles on Business and Human Rights are the environmental and social management reference framework against which we assess our potential investments.

In terms of our own workforce, our approach is explained on p. [130](#).

Human rights risk screening

All our investments are always first screened using our exclusion list, then categorised based on inherent environmental and social risks. All medium-to-high environmental and social risk investments are appraised against the IFC PS and the ILO CLS, which address potential impacts on certain human rights, such as rights to

land, cultural and religious rights, workers' rights, child labour, forced labour, right to life, health, safety and security, right to a decent standard of living, and indigenous people's rights.

For example, with regard to labour rights and decent jobs, the IFC performance standards, together with the ILO CLS, include requirements on non-discrimination, freedom of association and collective bargaining, child labour, forced labour, occupational health and safety, human resource management, working conditions and terms of employment, grievance mechanisms, and retrenchment. Requirements related to forced labour, child labour, and occupational health and safety also apply to contracted workers and workers employed by primary suppliers (primary suppliers are not limited to tier one suppliers).

Nevertheless, impacts on some human rights, or rights holders, require additional

focus, including potential impacts on workers' rights beyond primary suppliers, the right to privacy, civil and political rights, and children's rights, or gender-based violence and harassment. Then we go beyond our regular IFC PS and ILO CLS-based environmental and social appraisal, and we perform additional human rights assessments.

As a development financier, our mandate is to invest in challenging geographies and sectors. In certain situations, there are – in the country or local context – systematic abuses of human rights that may make it difficult for our investees to fully implement their commitment to international environmental and social standards and to respect human rights (for example, widespread gender-based violence, systematic discrimination against certain groups, laws restricting freedom of association, state surveillance of activities of citizens on the internet, etc.). To identify

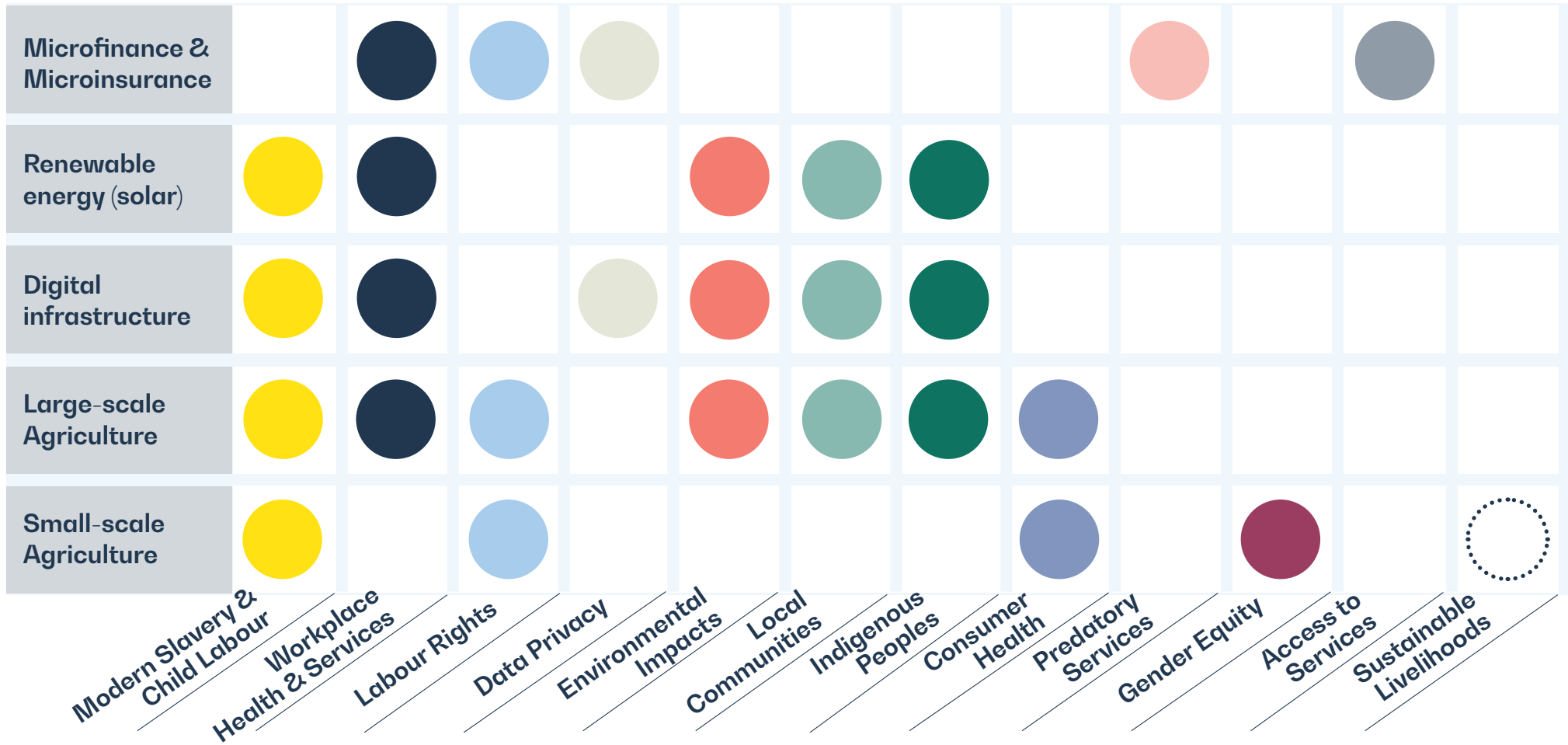
such situations, scope our due diligence and monitoring work accordingly, and plan for additional support, we have developed and use a specific screening tool and approach, which is described on [our website](#).

In addition, we have further integrated in our processes the results of the sector-based salient human rights assessments performed for microfinance and

microinsurance, renewable energy (particularly solar energy), digital infrastructure, large-scale agriculture, and small-scale agriculture.

In 2024, we continued the work and strengthened our approach to addressing human rights risks and impacts in certain supply chains, in coordination with other development finance institutions.

The salient human rights issues identified for the five selected sectors



Human Rights Based Approach and promotion of positive human rights impacts

The Finnish Ministry for Foreign Affairs’ [Human Rights Based Approach to development](#) (HRBA) defines four levels of the approach to human rights in development financing: human rights blind, sensitive, progressive, and transformative.

The Human Rights Based Approach requires financing via private sector instruments, such as Finnfund, to be human rights sensitive at a minimum. Being “human rights sensitive” is defined as follows by the Finnish Ministry for Foreign Affairs: “Human rights sensitive – application of human rights as a process. Human rights principles guide the programming, implementation, monitoring and evaluation of the intervention. A basic human rights assessment has been carried out in order to be sufficiently aware of the human rights situation. This is done to avoid unintentional negative effects on the enjoyment of human rights and to ensure that the intervention does not contribute to dis-

criminatory structures, norms and practices. The intervention does not have an explicit commitment to human rights in terms of expected results. Elements related to capacity development or advocacy may be included in the intervention.”

For private sector instruments such as Finnfund, the requirement to be human rights sensitive translates into a requirement to conduct “a basic assessment of the impact on the human rights of their business operations funded by the Ministry for Foreign Affairs and [take] the findings into account to avoid or mitigate negative impacts on human rights”. That is, to carry out human right due diligence in line with the UNGPs. The long-term objective of the HRBA is also to increase the share of human rights progressive development financing.

In addition to being human rights sensitive, Finnfund’s investments are human rights progressive, meaning that they promote the realisation of human rights. This happens through our developmental impact mission and our commitment to development impact, the SDGs, the 2X Challenge (p. 90), and decent work.

As stated by the Office of the High Commissioner for Human Rights of the United Nations: “Although the specific SDGs are not framed in terms of human rights, many targets reflect the content of international standards. For instance, SDG 1 (no poverty), SDG 2 (zero hunger), SDG 3 (good health and well-being), SDG 4 (quality education), SDG 6 (clean water and sanitation), SDG 8 (decent work and economic growth), and SDG 11 (sustainable cities and communities) reflect much of the core content of economic, social and cultural rights. SDG 16 on peace, justice, and strong institutions addresses some key dimensions of civil and political rights, including personal security, access to justice, and fundamental freedoms. SDG 17 addresses issues related to the right to development and means of implementation.”

In 2024, we continued our collaboration with UNICEF on the adoption of UNICEF’s Child-Lens Investing Framework (CLIF) with the signing of a Memorandum of Understanding (p. 97). Previously, Finnfund had participated in the development of CLIF, a framework that provides private equi-

ty and debt investors with best practices and a practical toolkit to consider child-related factors to advance positive child outcomes while minimising potential harm to children. Our collaboration with UNICEF aims to result in further practical integration of child-lens focused screening, due diligence, mitigation, and monitoring tools in Finnfund’s investment process, as well as the development of support documents for our investees.

In 2024, we also refined our approach on gender-based violence and harassment (p. 96).

Finnfund continued to participate in the Human Rights Working Group of FIBS and also hosted a visit of the group at Finnfund. The impact of the human rights-focused EU Directive on Corporate Sustainability Due Diligence on producers in developing countries was the subject of a meeting of the Impact network, co-organised by Finnfund and Fingo, with presentations by Finnwatch, Fair Trade Finland, Paulig, the International Solidarity Foundation, and Finnfund, in March 2024.



In March, the Impact network meeting discussed the impact of the human rights-focused EU Directive on Corporate Sustainability Due Diligence on producers in developing countries. From the left: **Kirsi Pere** and **Sylvie Fraboulet-Jussila** from Finnfund, **Jenna Kettunen** from the International Solidarity Foundation, **Joseetta Nousjoki** from Fair Trade Finland, and **Sonja Finér** from Finnwatch. Photo: Finnfund

Gender-based violence and harassment

The risk of gender-based violence and harassment (GBVH) can be identified in workplaces worldwide. Finnfund operates in countries where the level of risk of gender-based violence is high, and over the years, some very unfortunate incidents have occurred in Finnfund’s investments, too. The level of risk varies depending on the country/area, the sector, and the company’s readiness to manage the risks.

As an example, a typical risky situation derives from a labour-intensive and female-prevalent sector in an area where the unemployment rate is high. The recruiter and the management have dominance in terms of the workers and may misuse their position by asking for sexual services in return for work. Another typical situation is a nightshift, which may expose women to a risk of assault by male co-workers or when commuting between home and the workplace during the period of darkness.

Improving our GBVH approach

Finnfund has further developed a more thorough approach to identifying, assessing, and managing gender-based violence and harassment risks in its investments. The aim is to identify the project’s risks accurately enough to enable the development of effective risk management actions.

Our investee then develops its processes and practices according to the actions that are listed in the environmental and social action plan, which is included in the financing agreement and is therefore binding. In other words, the investee is obliged to implement the GBVH risk management actions. In the GBVH risk mitigation hierarchy, first comes the top management’s commitment to mitigate the risks and their zero-tolerance state-

ment, followed by more concrete measures, such as training the staff on what GBVH is, how it affects the victims and the work community, and what disciplinary actions there are, as well as establishing a grievance mechanism that has a special process for GBVH cases.



“In 2024, we put a special emphasis on refining our approach to gender-based violence and harassment. Without proper prevention and management of GBVH risks, there cannot be gender equality. Therefore, these issues must be addressed together.”

Lauri Etelämäki
Senior Environmental and Social Adviser

UNICEF and Finnfund collaborate on child-lens investing

In October, Finnfund and UNICEF strengthened their collaboration on the adoption of UNICEF's Child-lens Investing Framework (CLIF) with the signing of a Memorandum of Understanding.

“This partnership with Finnfund is an important milestone in operationalising child-lens investing. We hope it inspires other investors to follow suit – the need to include a child-lens in investing is urgent in a world where one billion children still lack access to education, health, housing, nutrition, sanitation, and safe access to water”, said **Cristina Bertolino**, Head of the UNICEF Innovative Finance Hub.

Child-lens investing is a novel approach that encourages investors to intentionally integrate child-related considerations, advancing positive outcomes for children while minimising harm. Promotion of the Child-lens Investing Framework aims to direct more global capital towards the well-being of children.

Finnfund contributed to the development of the CLIF by providing expertise and insights. To further strengthen the collaboration, the UNICEF Innovative Finance Hub and Finnfund signed a Memorandum of Understanding to explore possibilities for pathways to implement the CLIF and foster positive outcomes for children, particularly in the areas of digitalisation and education, as part of the new Finnfund Digital Access Impact Fund (p. [33](#)).

Read more on our [website](#).



Imam Hossain is seen in Horipur Ardhendu Primary School on 21 November 2022. He studies in class 5 and loves to participate in extracurricular activities. When he grows up, he wants to work for people in need. Photo: UNICEF



Grievance mechanisms

Addressing human rights risks and impacts requires timely information on the ground. Investees are required to have adequate operational-level grievance mechanisms for internal and external stakeholders. Investees commit to notifying Finnfund within days of any significant incidents that may have human rights impacts, and to informing us about the results of investigations and measures taken to remediate and prevent re-occurrence of such events. We also expect to receive regular – and anonymised – reports on the number, type, and status of grievances received by our investees. As Finnfund encourages investees to inform their own stakeholders about the existence of Finnfund’s complaints mechanism, rights holders can voice their concerns directly using either our investees’ grievance mechanisms or Finnfund’s complaints channel.

The channel, which is available on Finnfund’s [website](#), can be used to alert Finnfund about suspected misconduct, seri-

ous wrongdoing affecting people or our environmental and social responsibilities, or other breaches of the policies, codes or guidelines that steer Finnfund’s activities. This can be done anonymously, and either in written format or as a voice message. The channel is available in six languages: English, Finnish, French, Spanish, Portuguese, and Swahili.

Grievances addressed in 2024

The grievances received and addressed in 2024 are listed in the table below.

Grievance number	Subject of the grievance	Location	Follow-up actions	Status
2023 - 2	Unfair termination of employment agreement	Africa	The grievance was settled as a labour law matter in a local court. The case was closed.	Closed
2024 - 1	Several issues, e.g. conflict of interest, unethical behaviour	Africa	The grievance is to be taken into a local court as a private law matter. Finnfund is following the process.	Ongoing
2024 - 2	Several issues, e.g. conflict of interest, fraud	Africa	Under investigation by Finnfund.	Ongoing
2024 - 3	Incorrect compensation or benefits	Africa	An investigation conducted and resolved; the parties reached a settlement (in early 2025).	Ongoing 2024, closed in early 2025

The list continues on the next page.



INTERESTED IN KNOWING MORE?

Read more about the theme on our [website](#). In this article on our website we explain how the policy works in practice: [Human rights management system - our work in practice](#).

Grievance number	Subject of the grievance	Location	Follow-up actions	Status
2024 - 4	Incorrect compensation or benefits	Africa	It was not possible to ascertain that the complaint had any link to Finnfund or to a portfolio company of Finnfund. Thus, Finnfund requested further information, which could not be obtained. Therefore, the investigation was discontinued and the case closed (in early 2025). The complainant was informed via the system.	Ongoing in 2024, closed in early 2025
2024 - 5	Bribery and corruption	Asia	The complainant indicated that the subject of the grievance was addressed in a legal case and did not indicate what the expectations were towards Finnfund. Finnfund requested further information, which could not be obtained. Therefore, the investigation was discontinued and the case closed. The complainant was informed via the system.	Closed
2024 - 6	Misuse or misappropriation of assets	Europe	In order to initiate investigation of the grievance, Finnfund requested further information, which could not be obtained. Therefore, the investigation could not proceed, and the case was closed. The complainant was informed via the system.	Closed
2024 - 7	Incorrect compensation or benefits	Africa	An investigation conducted and resolved; the parties reached a settlement. The case was closed.	Closed



Example 1

Assessing human rights risks in a conflict area

Finnfund was considering an investment in a company operating in a conflict area. As part of the environmental and social due diligence process conducted prior to making an investment decision, Finnfund decided to carry out a specific assessment of the potential human rights implications of the conflict. The goal was to ensure that the company’s policies and practices, should Finnfund proceed with the investment, would not pose a threat to the human rights of relevant rightsholders, and that these policies and practices would be aligned with international standards and Finnfund’s requirements, such as the UNGPs, IFC Performance Standards, and ILO Core Labour Standards.

At the core of the human rights assessment was the identification of risks and detrimental impacts on workers and local communities, particularly in terms of occupational health and safety and cooperation with the communities. The assessment covered issues such as emergency preparedness and response plans, physical and mental safety, gender-based violence,

displacement and influx of people, changes in family situations, severe psychological trauma, and the different grievance mechanisms in place for workers and communities.

The assessment resulted in specific items being added to the Environmental, Social, and Impact Action Plan (ESIAP) to ensure, for example, that workers would be safe during their workdays and would receive adequate mental and physical support if needed, and that the company would be well prepared to address potential risks arising from the challenging operational environment caused by the conflict.

Example 2

Penal labour in the supply chain

As part of the human rights assessment and gap identification against the IFC PS 2 on labour and working conditions for a potential investment, Finnfund detected that the potential investee contracted the prison service to conduct specific seasonal work. The International Labour Organization (ILO) has specific guidelines regarding work provided for prisoners. According to the ILO’s Forced Labour Conventions, prisoners required to work must meet certain conditions, which the potential investee could not guarantee and enforce. Thus, it became evident that the potential investee could not fully ensure prisoners would receive fair compensation for their work and that their working conditions would meet international standards, such as IFC Performance Standard 2 and ILO Core Labour Standards.

Through discussions, the potential investee understood the significant risks in this arrangement, prompting them to seek alternative solutions aligned with best international practices concerning contractor and subcontractor management.

Example 3

Enhancing cybersecurity

In 2024, Finnfund was considering an investment in a large company providing internet services and infrastructure. As part of the environmental and social due diligence, Finnfund commissioned a specific cybersecurity assessment against, among others, the ISO standard for Information Security Management Systems (ISO 27001).

Although the company had already developed sound technical and management measures to guarantee information security and protect against cyber risks, the assessment identified some gaps and areas for improvement. The actions needed to further develop cyber and information security and achieve full compliance with the information security management standard were captured in a specific action plan. In addition to implementing the action plan, the company is also committing to report to Finnfund annually about 1) any requests received from authorities to share customer data, to block access to individual webpages, or to shut down the internet; 2) requests that have been rejected; and 3) the procedures followed.



Example 4

Improving the working conditions of external security staff

As part of monitoring a current investee in the renewable energy sector, Finnfund assessed the human rights impacts through the value chain, including working conditions and the terms of employment for contracted and subcontracted workers. As is often the case, security is provided by a contracted company that deploys guards on-site. During a standard environmental and social monitoring mission to the site, expert interviews with all security guards exposed unsustainable and inadequate working hours, sometimes reaching 90 work hours per week. This nonconformity was immediately discussed with the management, who had not been aware of the situation, and corrective actions were taken.

This case highlights the significant social risks related to the use of a contracted and subcontracted workforce, where the monitoring and auditing of adequate working conditions and terms of employment are not always guaranteed or carefully implemented. Security guards are typically contracted or subcontracted, and their work regime and location often sideline them

from careful monitoring and auditing by the companies. This increases their risks of having inadequate working conditions and terms of employment, where working hours may be excessive, and occupational health and safety conditions may be inadequate while working. With this in mind, Finnfund carefully monitors these stakeholders, emphasising expert interviews with workers from contracted and subcontracted companies, and particularly security guards.

CASE

FPIC put in practice – building trust and strengthening collaboration through a land transfer process

“I am very impressed with MLR Forestal’s achievements. The company’s continuous and robust engagement with Indigenous communities has fostered a high level of trust, ensuring Free, Prior, and Informed Consent and a sustainable relationship”, says **Harold Gordillo**, Environmental and Social Adviser at Finnfund.

In May 2023, MLR Forestal (MLR), an agro-forestry company operating in northeastern Nicaragua, finalised an ambitious and unprecedented project to transfer land to the Mayangna Indigenous communities of the Mayangna Sauni Arungka (Matumbak) Territory. This included the Finca Miranda, approximately 114 hectares of land, with 44 hectares productive of cocoa and teak, through a Free, Prior, and Informed consent (FPIC) process guided by the communication protocols developed by Matumbak and Nicaragua’s regulatory framework.

The land transfer process, which has spanned several years, did not originate from scratch. The successful process was based on good long-term cooperation.

“MLR Forestal, even before the territorial recognition, has maintained good relations with Matumbak, relations that gradually strengthened, and that contributed to a successful land transfer process to this Indigenous territory”, says **Luis López**, Director of Sustainable Development at MLR Forestal.

FPIC is an international framework that aims to empower Indigenous peoples to grant or withhold consent to investment, development, divestment, and any other proposal or programme that may affect their rights to access their lands, territories, resources, and livelihoods. This framework provides the basis for ensuring that Indigenous peoples participate in decision-making

Name: **MLR Forestal de Nicaragua S.A.**

Country: **Nicaragua**

Investment year: **2019**

Sector: **Forestry**

through bottom-up, participatory processes.

“We hope this process will guide and benefit other companies as a positive example of a land relinquishment process that follows international best practices and correctly applies an FPIC methodology, ultimately benefitting all key stakeholders,

and generating sustainable local growth, biodiversity conservation, and transfer of knowledge”, Gordillo adds.

Read the [full article](#), or learn more about the investment on [our website](#).



Finnfund’s **Harold Gordillo** visiting one of the assemblies of the Matumbak communities in Nicaragua.
Photo: Finnfund

Knowing our customer

In terms of compliance, the starting point for every customer relationship is a KYC due diligence process (Know Your Customer). KYC is an integral part of the investment process and is followed throughout the entire life cycle of an investment. KYC is seen as a crucial part of preventing money laundering and terrorist financing.

The prevention and detection of money laundering and terrorist financing is regulated in Finland by the Act on Preventing Money Laundering and Terrorist Financing (444/2017 Money Laundering Act). In addition to the law and government regulations, Finnfund aims to follow the best market practices in procedures against money laundering and the financing of terrorism.

The aim of regulation is to have uniform procedures regarding customer due diligence that are observed in global financial markets. The Financial Action Task Force (FATF) is an intergovernmental task force

to combat money laundering and terrorist financing, which operates under the auspices of the OECD and plays an important role. The same is true of the European Commission, which, for its part, identifies countries at high risk of money laundering and terrorist financing.

Regulation has significantly evolved over the years and continues to evolve, contributing to the development of our own processes and tools. The starting point for customer identification is Finnfund's risk assessment. In this separate risk assessment, Finnfund assesses the risks associated with Finnfund's operations from the point of view of preventing money laundering and terrorist financing. Based on the risk assessment and the requirements of the Money Laundering Act, Finnfund sets out the level at which each customer identification is conducted. Finnfund also verifies that the customer is not on the UN, UK, EU, or US sanctions lists and is not subject

to financial sanctions. In terms of the Money Laundering Act, Finnfund must report any suspicious transaction to the Finnish Financial Intelligence Unit (FIU).

In addition to the KYC due diligence process, projects are monitored during the customer relationship to keep the identification information up to date. Finnfund's riskiest projects require conducting enhanced customer due diligence, which includes specific actions and checks prior to commencing the customer relationship, as well as enhanced continuous monitoring. If Finnfund is unable to carry out the customer due diligence process, it may not establish a customer relationship, and hence may not invest in the company.

The KYC process, including sanctions screening, is managed by the compliance function. A head of compliance (senior compliance counsel until April) manages the operations of the function. KYC due diligence verifications and monitoring work



“Due to the geographical locations of our investments and the nature of our work, it is very important that our KYC processes are up to date, and we are continuously developing our procedures and tools to mitigate and address the risks.”

Terhi Hannula
Head of Compliance

are conducted by three dedicated employees. They are assisted by an investment officer from each project team and, if necessary, a legal counsel. The head of compliance (senior compliance counsel until April) serves as the person in charge of KYC and the contact person for money laundering affairs. As mentioned above, until the end of 2024, the compliance team worked under the Director of Administration and the Deputy to the CEO, but as part of the organisational changes, the team will report to the Director of Impact and Sustainability as of the beginning of 2025.

Mandatory anti-money laundering and terrorist financing training is provided for investment personnel and relevant support functions on a regular basis. New employees also receive KYC training. In addition to customer due diligence and monitoring, Finnfund ensures that each financing agreement contains relevant clauses related to preventing money laundering and combating the financing of terrorism.

In 2024, a special focus was on developing the anti-money laundering risk assessment approach and tools to better identify

risks, for example, related to Finnfund's investments and their geographical locations. This work will continue in 2025.



Miro Forestry's plywood production facility in Sierra Leone became fully operational in 2024, following the plywood factory in Ghana, which began operations in 2022. Finnfund has been financing Miro Forestry since 2014.

Read more about our forestry investments and impact on pp. [34](#) and [113](#). Photo: Miro Forestry

Anti-corruption and anti-bribery

Business corruption has major negative impacts on societies and economies. We acknowledge that the risks of corruption and bribery are high in the geographies in which Finnfund operates. As part of our due diligence process, the assessment conducted before the investment decision takes place, anti-corruption policies and other measures to mitigate and assess the incidences and risks related to corruption and bribery are assessed and discussed with the company, and then monitored throughout the investment life cycle. Finnfund's portfolio companies are contractually bound to report serious incidents to Finnfund.

Suspected incidents of corruption and bribery related to both our investee companies and our own operations can also be reported directly via Finnfund's complaints channel for whistleblowing and grievances (p. [98](#)).

As explained on p. [125](#), according to our

Code of Conduct, Finnfund does not approve of corruption in any form, and Finnfund's employees may not, directly or indirectly, promise, offer, request, or accept any form of bribe.



Since 2022, Finnfund has been financing Igloo, an insurtech company, that facilitates digital insurance products and solutions that address each step of the insurance value chain across Southeast Asia. The company has a vision of enabling “Insurance for All”. Through Igloo, entrepreneurs and MSMEs (micro, small and medium-sized enterprises) – such as delivery drivers – can have access to affordable insurances both for their property and themselves. Read more on our [website](#) and watch a [video](#). Photo: Finnfund

Corporate governance

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders. Overseeing and developing the corporate governance approach is the responsibility of the risk management function, and the implementation and daily work is conducted by the investment team as part of due diligence and portfolio management.

We believe that good corporate governance is a precondition for the achievement of sustainability in business and long-term economic development. Finnfund promotes good corporate governance in its investments. Together with 35 development financiers, Finnfund has signed the [Corporate Governance Development Framework](#) to address the governance risks and opportunities in its operations. The framework is based on the IFC

corporate governance assessment methodology, and it is specifically developed for development finance.

During the due diligence phase, Finnfund uses corporate governance screening tools to assess the maturity of the investee's governance structures and systems. During the investment period, especially in equity investments, we put emphasis on developing these structures further.

In 2024, Finnfund actively participated in the corporate governance working group of the European Development Finance Institutions (EDFI) to discuss and share ideas related to corporate governance. In addition, there was close cooperation between Nordic development financiers.



Hewatele, a Finnfund investee since 2023, produces medical oxygen in Kenya, aiming to bring affordable medical liquid oxygen to healthcare facilities in East Africa. Read more on our [website](#). Photo: Finnfund

Responsible taxation

Tax revenue and other tax-like fees paid by companies to the public sector in developing countries constitute one of the development aims of Finnfund's work with the companies it finances. Finnfund's operations support the tax responsibility of the companies it finances.

Finnfund's approach to responsible taxation is based on our [tax policy](#). In addition, Finnfund is committed to complying with [the Responsible Tax Principles](#) of European Development Financiers (EDFI).

Based on our tax policy, we require our investees to act responsibly and transparently in taxation matters. We encourage them to adopt their own internal tax policy. Finnfund does not accept aggressive tax planning or allow its investees, including investment funds, to engage in such activities.

The tax structures of all new investments are evaluated against our tax policy, and the evaluations are attached to the memoranda presented to our investment committee and

the Board of Directors. In the event of any concerns, the issue is reviewed internally and, if necessary, external tax experts are also consulted.

Financing agreements include clauses whereby the project companies commit themselves to responsible tax principles in accordance with our tax policy. Finnfund does not accept aggressive tax planning, which prevents the accumulation of tax revenue from profitable business activities in developing countries.



“One of our development goals is to ensure that the companies we finance contribute to tax revenue and other tax-like fees paid to the public sector in developing countries. We closely monitor the evolution of international tax regulations and best practices, and actively promote tax responsibility among our investees.”

Veera Mäenpää
Senior Legal Counsel



Tax footprint of our investments

As part of our approach to responsible taxation, we collect data from our investees and publish the tax footprints of the projects we finance, with details for each country at the portfolio level (p. 119).

The focus in reporting the tax footprint of companies is often mainly on the corporate income tax (CIT) paid by the company. It is, nevertheless, important to acknowledge the vital role that private companies play in mobilising other government revenue streams in the developing country context. In addition, companies help governments to formalise the collection of, for example, payroll and income taxes paid by employees.

To capture these other government revenue mobilisation effects, Finnfund monitors both CIT paid by the companies and “other taxes and tax-like fees”, which include other relevant contributions by the company, including sales tax, business tax, value added tax, licensing fees, customs duties, and dividend tax, as well as different types of administration and public

permit fees. The tax systems, principles, and enforcement capacity of the poorest developing countries can vary greatly. In many developing countries, the state takes part of its revenue from businesses through various types of fees.



INTERESTED IN KNOWING MORE?

In this article on our website, we explain how the policy works in practice

[Responsible tax principles – our work in practice](#)

Key impact figures 2023

Due to the timeframe for collecting the data from Finnfund's investees, the figures representing the direct impact indicators on the following pages are from 2023. Data for 2024 will be presented in the 2025 Annual Report.

As Finnfund's investment portfolio kept growing, so did the aggregate impact of our investments. The composition of our investment portfolio is constantly changing, which is good to keep in mind when comparing figures across years (see the summary table on p. [121](#)). We make 20–30 new investments each year, while we also exit old investments. Portfolio-level data gives a good overview of the types of investments in the portfolio, even if it does not show the impact of an individual investment over time.

Most of the figures in this report (with the

exception of climate data and the portfolio impact index) are the direct impact indicators that have been provided by the investee companies, and they do not reflect the proportion of Finnfund's investment.

In most cases, this report presents the overall results to which Finnfund has contributed. Exceptions to this are the portfolio impact index and the measurement of climate effects. For the latter, Finnfund applies the PCAF standard, and it subsequently presents results directly attributed according to our share of funding (p. [117](#)).

The data was collected using an online questionnaire sent to portfolio companies. The response rate was 96 per cent of those investees to whom the questionnaire was sent (90 investees in total).



“Collecting development impact data is a challenging exercise for all involved. I would like to thank all of our investees for working so hard to provide accurate and up-to-date information, which allows us to highlight the great work that each of them is doing to generate lasting impact in their communities, as well as to demonstrate the impact of our overall portfolio”

Marko Berglund
Head of Impact



Impact by five key sectors

Portfolio Impact Index

The portfolio impact index (PII) was constructed to track our strategic target of doubling our impact by 2025. As further explained on p. 19, our strategy and its targets were updated in 2024, but we have continued to monitor the development of the index, and as you can see in the graph, the index has developed as planned.

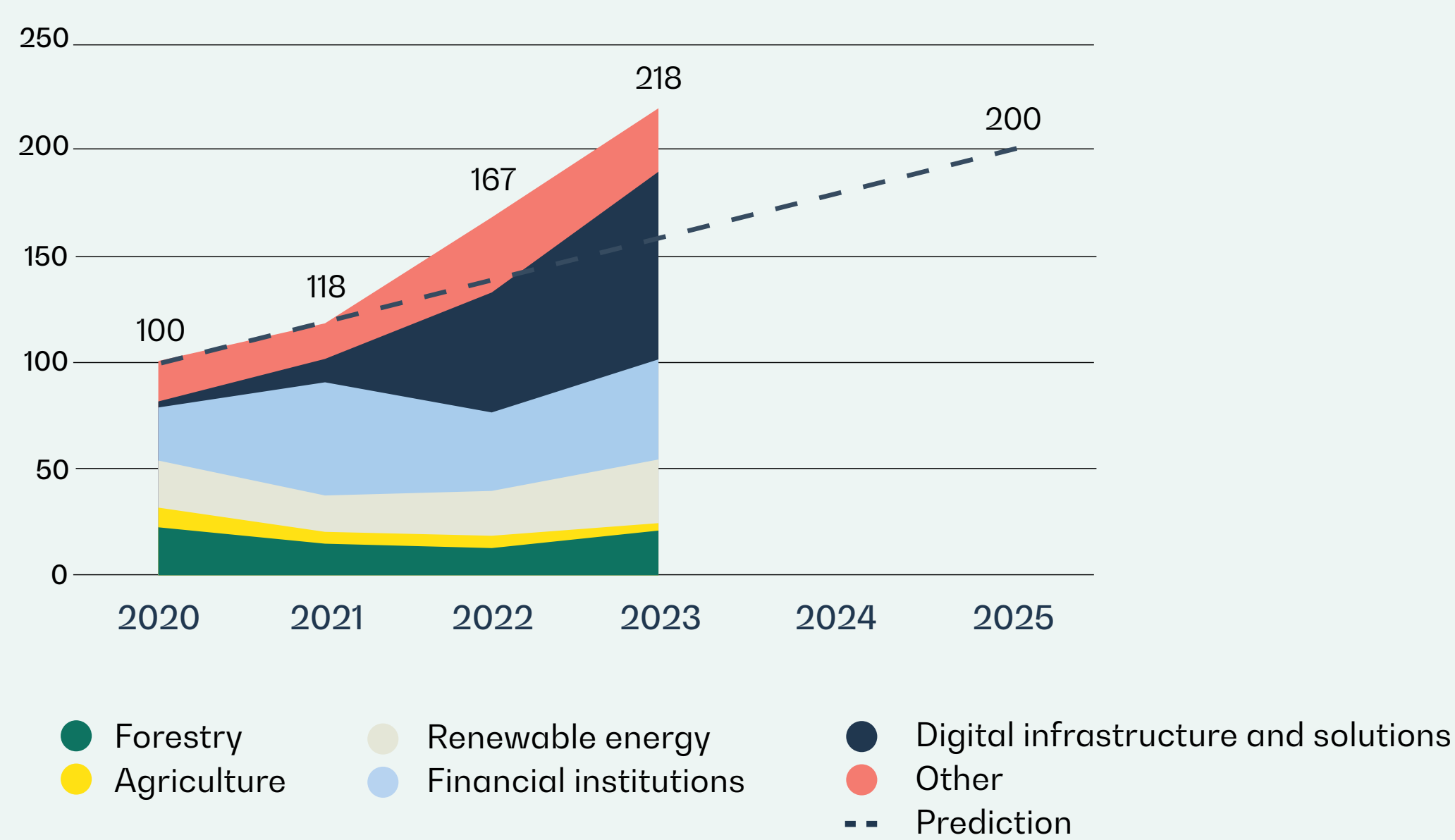
Each sector is assigned a key impact indicator that captures both portfolio growth and investee-level impact growth. The index takes into account Finnfund’s financing share, hence is attributed, and the relative size of each sector in Finnfund’s portfolio. The baseline is set to 2020.

Sector-specific impact key performance indicators (KPIs) are:

- **Sustainable forestry:** Sequestered CO₂. While forestry investments have multiple impact pathways, a key reason to invest in forestry is the potential of forests to sequester carbon dioxide from the atmosphere, thereby contributing to mitigating climate change.
- **Renewable energy:** Avoided CO₂. Energy plays a key role in helping countries to develop. Investing in clean and more affordable energy production is at the heart of this development. It also leads to avoided greenhouse gas emissions when renewable energy replaces fossil fuel-based generation in national grids.
- **Sustainable agriculture:** Number of people fed or smallholder farmers reached. Local food production and enhanced local agriculture value chains help to increase food security and create inclusive livelihood opportunities.

- **Financial institutions:** Number of loans to micro, small and medium-sized (MSME) companies. Limited access to financial services remains a fundamental constraint to development in most of Finnfund’s target countries. At the same time, MSMEs form the backbone of many of these economies.
- **Digital infrastructure and solutions:** Number of users/beneficiaries. Access to digital services is vital for inclusive development, especially in rural regions, and forms another foundation for development in today’s societies.
- **Other:** Number of jobs in investee companies (full-time equivalent).

Portfolio Impact Index (PII)



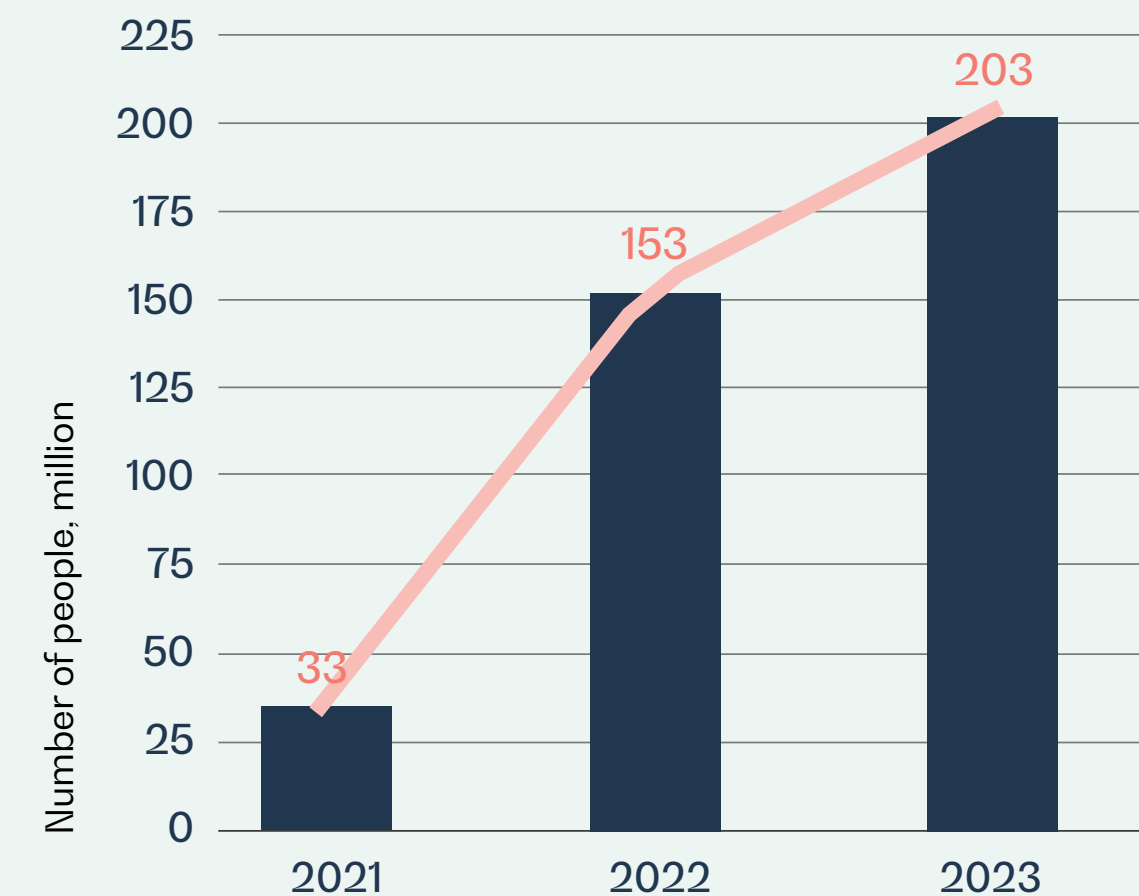
Definition: Portfolio level indicator capturing both portfolio and investee impact growth. Base year 2020.



Digital infrastructure and solutions

- In digital infrastructure and solutions, Finnfund aims to 1) close the coverage gap; 2) close the usage gap; and 3) invest in digital technology solutions (p. [33](#)).
- In 2023, our investees served 203 million people through digital solutions and infrastructure.
- Many Finnfund investees in this sector provide vital mobile network services for people in rural areas. For example, you can read more about the work of Africa Mobile Networks on p. [63](#).

Number of people served through digital infrastructure, digital infrastructure and solutions 2021–2023, direct investments

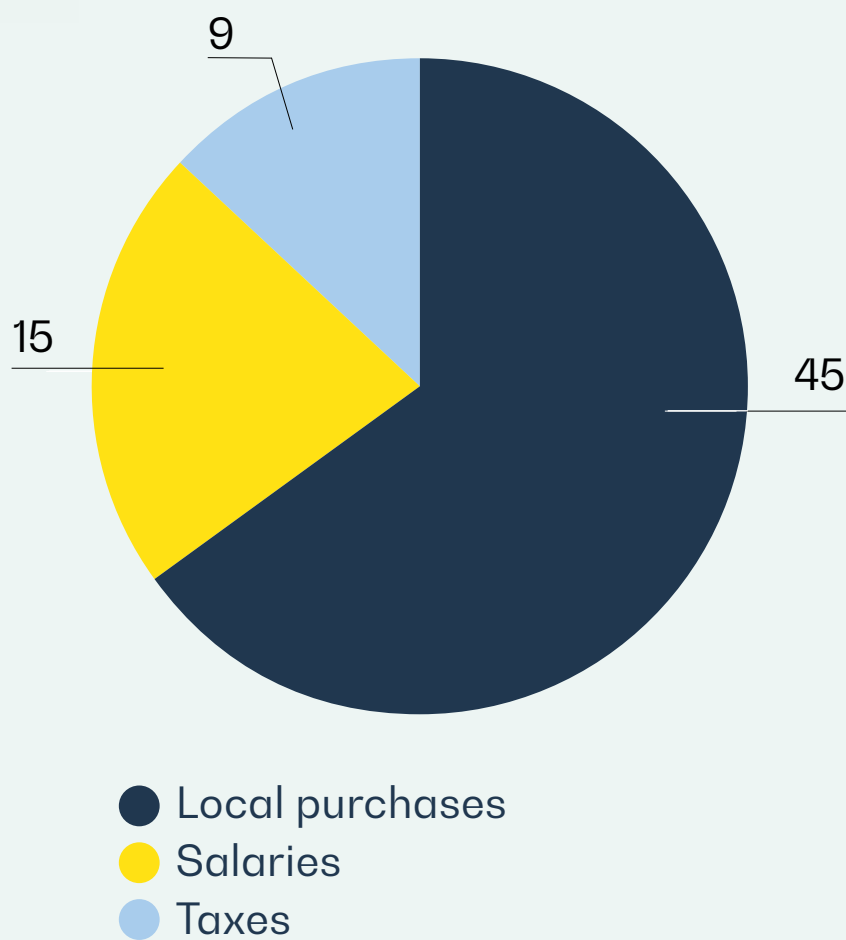




Sustainable forestry

- Finnfund’s direct investees had approximately **240,000 hectares** under sustainable management, of which 67,000 hectares were planted and growing, and approximately 78,000 hectares (32%) were protected areas. The area of forests under sustainable management decreased approximately 32% year-on-year, reflecting the sale of one of our largest forest assets to a forestry investing platform, which Finnfund also invests in.
- This sale partly contributed to the increase in the area of sustainably managed forests through funds to **326,000 hectares**, the majority of which is FSC-certified forest.
- Our direct forestry investees had a relatively stable **5,300 employees**,
- of whom **1,300 (25%)** were women.

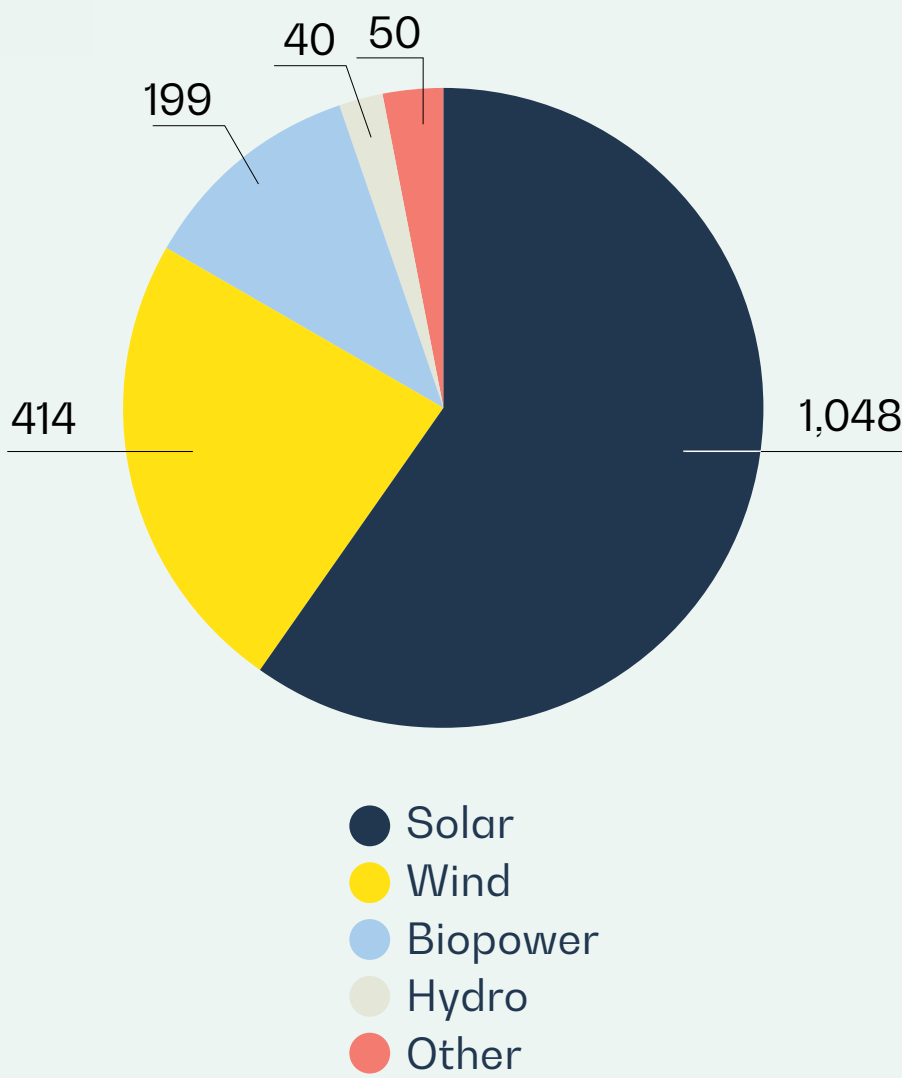
Forestry contribution to local economic development in 2023
(total EUR 69 million)



Renewable energy

- In total, our investees generated **9,600 GWh** of energy, which represents a 5% year-on-year increase and an all-time high in our portfolio. Over 95% of this electricity was from renewable sources, up from a 90% share a year earlier. The largest share (~76%) of renewable energy production originates from our fund investments in Africa (Evolution Two and Three), Latin America (CIFI), and Asia (Global Environmental Emerging Markets Fund III).
- In our direct investments, power generation halved year-on-year to **1,900 GWh**, reflecting our exit from the Lake Turkana Wind Power project. Of our direct investments, solar power projects counted for 61% (1,048 GWh) of energy generation and wind power for 24%, with the rest coming from other sources.

Renewable energy generation by source in 2023, direct investments
(total GWh 1,751)

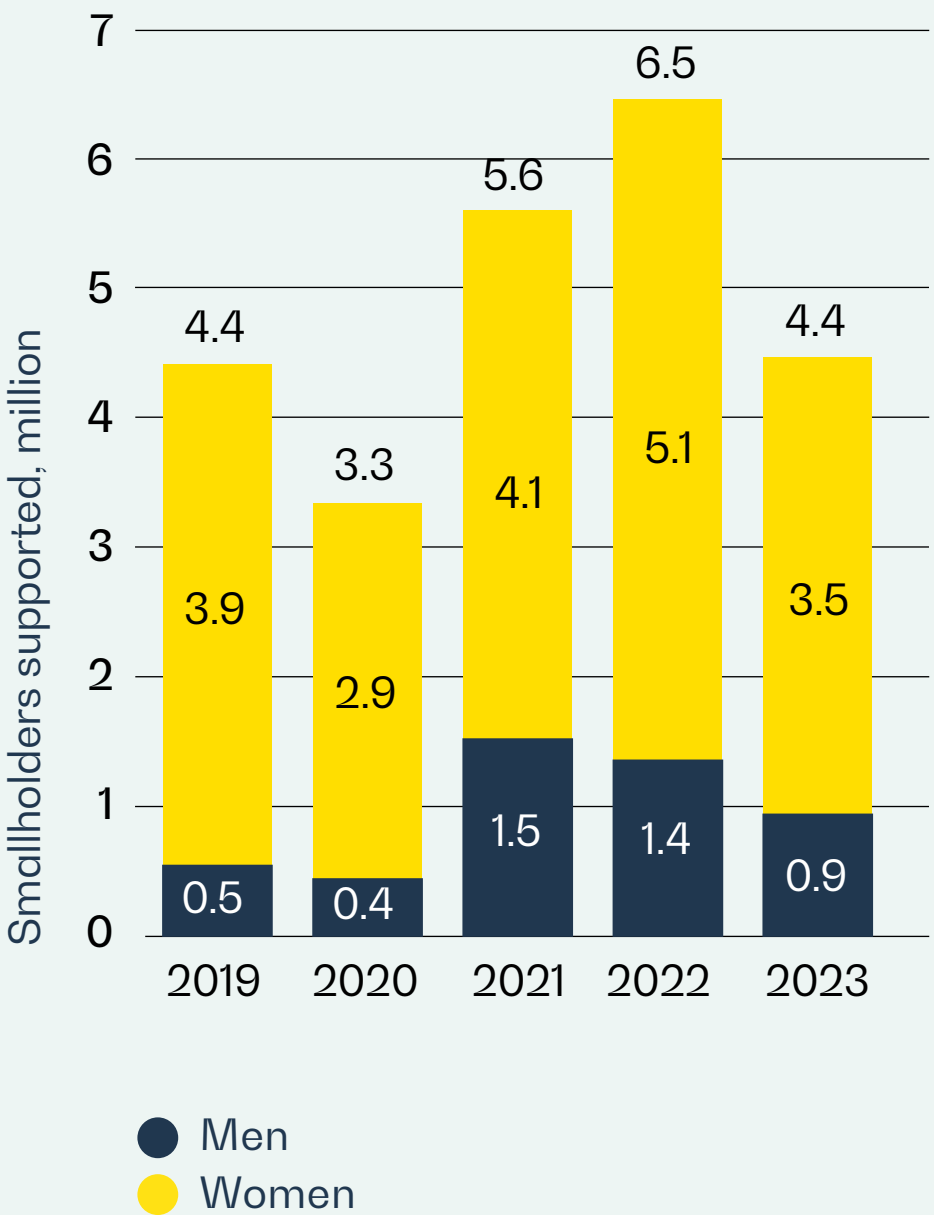




Sustainable agriculture

- Agribusinesses in our portfolio (direct investments and businesses financed through funds) had a total of **27,000 employees** in 2023, of whom **40% were women**. This is 2,000 jobs more compared to the previous year; since 2021, the number of jobs supported through direct investees and funds has increased by approximately 6,000. The increase is due to the inclusion of new companies in our portfolio and growth in existing portfolio companies.
- The increase also shows in salaries paid, which increased to **55 million euros** in 2023. This increase, which represents a tripling since remaining steady in 2020-2021, reflects additional investments in our portfolio, as well as growth in portfolio companies.
- Our investees were working with **4.49 million small-scale and livestock farmers**, of whom **79% were women**. The decrease compared to the previous year (6.5 million, 80% women in 2022) is mainly due to an updated methodology applied by one investee company.

Smallholders supported
2019-2023, EUR million

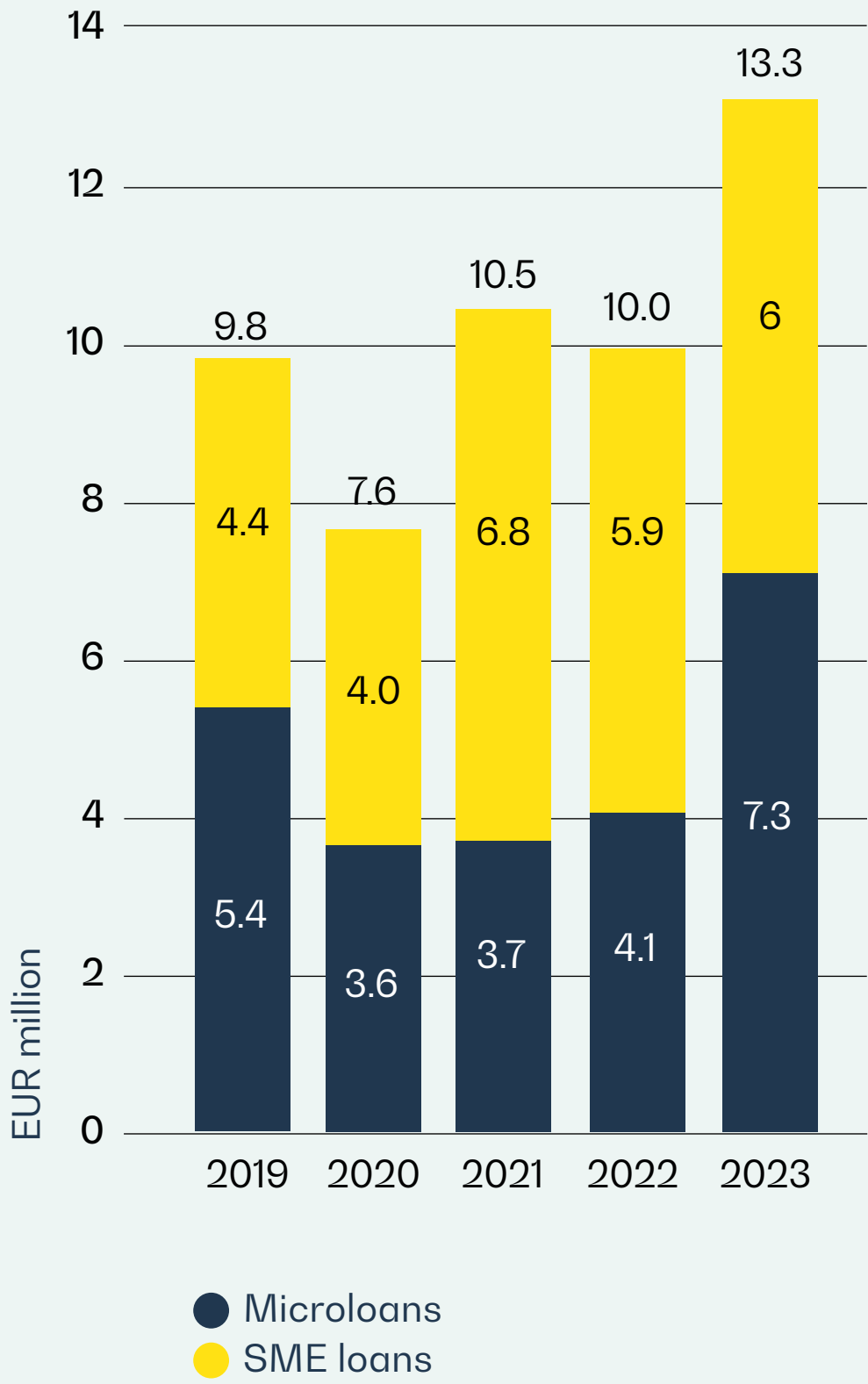




Financial institutions

- In 2023, Finnfund’s portfolio included 23 financial institutions, whose combined loan portfolio stood at **33 billion euros**. Approximately 40% of this was lending to micro, small and medium-sized enterprises (MSMEs), with an average loan size of 2,800 euros.
- These financial institutions granted 9.1 million MSME loans in total, worth 13.3 billion euros, of which 30% were to female customers.

Micro and SME loans 2019-2023, EUR million





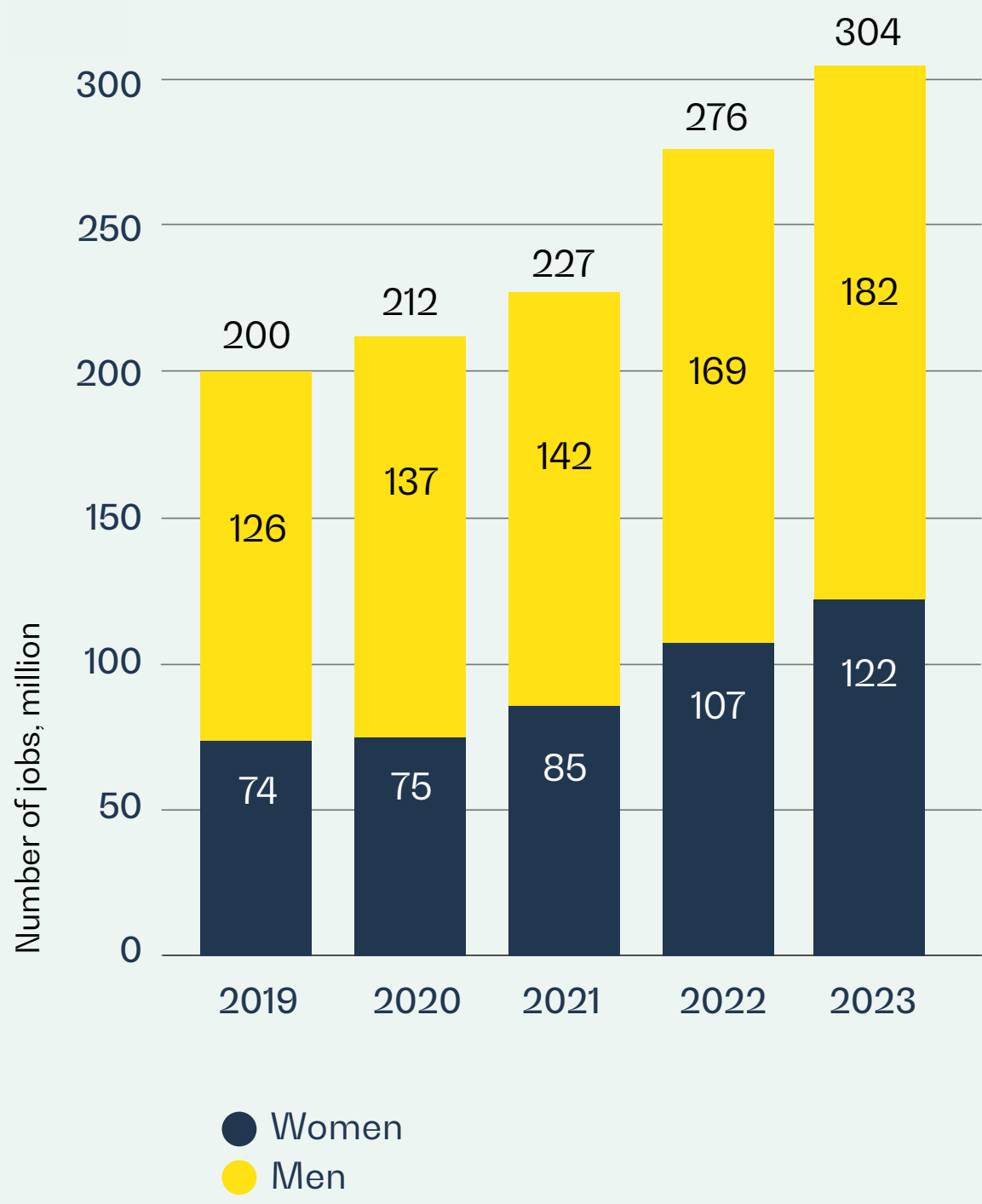
Impact across sectors

Jobs

- Direct investments supported 125,000 jobs, of which 37% were for women.
- Fund portfolio companies supported 179,000 jobs, of which 42% were for women.
- In total, our investees supported 304,000 jobs.

In addition to direct employment opportunities, the economic activities of our investees contribute to economy-wide benefits in the form of indirect and induced jobs. The total employment effect of our portfolio therefore goes much further than jobs created.

Jobs in direct and indirect investments 2019-2023





Climate

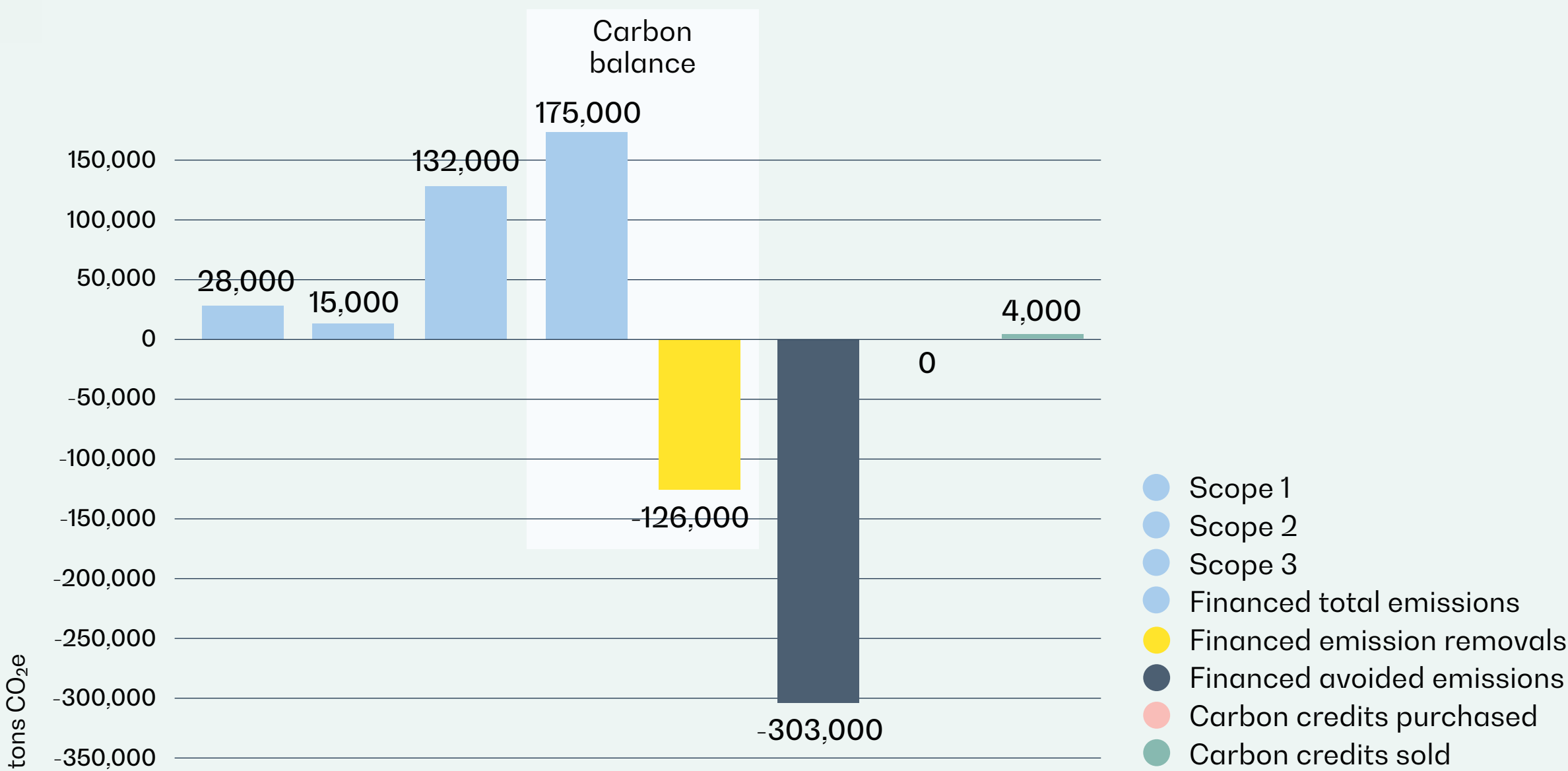
Investments attributed to Finnfund removed more greenhouse gas emissions, measured as carbon dioxide equivalent, from the atmosphere than they emitted during 2023. The calculation covers 98 per cent of Finnfund’s total assets. The main asset classes are business loan and fund investments (75% of outstanding total assets) and unlisted equity (25% of total assets).

In 2023, Finnfund’s portfolio emissions were 175,000 tCO₂e, which is equivalent to 254 tCO₂e per outstanding million. Finnfund’s portfolio emissions grew significantly as our portfolio grew. The majority of the emissions growth is from scope 3 upstream, which has a low data quality, and the numbers contain a lot of uncertainty. There was no significant growth in scope 1 emissions, and scope 2 emissions grew by 3000t CO₂.

Finnfund’s portfolio carbon removals were 303,000 tCO₂. Most of the forests in Finnfund’s portfolio are afforestation and reforestation projects and are still relatively young, which means that the average annual carbon sink of the forests is larger than the amount of carbon emitted through harvesting or natural hazards, such as forest fires. Once the forests in Finnfund’s portfolio mature, the carbon storage in forest biomass will reach a steady state.

In 2023, Finnfund’s renewable energy investments avoided 126,000 tCO₂ of emissions. This is accounted based only on grid-connected renewable energy investments.

Finnfund’s portfolio’s climate impact in 2023



DATA QUALITY

Finnfund assesses data quality and strives to improve data quality continuously. Data quality is presented as the weighted average per outstanding million euros invested by Finnfund (scale 1-5).

Scope 1: 2.74 (3.21 in 2022)
Scope 2: 2.6 (3.24)
Scope 3: 3.97 (3.70)

Besides the data quality scores, Finnfund also assesses how much from the different scopes of emissions can be calculated using primary data and how much we have to rely on generic modelled data. From our 2023 figures, 70 per cent of scope 1 emissions, 71 per cent of scope 2 emissions, and 0 per cent of scope 3 emissions are based on primary data.



Gender

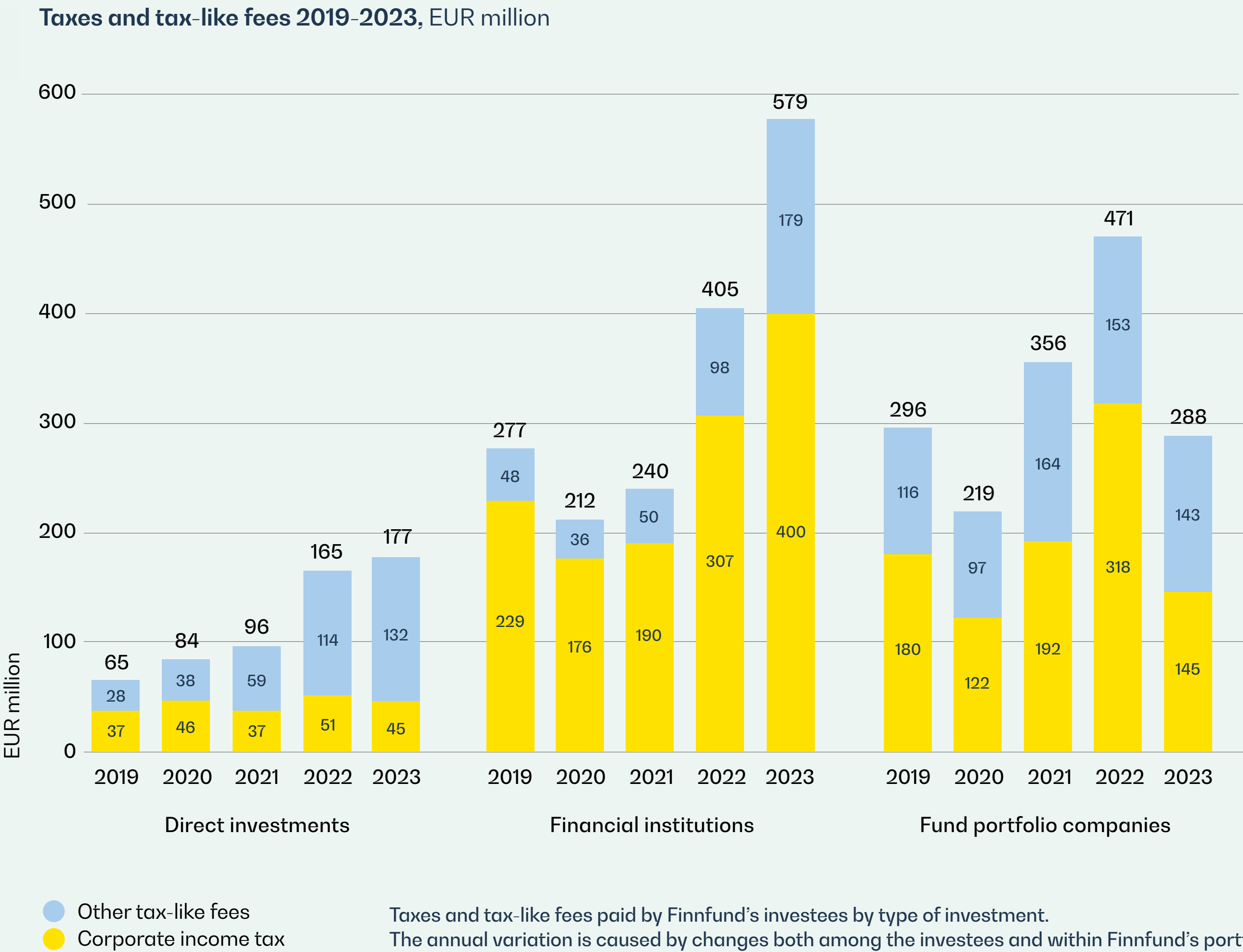
- 25% of board members at our direct investees were women.
- 31% of senior management among our direct investees were women.

Kashf Foundation, a microfinance institution and a Finnfund investee since 2021, currently serves over 750,000 customers in Pakistan. More than 70 per cent of its loans are deployed to micro-enterprises owned by women. Read more on p. [92](#). Photo: Kashf Foundation



Taxes

- Our investees paid a total of **1,044 million euros** in taxes and tax-like fees in their respective countries.
 - 55% by financial institutions
 - 17% by other direct investments
 - 28% by fund portfolio companies
- **76%** of the taxes were paid in African countries.



Corporate taxes and other tax-related payments by countries in 2023

Country	Number of investees	Corporate income tax (EUR million)	Other taxes (EUR million)	Total (EUR million)
Total	238	591	454	1,044
AFRICA	157	445	348	792
South Africa	22	10	10	19
Kenya	17	57	75	133
Nigeria	15	111	52	164
Tanzania	14	1	8	10
Uganda	10	1	6	7
Ghana	9	20	12	32
Egypt	9	32	3	35
Zambia	8	7	7	14
Ethiopia	7	9	8	17
Mozambique	5	2	8	10
Africa LDC	19	168	87	255
Africa LMIC	18	21	67	89
Africa UMIC	4	5	2	8
ASIA	45	77	66	143
India	8	18	17	34
Nepal	6	0	0	0
Asia LDC	12	11	23	34
Asia LMIC	12	27	4	31
Asia UMIC	7	21	22	43

Country	Number of investees	Corporate income tax (EUR million)	Other taxes (EUR million)	Total (EUR million)
LATIN AMERICA	24	42	19	62
Latin America UMIC	19	7	17	24
Latin America LMIC	5	36	2	38
EUROPE AND TURKEY	4	5	12	16
Europe and Turkey	4	5	12	16
MIDDLE EAST	5	0	0	0
Jordan	5	0	0	0
INTERNATIONAL LMIC	3	22	9	31

The table compiles taxes and other tax-like fees paid by all Finnfund’s investee companies (including fund portfolio companies). Any government subsidies have been deducted from the figures. If a country has fewer than five investments, data is classified by continent and OECD/DAC income level categories.

LDC = least developed countries
LIC = other low-income countries
LMIC = lower-middle-income countries and territories
UMIC = upper-middle-income countries and territories

Development impact 2021–2023

	Direct investments	Fund investee companies	Total 2023	Total 2022	Total 2021
DIGITAL INFRASTRUCTURE AND SOLUTIONS					
Number of active customers, digital services	203,136,000	-	203,136,000	152,666,000	33,488,000
FORESTRY					
Forestry, total area under management (ha)	238,000	326,000	564,000	662,000	1,941,000
RENEWABLE ENERGY					
Renewable energy generated (GWh)	1,751	7,403	9,154	8,223	5,300
AGRICULTURE					
Smallholders supported, number	4,210,000	280,000	4,490,000	6,470,000	5,635,000
Smallholders supported, women %	80%	74%	79%	79%	73%

FINANCIAL INSTITUTIONS	Direct investments	Fund investee companies	Total 2023	Total 2022	Total 2021
Microloans, number	8,137,000	324,000	8,461,000	5,393,000	4,458,000
Microloans number, women %	84%	46%	83%	74%	74%
Microloans, EUR	5,573,838,000	1,685,346,000	7,259,184,000	4,050,092,000	3,700,989,000
Microloans EUR, women %	58%	43%	55%	42%	42%
SME loans, number	675,000	3,700	678,700	509,000	478,000
SME loans number, women %	22%	36%	22%	11%	11%
SME loans, EUR	5,981,497,000	63,257,000	6,044,754,000	5,901,099,000	6,750,469
SME loans EUR, women %	17%	34 %	17%	10 %	10%
Agricultural loans, number	2,719,000	-	2,719,000	1,976,000	2,479,000
Agricultural loans number, women %	81%	0%	81%	89%	89%
Agricultural loans, EUR	2,648,425,000	-	2,648,425,000	2,193,829,000	2,353,234,000
Agricultural loans EUR, women %	47%	0%	47%		

ALL INVESTMENTS	Direct investments	Fund investee companies	Total 2023	Total 2022	Total 2021
Jobs, number	125,000	179,000	304,000	276,000	227,000
Jobs, number, women %	37%	42%	40%	39%	38%
Taxes, all (EUR)	756,082,000	288,381,000	1,044,463,000	1,041,000,000	692,247,000

The numbers have been rounded off. As some of the indicators are sector-specific, the number of respondents varies.

CASE

Beacon Power Services helps Africa’s power sector distribute electricity more efficiently

Africa’s power grids face significant challenges, with utilities struggling to provide consistent service due to out-dated infrastructure and unreliable data.

Beacon Power Services (BPS) is an energy tech company that provides data-driven solutions that are based on, for example, AI-enabled digital mapping. One of the main products offers real-time grid monitoring and control, helping utilities enhance operational efficiency and manage their power distribution more effectively to reduce outages.

“The solutions by BPS have an impact on over 50 million consumers and businesses”, says Finnfund’s Investment Manager, **Ari Nironen**. “Making power production more reliable increases the possibilities for companies and industries to operate more efficiently, while optimising operations decreases reliance on diesel generators.”

The funding will enable BPS to enhance its product offerings, support growth in its current operations, and expand into new markets across Eastern and Southern Africa. Currently, BPS employs over 200 people across Ghana, Kenya, Nigeria, Zambia, and the U.S.

“We are committed to addressing Africa’s energy challenges through a global team and scalable, data-driven solutions”, says **Bimbola Adisa**, Founder and Chief Executive Officer of BPS.

Finnfund’s investment is part of our Africa Connected programme and made with support from the European Union and the European Fund for Sustainable Development Plus, one of the financing tools of Global Gateway (p.28).

Read the [full article](#), or learn more about the investment on [our website](#).

Name: **Beacon Power Services**
Country: **Nigeria, Ghana, Kenya, Zambia**
Investment year: **2024**
Sector: **Energy**



BPS employs over 200 people across Ghana, Kenya, Nigeria, Zambia, and the U.S. Photo: BPS

CASE

Finnish investors support the electric vehicle business in India

India faces significant pollution challenges, particularly with air quality. Rapid urbanisation and industrialisation have led to high levels of air pollution, which is responsible for millions of premature deaths annually. One of the major contributors is vehicle emissions, and transitioning to electric vehicles is a key strategy for improving air quality and public health in the country.

OP Finnfund Global Impact Fund I, the first Finnish global emerging markets impact fund, and Finnfund invested in BII India EV LLP, British International Investment’s managed vehicle and existing shareholder of Mahindra Electric Automobile Limited (MEAL). The investment accelerates the availability and adoption of electric vehicles (EVs) in India.

“We are thrilled to be part of this transaction, which has a positive impact on the climate. Electric vehicle adoption is in its early stages in India, and we are confident that

our investment will significantly enhance the availability of electric vehicles in the country”, said **Tuomas Virtala**, Head of OP Asset Management.

Finnfund has previously invested in charging infrastructure for EVs in India and is continuously on the lookout for investment opportunities that support the transition to cleaner and cheaper travel alternatives in developing countries.

“This initiative is an important step towards making EVs more accessible in India, and plays a critical role in reducing pollution, particularly in major cities”, says **Helena Teppana**, Associate Director at Finnfund. “Finnfund’s investments in electric mobility have been strongly driven by the health benefits, which are especially crucial in cities with congested traffic”, she adds.

Read the [full article](#), or learn more about the investment on [our website](#).

Name: **Mahindra Electric Automobile Limited / OP Finnfund Global Impact Fund I**
Country: **India**
Investment year: **2025**
Sector: **Energy / General fund**



Transitioning to electric vehicles is a key strategy for improving air quality and public health in India. Photo: Finnfund

Corporate responsibility at Finnfund

Sustainable, responsible business practices are the key not only in our investment operations but throughout our own operations, too. In our operations, we are committed to complying with the highest standards concerning business operations and the ethics thereof. Finnfund's operating methods, decisions, and policies are based on the values of responsibility, respect, development, and effectiveness.

Olli Sinnemaa, Chief Financial Officer,
Tangeni Shatiwa, Economist, and
Nelli Kruk, Legal Counsel, in a meeting
at Finnfund's Helsinki office.
Photo: Finnfund



Our business conduct

Finnfund's [Code of Conduct](#), together with regulations, policies, and statements – such as the [Sustainability Policy](#), the [Human Rights Statement](#), and the [Gender Statement](#) – as well as the procedures concerning our business operations, form the operating culture and values of Finnfund. The governance structures are explained on p. [139](#). In terms of impact and sustainability governance at Finnfund, responsibilities are explained on p. [47](#). Finnfund has a Compliance unit, which is responsible, for instance, for compliance issues within Finnfund, including the know-your-customer (KYC) process as part of the investment process (p. [103](#)), as well as anti-money-laundering issues and sanction regulation. In 2024, the compliance unit was working under the supervision of the director of administration and deputy to the chief executive officer. As part of organisational changes, as of January 2025, the unit will operate under the

supervision of the director of impact and sustainability.

Finnfund has a [complaints channel](#), covering both whistleblowing and grievances, which can be used to alert Finnfund about suspected misconduct, serious wrongdoing affecting people or our environmental and social responsibilities, or other breaches of the policies, codes or guidelines that steer Finnfund's activities. Complaints are dealt with by the complaints team, which is appointed by the chief executive officer. The head of the compliance function acts as the team's secretary and procedure coordinator. The team is chaired by the director of administration and the deputy to the chief executive officer. The team may give recommendations on the matters it deals with, and in terms of grievances, depending on the matter, may also consult internal and external experts. Allegations concerning the managing director shall be dealt with by the board of directors. You



Finnfund's values are responsibility, respect, development, and effectiveness (p. [4](#)).
Photo: Finnfund

can read more about the grievances addressed in 2024 on p. [98](#).

Finnfund also has an internal audit function. In order to ensure the independence of the internal auditors in Finnfund's fairly small organisation, Finnfund's Board of Directors has decided to contract a third-party internal auditor. BDO Plc has been appointed to the task.

Anti-corruption and anti-bribery at Finnfund

As stated in our [Code of Conduct](#), Finnfund does not approve of corruption in any form. Finnfund's employees may not, directly or indirectly, promise, offer, request, or accept any types of bribes. Apart from actual financial benefits, such as monetary gifts, considerable discounts or purchase benefits, bribes or inappropriate influencing may manifest as other benefits, such as those concerning travel, accommodation, or other services that are provided without consideration or that are considerably inexpensive.

In 2024, there were no confirmed incidents of corruption and bribery related to Finnfund's employees.

Interests, conflicts of interest, and insider information

Finnfund's personnel are not allowed to make private investments based on confidential information or insider information. Each employee shall refrain from all private investment activities or professional activities, if these may result in a conflict of interests with their position at Finnfund. Finnfund does not approve of disclosing insider information to external parties or using such information for one's benefit in any form.

In 2024, Finnfund developed, for example, a new internal guideline on disqualification and differentiation of duties in situations in which a person may be biased or a conflict of interests may arise, followed by internal training sessions.



Ulla-Maija Rantapuska, Senior Investment Manager, Riikka Thomson, Head of Environmental and Social, and Kelvin Kiiru, Investment Associate, at Finnfund's office in Helsinki. Photo: Finnfund

Our economic sustainability and tax footprint

Profitability is one of three criteria for our investments, along with impact and sustainability.

Finnfund gets its financing from the State of Finland, private capital markets, and return on its investments. Although the Finnfund Act states that the company’s purpose is not to generate a profit for its shareholders, all Finnish state-owned companies must be self-sustaining, in accordance with the state’s ownership policy. This means that their operating income must be sufficient to cover the costs and risks of their activities. In addition, annual targets set by the Ministry for Foreign Affairs include an indicator regarding the return on equity as a five-year moving average. In 2024, the return on equity as a five-year moving average was 2.3 (p. [159](#)).

Prerequisites for financially sustainable operations include identifying risks, pricing them correctly, and keeping risk

levels under control. Finnfund’s financing is not grant money or otherwise soft, but, in line with its strategy, Finnfund aims to make blended financing available for its projects in the future. To that end, Finnfund passed the EU Pillar Assessment in 2019, making it eligible to manage EU funds and guarantees.

In 2023, Finnfund signed an agreement with the European Commission under the European Fund for Sustainable Development Plus (EFSD+). The agreement provided Finnfund with 100 million euros in guarantees for digital sector investments in Africa. In 2024, the guarantee programme was introduced in four investments. We also finalised negotiations on four other EU guarantee programmes, utilised jointly with our European sister organisations through the EDFI Management Company. At the end of 2024, two of these programmes were already in use: Carbon Sinks, and MSME+ (p. [28](#)).

In 2024, Finnfund sought its first-ever external credit rating from Fitch Ratings. The result was an impressive AA+ rating, aligning with the credit rating of the Finnish State (p. [152](#)).

We continued developing our risk assessment as part of the investment process and monitoring. In 2024, the focus was, for example, on developing climate and biodiversity risk management, and on reforming the investment process and related documentation (p. [70](#)).

Financial income for 2024 was 103.9 million euros, and the profit was 10.7 million euros. The key figures are covered in more detail on pp. [159-161](#). A detailed report on Finnfund’s efficiency and profitability can be found in the Board of Directors’ report on p. [148](#).

Key figures: Economic sustainability

Key figures	2024	2023	2022
Financial income (EUR million)	103.9	68.7	71.3
Net profit (EUR million)	10.7	3.8	0.3
Return on equity (%)	3.0	1.2	0,1
Equity ratio (%)	38.6	35.5	39.0

Formulae

Return on equity = $\frac{\text{Net profit}}{\text{Equity}} \times 100\%$

Equity ratio = $\frac{\text{Equity}}{\text{Balance sheet total} - \text{advances received}} \times 100\%$

Finnfund’s tax footprint and other payments

Generating tax revenue and other tax-like fees, paid by companies to the public sector in developing countries, constitutes one of the development aims of Finnfund’s work with the companies it finances. As explained on p. 107, Finnfund’s tax policy consists of Finnfund’s principles and practices to assess and promote the tax responsibility of the projects it finances.

The purpose of Finnfund is not to earn profits for its shareholders, and it does not distribute its assets to its owners in the form of dividends or other profit-sharing. By its nature, Finnfund makes only very small investments in its own operations, as only some minor investments are required in fixed assets.

In Finland, Finnfund is exempt from income tax under the Act on Income Tax (1535/1992), and it does not pay tax to the Finnish state. Finnfund’s activities are essentially a VAT-free financial service. The table on the right shows the material taxes and other tax-like fees paid in Finland in 2024.

Taxes and tax-like fees paid in Finland in 2024

Taxes paid in Finland, EUR		2023
Income taxes		-
Employer's contributions		1,968,526.64
Non-deductible VAT on services and procurement		141,416.90
Transfer taxes		-
Total		2,109,943.54

Taxes to be settled, EUR		
Withholding tax on salaries		3,132,194.73
Total		3,132,194.73
Total taxes to be paid and settled		5,242,138.27

In terms of taxes and other tax-like fees paid outside Finland, in 2024, Finnfund paid a total of 6,636,030.66 euros in taxes. The taxes are divided as shown on the right.

The division of taxes paid outside Finland

Country	Type of tax	EUR
Kenya	Capital gains tax	6,240,797.25
Kenya	Corporate income tax	134,935.97
Kenya	Withholding tax on salaries	205,132.21
Pakistan	Dividends	50,175.74
Panama	Dividends	4,989.49

In principle, Finnfund exercises restraint in issuing charitable grants and donations, and it does not engage in any activities that could be considered sponsorship. At the end of the year, Finnfund donated 2,500 euros to Médecins Sans Frontières (MSF) to deliver life-saving medical care in the midst of conflict zones, and 2,500 euros to the Finnish Red Cross for its work in Ukraine.

Reporting and accounting principles

Finnfund’s financial statements and annual report are prepared in accordance with the Finnish Accounting Standards (FAS), following the income statement and

balance sheet models for ordinary companies. Finnfund is not a credit institution as referred to in the Act on Credit Institutions (610/2014), nor does it use income statement and balance sheet models intended for credit institutions.

The company’s annual financial statements are published on its website as part of the annual report, after the Annual General Meeting has adopted the financial statements. At the same time, the company publishes the reporting and accounting principles used for the financial statements, along with any changes to those principles.

Finnfund reports on matters such as its financial performance and sustainability in the same manner as other state-owned companies, by sending quarterly reports to the Prime Minister’s Office and the Ministry for Foreign Affairs, which is responsible for ownership steering. Interim reports are prepared quarterly, but they are not audited or published.

From its investees, Finnfund generally requires reports based on the International Financial Reporting Standards (IFRS), to ensure reliability and comparability.

In extraordinary circumstances, Finnfund may approve financial statements and other financial reporting that comply with local norms, if this is considered justified in light of the status of the reporting company, and unless there is cause to doubt the reliability of these records.

In addition, the Ministry for Foreign Affairs issues a Government Ownership Steering Memorandum, in which it sets Finnfund's development policy and operational goals. The targets and the results for the year 2024 can be found on p. [23](#). Some parts of Finnfund's financing are also considered to be Official Development Aid (ODA), which is reported on an annual basis by the Ministry for Foreign Affairs to the OECD (p. [25](#)).

As explained on p. [53](#), the European Corporate Sustainability Reporting Directive (CSRD) does not apply to Finnfund, but we acknowledge the concept of double materiality in our impact and sustainability approach and continuously strive to develop our reporting, aiming to incorporate that approach increasingly in our reporting and communication.



One of the three enablers of Finnfund's strategy is to attract world-class talent (p. [19](#)). From the left, clockwise: **Fabian Cisar**, Investment Manager, **Marina Garcia**, Trainee, **Kyaw Latt**, Investment Manager, **Valentine Kipkoech**, Investment Analyst, **Justin Nthala**, Senior Investment Manager, and **Kelvin Kiiru**, Investment Associate. Photo: Finnfund



Our people and corporate culture

Finnfund strives to be a responsible employer that encourages its personnel to continuously learn new skills and develop professionally. Our own workforce plays an integral role in fulfilling our mandate and strategic goals (p. [19](#)).

In our strategy, launched at the beginning of 2022, we also set a goal to become an internationally recognised employer that provides an attractive working environment for professionals striving to be best in class. The measures to meet this target include, for example, putting more emphasis on diversity and inclusion within the organisation, employer branding, and training and support for personal development of employees. In 2024, we also put a special emphasis on our trainee programme and invited several student associations for a visit to learn more about development finance and our work.

In our purchases of services and goods, we also strive to make sustainable deci-

sions and cooperate with reliable partners that are committed to high standards and principles to make sure that there is no room, for example, for corruption, forced labour, human rights violations, or any other misconduct. We prioritise products that comply with international standards and frameworks, such as the Rainforest Alliance, Fairtrade, and the Forest Stewardship Council (FSC™).

Finnfund operates using a hybrid work model, and remote work continues as part of normal work.

Human resources management

Finnfund’s management team decides on the company’s human resources policies, while the chief executive officer (until October, chief financial officer), people and culture manager, and supervisors take operational responsibility for their implementation. General guidelines concerning remuneration, incentive schemes, and

remuneration for members of the management team are decided by the Board of Directors, in compliance with the remuneration policies for state-owned companies. Until October, the people and culture unit worked under the supervision of the chief financial officer, but as part of organisational changes, it was moved to operate under the supervision of the chief executive officer.

Finnfund systematically monitors job satisfaction, the number of sick days, and the frequency of accidents. Efforts are made to identify and rectify the causes of any negative changes and to reinforce the underlying causes of positive changes.

In 2024, we started to use a new survey tool to ask for monthly feedback, instead of internal Pulse surveys that were previously conducted three times a year. The questions are related, for example, to work engagement, wellbeing, and equality, and the results can be compared to other Finn-

ish organisations using the same tool. The results are also reported to the Board of Directors. In addition, we have developed our processes and tools to gather feedback at both project and individual levels. This work will continue in 2025.



Key figures: Our people

- At the end of 2024, Finnfund employed 101 people, of whom 5 worked at the Nairobi office and 9 worked for the Ministry for Foreign Affairs’ Finnpartnership programme.
- Average number of personnel: 101
- Outgoing turnover: 5%
- Share of women/men: 59.4% / 40.6%
- Personnel expenses: 13 million euros (incl. pension and other personnel add-on costs and voluntary personnel costs)
- Payroll total: 9.9 million euros
- Average age of employees: 44 years

Equality, diversity, and inclusion

The premise of Finnfund’s Equality Plan is fair treatment of all individuals, as well as promoting equality in working life. Finnfund’s task is to identify and remove structures that create and maintain inequality.

No factor related to a person’s age, family relationships, ethnic background, gender, parenthood, religious conviction, personal attributes, or sexual orientation shall place the person in an unequal position when applying for a job, advancing in their career, or operating in the work community during the employment relationship, unless there is a weighty or acceptable reason due to the nature of the job or task. The employee may have personal characteristics, such as physical limitations or sense-related limitations, including hearing, sight, and noise tolerance, which shall be considered on a task-by-task basis. For example, if a person’s health prevents them from travelling, they cannot carry out such a task. The purpose is to ensure that all employees have equal employment terms,

working conditions, placements in different tasks, and training and career development possibilities, as well as equal justifications for their salaries.

In 2024, the gender ratio at Finnfund was 59.4 per cent women and 40.6 per cent men (please see the graph on p. [132](#) for more details). A graph showing the age structure of permanent personnel is also on p. [132](#).

Finnfund monitors the salary difference between women and men both on average and in different salary groups on an annual basis. In terms of the average salary at Finnfund, at the end of 2024, the difference was very small: 0.01 percentage points in favour of male employees (graph on p. [132](#)).

Average salary by gender

	2024	2023
Women	99,99%	100%
Men	100%	98,50
Difference	0,01%	-1,50%

Finnfund conducts an annual equality and non-discrimination survey among its personnel. This forms the basis for updating the company’s equality and non-discrimination plan and helps identify practical measures for improvement. The key goal of the plan is to promote equality and non-discrimination, to identify and eliminate structures that generate and maintain inequalities, and to enable men and women of different ages to have equal terms of employment and working conditions, equal distribution between different positions, equal training and career development opportunities, and remuneration on equal principles.

Finnfund is committed to monitoring the development of diversity within the organisation. The aspects include, for example, nationality, native language, gender, age,

and position. At the end of the year, Finnfund carried out an internal equality survey, and based on the results, organised info sessions on how to make the workplace safe and comfortable for everyone. The sessions were mandatory for every staff member.

We value a team made up of diverse skills, experiences, and abilities, and therefore, we also put emphasis on diversity in our recruitment process and strive to encourage applications from qualified individuals from a wide range of backgrounds.

In our strategy, we have a goal to increase international recruitment within Finnfund, and as part of this, Finnfund pays special attention to its international recruitment and strives to cooperate only with reliable partners that are committed to high standards and principles, for example, to make sure that the recruitment processes do not include corruption, forced labour, or any other human rights violations or other misconduct.

As one concrete step, in 2024, we continued our cooperation with Startup Refugees, a non-profit organisation, to reach international experts that have recently relocated to Finland.

Share of women and men in Finnfund’s personnel in 2022–2024 (on 31 December)

	2024			2023			2022		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Personnel	101	57 (56%)	44 (44%)	97	56 (58%)	41 (42%)	96	55 (57%)	41 (43%)
Board of Directors	7	4 (57%)	3 (43%)	8	4 (50%)	4 (50%)	8	4 (50%)	4 (50%)
Management Team	6	4 (67%)	2 (33%)	6	3 (50%)	3 (50%)	6	3 (50%)	3 (50%)

The age structure of permanent personnel, divided into ten-year bands (average)

	Men	Women	Total
20–29	5	3	8
30–39	19	13	32
40–49	10	22	32
50–59	7	11	18
60–	3	8	11
Average age			44

Remuneration

Finnfund's remuneration system has three components: the base salary, fringe benefits, and short-term incentives.

Remuneration at Finnfund consists primarily of the fixed monthly salary, which is determined according to the complexity of the position and the employee's professional competence, interaction skills, and performance. The complexity grades for employees are defined every few years, and a salary comparison is performed annually with the help of an external consultant, to evaluate the remuneration level of the market as a whole.

The company has an incentive scheme that covers every member of personnel except the managing director. Employees can earn a bonus of either one-and-a-half or two months' salary, depending on their position, for reaching the targets set annually. In 2024, the incentive scheme was based partly on the company's performance and partly on the fulfilment of personal targets. The half of the incentive scheme based on the company's performance depends on the project quality,

which, in turn, is defined by the profitability, impact, and sustainability of the investments. In 2024, the metrics were updated to reflect the expectations of the new Government Ownership Steering Memorandum (p. [23](#)), and Finnfund's strategy (p. 19). For example, the metrics emphasise the quality (including risk management, impact, and profitability) and active portfolio management (pp. [56](#) and [156](#)), and cooperation with Finnish companies and the Team Finland network (p. [43](#)). In addition, individual employees can earn a personal bonus worth a maximum of one-and-a-half months' salary for excellent performance that clearly surpasses the targets. The Board of Directors decides on the incentive scheme and the key terms and conditions of the scheme annually, in line with the applicable state ownership policy on remuneration. You can read more about remuneration at Finnfund on p. [142](#)

In the 2024 financial statements, a provision was made for the cost of bonuses corresponding to approximately 15.61 per cent of remuneration costs (p. [163](#)).

Competence building and training

Training is one way for Finnfund to achieve its targets. Finnfund takes a positive approach to personnel training and continuous competence development: employees require a diverse range of competencies in the fields of international finance and development. Learning on the job and working with experienced colleagues are important factors in developing professional capabilities.

Every year, Finnfund prepares a work community development plan for the year ahead. Furthermore, development and planning days are set aside for company personnel, to review topical themes and promote interaction between company personnel and management.

All Finnfund's personnel are covered by the annual career and target discussions, covering, for instance, matters related to professional expertise, the need for training, the quality of work, professional development, and motivation. The discussion also covers the individual's commitment to the company's Code of Conduct (ethical guidelines), and it includes an assessment of how

the goals for the previous year were met and setting new personal targets for the following year. The discussions also give everyone the opportunity to give feedback on supervisors.

All new employees are given orientation to the organisation and to their duties when they begin work at Finnfund (induction training). Finnfund strives to constantly develop and maintain its employees' competencies by offering topical, supplementary, and language training. The training requirements for individual employees are discussed by the employee and their supervisor annually during career and target discussions.

In 2024, Finnfund reported a total of 167 training days.

As an employer, Finnfund values equality and responsibility highly. With this in mind, we have also modified our paid parental leave policy to be equal for both parents: both parents are entitled to three months' paid leave.

In 2024, Finnfund organised training sessions for supervisors, covering, for example, topics related to their legal obli-

gations and responsibilities. For the entire staff, there were info sessions and training, organised by both external experts and Finnfund's own staff, for example, on well-being, travel health and safety, and cyber security and data privacy. Finnfund's Communications Academy also provided, for instance, training on negotiation skills.

We also continued organising monthly visits around the Helsinki region for our international experts, aiming to support their integration into Finnfund and Finland.

Internal *Finnfund Talks* and *Lunch and learn* sessions were also held throughout the year, covering topics such as Finnfund's biodiversity approach (p. [70](#)), macro-economics and politics, and the results of Finnfund's stakeholder survey (p. [51](#)).

As part of the development of our investment process and internal workflow, a new model for feedback discussions was adopted in 2024.

Occupational wellbeing, health, and safety

Finnfund pays constant attention to its employees' occupational wellbeing, ability

to cope with workload, and job satisfaction.

The management of occupational wellbeing, health, and safety is the responsibility of the chief executive officer (until August, chief financial officer), together with the people and culture manager. Finnfund also has an internal occupational health and safety committee.

Finnfund conducts regular occupational wellbeing and job satisfaction surveys. In addition, feedback is frequently collected from personnel using various instant, quick surveys and other methods.

Company personnel have the opportunity to discuss matters of occupational wellbeing and job satisfaction during career and target discussions, and to give anonymous feedback via Finnfund's website. Employees can also send anonymous feedback to the health and safety committee via Finnfund's internal survey tool. It is also possible to discuss issues with external parties, if needed. Finnfund also provides its employees with access to an online service covering material on mental health, as well as one-to-one support.

During previous years, the most signif-

icant safety risks in the workplace have been assessed to be travel, health risks due to travel, and ergonomics. In 2024, we developed our travel health and safety approach and, for example, updated our guidelines on travelling to high-risk countries and regions. This work will continue in 2025.

The workplace risk assessment is updated periodically, and efforts are made to respond rapidly to any changes to the risk levels or any new risks that become apparent. Ergonomics assessments are also updated periodically in conjunction with personnel turnover and changes affecting workstations.

In 2024, Finnfund was not made aware of any work-related accidents.

The number of days taken as sick leave, the trend in absences, and the known causes of absences are continuously monitored in collaboration with the occupational health care provider. Overall, the number of absences due to illness is at an ordinary level (2.09%), and annual changes in the numbers have been moderate.

Finnfund encourages its personnel to

take care of their health and wellbeing, and to this end, it offers more extensive occupational health care services than the statutory minimum and subsidises its personnel's sporting and cultural activities. The company has a model for providing early support when employees' working capacity is in jeopardy, and it has a substance abuse programme for preventing substance abuse and treating its effects. Finnfund also offers a bicycle benefit for employees in Finland.



Our environmental sustainability and footprint

Our main environmental footprint originates from the investments that we finance, but in this chapter, we discuss the environmental impact of our own staff and office. To learn about the environmental sustainability of our investments, please see p. [56](#).

Due to the nature of our work, the most significant negative environmental impact of our own operations is our carbon footprint.

As further discussed below, Finnfund’s Helsinki office has been certified by WWF Green Office since 2019, and the building has a BREEAM In-Use Excellent certification. In our purchases, we prioritise products that comply with international standards and frameworks.

Carbon footprint

Finnfund calculates the carbon footprint of its own operations annually, as presented in the table below, covering the most essential emission sources. In principle, the most

significant source of our emissions is business travel, which accounts for approximately 95 per cent of our emissions. Finnfund’s operations require its staff to thoroughly familiarise themselves with the investees and to actively participate in the management and monitoring of investments. This requires frequent visits to the target countries. Finnfund is continuously developing electronic tools and encouraging personnel to use them.

In 2019, Finnfund set an internal target of reducing emissions per employee by 10 per cent by 2025. The baseline emission year is 2019. The COVID-19 pandemic decreased our business flights and increased the opportunities to work remotely. As expected, the need to fly increased significantly after the COVID-19 pandemic, but the emission figures are still far from the pre-COVID figures, and we are well aligned with our target.

As mentioned above, Finnfund’s Helsinki

office has been certified by WWF Green Office since 2019. The Helsinki office building uses only renewable energy (carbon-neutral wind power), and the building has a BREEAM In-Use certification with a rating “excellent”. In Finnfund’s Nairobi office, electricity consumption is reduced through energy-efficient practices. Electricity is mainly derived from renewable sources and supported by battery backup.

In its Helsinki office, Finnfund also seeks to mitigate the greenhouse gas emissions arising from commuting by encouraging personnel to use public transport, by offering the possibility of an employer-subsidised commuter ticket or bicycle benefit, and by partial teleworking. For those who use an electric vehicle, Finnfund’s office parking lot has a charging system in place that can be used by employees at their own expense. Since 2022, Finnfund, together with MLR

Forestal, a Nicaraguan agroforestry company, has been piloting an innovative project to restore 554 hectares of degraded forest land with significant biodiversity potential in Nicaragua. The funding is provided through a carbon credit programme whereby emission reductions, approximately equivalent to the emissions generated by Finnfund’s own operations, are sold to Finnfund, and a biodiversity action plan for the restoration area is implemented in tandem under the agreement (p. [102](#)).

Finnfund accounts for its office’s scope 1, 2 and 3 category 1, 2 and 6 emissions. The scope 1 emissions are zero, as Finnfund does not have any direct emissions. The scope 2 emissions cover only the heating of the Helsinki office, in which the electricity comes only from renewable sources. For scope 3 emissions, Finnfund has chosen to account for the emissions originating from purchased goods and services, mainly laptops and monitors, and business travel.

You can read more about our climate and biodiversity actions as part of our disclosures aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) on p. 70. The climate effects of our investment portfolio are disclosed on p. 117.

Finnfund’s carbon footprint in 2019–2024

	2024	2023	2022	2021	2020	2019
Carbon footprint tCO ₂ e	842	802	546	379	387	1399
Carbon footprint tCO ₂ e/person	8.4	8	6.4	4.5	4.5	16.5



A group of Finnfund employees celebrating SDG Flag Day at the Helsinki office in September.
Photo: Finnfund

Water, waste, and circular economy

The company’s operations consume small quantities of water and generate little waste. We monitor and strive to reduce our water use, energy consumption, and waste.

We also aim to promote the circular economy and to improve the material efficiency of our operations by means such as reducing the consumption of office paper, promoting electronic document management, and sorting waste, as well as by making use of energy-saving office equipment and lighting solutions.

In all our purchases, we prioritise products that comply with international standards and frameworks, such as the Rainforest Alliance, Fairtrade, the Forest Stewardship Council (FSC™), EU Ecolabel, and the Nordic Swan Ecolabel. For example, in our ICT purchases, we pay attention to energy efficiency, materials, and long service life. Our laptops, for instance, have an ENERGY STAR™ certification.

CASE

TerraPay boosts access to international remittances in Africa

International remittances are the main source of income for many people living in developing countries. However, remittances have traditionally been expensive and slow and have largely focused on cash.

TerraPay, a B2B technology company that specialises in cross-border mobile payments, addresses these challenges by enabling digital real-time remittances to 40 countries in Africa. TerraPay streamlines the remittance process by integrating and connecting major markets and money transfer operators such as Western Union, MoneyGram, and Ria, supporting household incomes and small businesses, and contributing to overall economic development.

OP Finnfund Global Impact Fund I, the first Finnish global emerging markets impact fund, invested in TerraPay to boost access to affordable remittances and support livelihoods and business activity in countries across Africa. The investment was part of a 75 million US dollar financing package, and the share of OP Finnfund Global Impact Fund I was 20 million US dollars.

The financing will help TerraPay expand its operations by partnering with more global money transfer operators and by increasing the volume of transfers it processes across Africa. The expansion will help reduce marginal costs, and speed and simplify international remittance transfers.

“Improving the payments infrastructure is one of our priorities, as the cost of remittances to developing markets remains expensive and well above the UN Sustainable Development Goals target of 3 per cent”, says **Kuutti Kilpeläinen**, Head of Digital Infrastructure and Solutions at Finnfund.

“Digitalisation of remittances is seen as the key driver for reducing costs. With our investment in TerraPay, we aim to address the affordability of cross-border remittances, which will support financial inclusion and economic development in emerging countries.”

Read the [full article](#), or learn more about the investment on [our website](#).

TerraPay enables digital real-time remittances to 40 countries in Africa.
Photo: Shutterstock



Name: **OP Finnfund Global Impact Fund I / TerraPay**
Country: **International**
Investment year: **2024**
Sector: **General fund / Digital infrastructure and solutions**

An aerial photograph of a township, likely Kayamandi, showing a dense cluster of small, rectangular shacks with corrugated metal roofs. The roofs are in various shades of grey, brown, and blue. Some shacks have satellite dishes or antennas on their roofs. A paved road with white and red markings runs through the center of the image, intersecting with another road. Several people are visible walking on the roads and standing near the shacks. A white van is parked on the right side of the road. The overall scene depicts a densely populated, informal settlement.

Corporate governance at Finnfund

Many emerging and developing countries are in the midst of a digital revolution. The Kayamandi township is one of the neighbourhoods where Fibertime, a Finnfund investee since 2023, is offering fast, uncapped, and time-based open-access fiber internet. Read more on our [website](#) and [watch a video](#). Photo: Finnfund

Corporate governance at Finnfund

Finnfund is governed by the Act on a Limited Liability Company named Teollisen yhteistyön rahasto Oy (291/79 amended, ‘the Finnfund Act’), the Finnish Limited Liability Companies Act, and the Articles of Association of the company. In addition, it observes the corporate governance guidelines for state majority-owned unlisted companies and state special-purpose companies, as issued by the owner, the Finnish state.

In 2024, a legislative initiative, led by the Ministry for Foreign Affairs, continued preparing an overall renewal of the Finnfund Act 291/79 (amended). The main goal of this initiative is to assign Finnfund a partial public administration task and thus strengthen its capacity to manage the Finnpartnership business partnership programme and

similar publicly funded programmes. Public administration tasks are to be separated from Finnfund’s investment activities in a new subsidiary, and they are to be subject to their own steering and decision-making rules. Other expected changes to the Finnfund Act aim to better meet current and anticipated future needs and to improve Finnfund’s capacity as a development financier. The renewed Finnfund Act is expected to enter into force in January 2026 at the earliest.

In addition, in 2024, the Ministry of Economic Affairs and Employment conducted a consultation round on the draft act on the new state capital investment company. Finnfund also had a representative in the working group. Based on the recommendations from the consultations, it was decided

that Finnfund would remain an independent investment company.

The governance principles laid out here are based on the Articles of Association, which came into force on 1 January 2012 and were amended on 11 May 2020.

You can read more about our business conduct on p. [125](#).



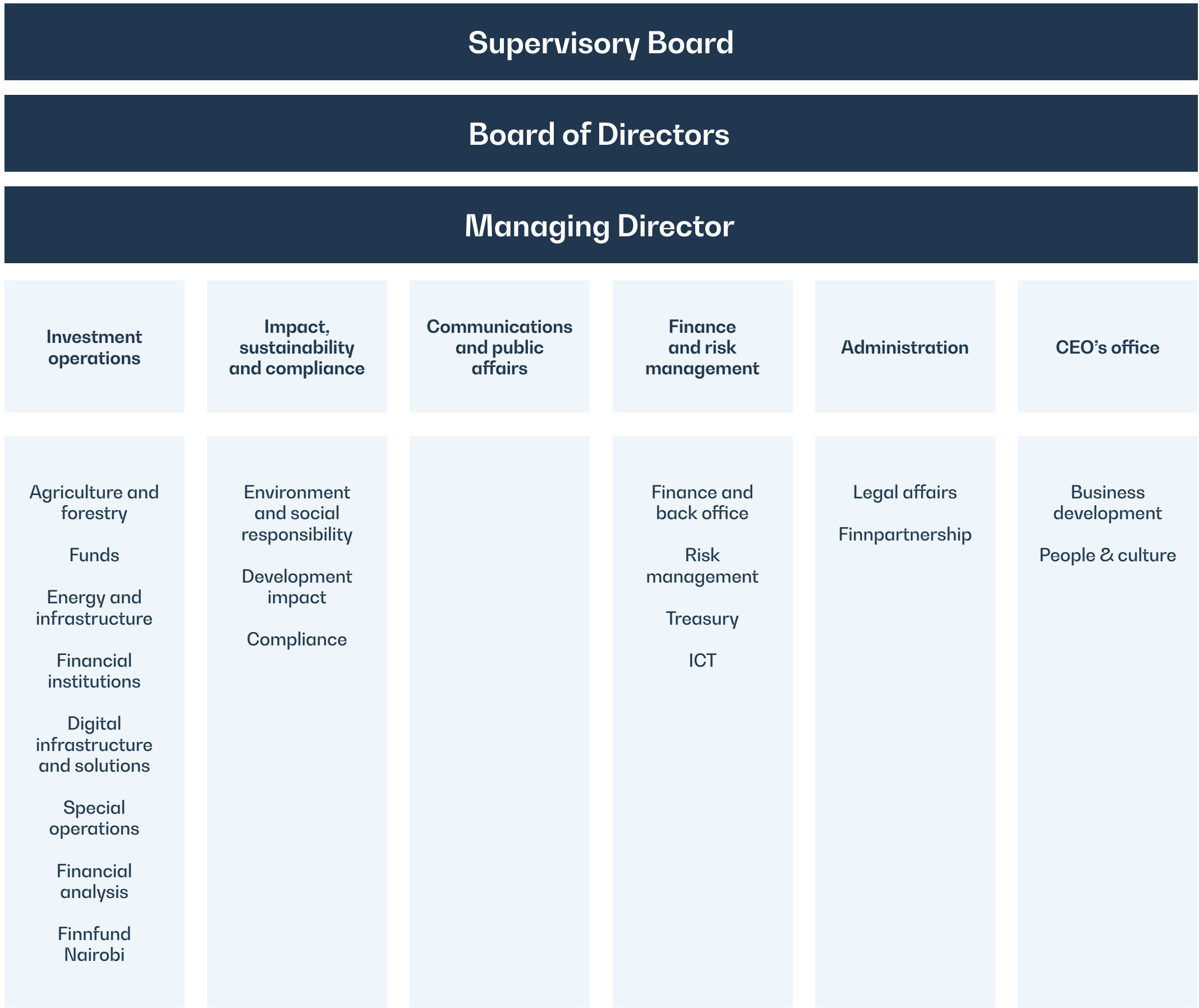
“Good governance is a crucial foundation for Finnfund’s operations, just as it is essential for the companies we finance.”

Minnamari Marttila
Director of Administration,
Deputy to the CEO



Finnfund’s organisation

as of 1 January 2025



Governing bodies

Finnfund is governed by the General Meeting of Shareholders, the Supervisory Board, the Board of Directors, and the managing director. Their responsibilities are determined by the Finnish Limited Liability Companies Act and the Articles of Association of the company.

General Meeting

The highest decision-making body at Finnfund is the General Meeting of Shareholders, which convenes at least once a year. The Annual General Meeting shall be held each year at a date set by the Board of Directors that is within six months of the end of the financial year.

The Annual General Meeting makes decisions on all matters designated for it in the Limited Liability Companies Act and the Articles of Association. This includes the adoption of the financial statements; assignment of the balance sheet result; release from liability of the Supervisory Board members, directors, and managing director; election of Supervisory Board members, the directors, and the auditor;

and determination of their remuneration. Furthermore, the Annual General Meeting handles the annual corporate responsibility targets set for the company by the Ministry for Foreign Affairs, including the report on tax responsibility and tax footprint, and the report on actual remuneration policies.

The 2024 Annual General Meeting was held on 29 April in Helsinki. The meeting handled the matters specified in Article 11 of the Articles of Association and decided to increase the company’s share capital. All of the company’s outstanding shares were represented at the meeting.

On 18 December 2024, the company’s shareholders decided, in accordance with paragraph 5:1 of the Companies Act, unanimously and without convening a General Meeting, to appoint a new chairperson to the Board of Directors to replace the previous chairperson, who resigned in July 2024, and further, to complete the Supervisory Board by electing one new member to replace the resigned member. The new chairperson of the Board of Directors took office on 20 January 2025.



Supervisory Board

The Supervisory Board is composed of 13 members. The Annual General Meeting elects the members for three years at a time. The term of each member of the Supervisory Board ends at the close of the third Annual General Meeting following their election. Every three years, five members are up for re-election, and in other years, four members are up for re-election. The Supervisory Board elects a chair and vice chair from among its members for a period of one year.

The task of the Supervisory Board is to monitor the company’s administration under the supervision of the Board of Directors and the managing director. The Supervisory Board also issues a statement to the Annual General Meeting regarding the financial statements and the audit. In addition, the Supervisory Board can advise the Board of Directors on matters of principle or of otherwise broad importance.

At the end of the year 2024, the gender distribution of the Supervisory Board was as follows: 38.5 per cent (5) of the members were women and 61.6 per cent (8) were men.

See the members of the Supervisory Board on p. [145](#).

Board of Directors

The Board of Directors has at least six and at most eight members. The board chair, a possible vice chair, and the board’s other members are chosen by the Annual General Meeting. The term of a board member ends at the close of the next Annual General Meeting.

The tasks of the Board of Directors include, but are not limited to, making decisions regarding financing and investments when the decision-making is not delegated to the managing director; confirming the company’s strategy and operating policy; deciding on authorisation to sign on behalf of the company; appointing the managing director and determining their salary and other compensation; and deciding on the calling of Annual General Meetings and preparing material on the matters they will address. As explained on p. [47](#), impact and sustainability issues are also owned by the Board of Directors, together with the managing director/chief executive officer (CEO).

At the end of the year 2024, the gender distribution of the Board of Directors was as follows: 57.1 per cent (4) of the members were women and 42.9 per cent (3) were men.

See the members of the Board of Directors on pp. [145-146](#).

Audit Committee of the Board of Directors

The Board has an Audit Committee consisting of a chairperson and two to three members whom the Board appoints from among its members. The members shall be independent of the company, and at least one must be independent of a major shareholder. Members must have the competence required for the committee’s duties, and at least one member shall be skilled particularly in accounting, bookkeeping, or auditing. The Audit Committee is chosen for the term of the Board of Directors.

The task of the Audit Committee is to assist the Board in ensuring that the bookkeeping and financial control of the company are appropriately organised, and that internal control and risk management, auditing, and internal auditing are con-

ducted in accordance with the law, regulations, and operating principles confirmed by the Board of Directors.

Human Resources (HR) Committee of the Board of Directors

The Board has a Human Resources Committee consisting of a chairperson and at least two members whom the Board appoints from among its members. The members shall be independent of the company, and at least one must be independent of a major shareholder. Members shall have the competence required for the committee’s duties, and at least one member shall have expertise and experience in demanding leadership roles, remuneration issues, and talent management. The HR Committee is chosen for the term of the Board of Directors.

The task of the HR Committee is, among other things, to assist the Board in appointments and successor planning of top management, and in preparing key principles and practices relating to staff remuneration and measures to improve human resource management and corporate culture.

Managing Director

The task of the managing director is to attend to the company’s day-to-day administration in accordance with the instructions and regulations issued by the Board of Directors. In addition, the Board of Directors has delegated its decision-making capacity to the managing director so that they are entitled to make decisions regarding financing and investments up to 5,000,000 euros.

As explained above, impact and sustainability are owned by the Board of Directors and the managing director/chief executive officer (CEO). The CEO has ultimate responsibility for the successful implementation of Finnfund’s sustainability and impact approach (p. 47).

The Board of Directors determines the salaries and remuneration of the managing director, their deputy, and the management team members.

Management team

Finnfund’s management constitutes the management team, which is an advisory body assisting the managing director.

At the end of the year 2024, the gender distribution of the management team was as follows: 66.7 per cent (4) of the members were women and 33.3 per cent (2) were men.

Remuneration

Supervisory Board

Members of the Supervisory Board have received fees as follows. The chair of the Supervisory Board received 800 euros per meeting, the vice chair 600 euros per meeting, and other members 500 euros per meeting.

Fees paid (EUR) and participation at the meetings Supervisory Board 2024

Member	Fee EUR	Present
Johannes Koskinen, chair	4,000	5/5
Ville Valkonen, vice chair	2,400	4/5
Pekka Aittakumpu as of 18 December 2024	0	0/0
Eeva Biaudet	2,000	4/5
Jarkko Eloranta	2,000	4/5
Noora Fagerström	2,500	5/5

Member	Fee EUR	Present
Veronika Honkasalo	2,500	5/5
Anne Kalmari	2,000	4/5
Juha-Erkki Mäntyniemi	2,500	5/5
Mikko Polvinen until 13 November 2024	2,000	4/5
Sakari Puisto	2,500	5/5
Nasima Razmyar	2,000	4/5
Juha Ruippo	2,500	5/5
Petri Vuorio	2,500	5/5

In 2024, the Supervisory Board met five times. The average attendance rate for members was 90.8 per cent.

Board of Directors

Members of the Board of Directors have received monthly fees and fees per meeting as follows. The chairperson of the Board of Directors received a monthly fee of 1,100 euros, the vice chairperson a monthly fee of 700 euros, and the other members a monthly fee of 600 euros. In addition, all members received a fee of 300 euros per attended meeting. The chairperson has also been paid a fee per meeting for attending the Supervisory Board and Audit and HR Committee meetings.

Fees paid (EUR) and participation at the meetings Board of Directors 2024

Member	Fee EUR	Present
Robert Wihtol, chair until 29 June 2024	?	?
Helena Airaksinen, vice chair until 29 April 2024	4,300	5/5
Pasi Hellman, vice chair as of 29 April 2024, acting chair as of 1 August 2024	10,700	10/10
Nicholas Anderson	11,700	15/15
Jussi Haarasilta	11,400	14/15
Anu Hämäläinen until 29 April 2024	3,300	5/5
Tuuli Juurikkala as of 29 April 2024	7,800	10/10
Noora Laitio as of 29 April 2024	7,800	10/10
Ilona Lundström as of 1 June 2024	6,900	9/9
Sari Nikka	11,400	14/15
Jari Salokoski until 29 April 2024	3,900	5/5

In 2024, the Board of Directors met 15 times. The average attendance rate for members was 98.0 per cent.

Audit Committee

In 2024, members of the Audit Committee of the Board of Directors each received a fee of 300 euros per meeting attended.

Fees paid (EUR) and participation at the meetings
Audit Committee 2024

Member	Fee EUR	Present
Nicholas Anderson	1,800	6/6
Anu Hämäläinen until 29 April 2024	600	2/2
Ilona Lundström as of 1 June 2024	900	3/3
Sari Nikka	1,800	6/6

In 2024, the Audit Committee met six times. The attendance rate for members was 100.0 per cent.

Human Resources Committee

In 2024, members of the HR Committee of the Board of Directors each received a fee of 300 euros per meeting attended.

Fees paid (EUR) and participation at the meetings
Human Resources Committee 2024

Member	Fee EUR	Present
Helena Airaksinen until 29 April 2024	600	2/2
Nicholas Anderson as of 1 February 2024	600	2/2
Tuuli Juurikkala as of 20 May 2024	300	1/1
Robert Wihtol until 29 July 2024	600	2/2

In 2024, the HR Committee met three times. The attendance rate for members was 100.0 per cent.

Managing director

In the financial year 2024, managing director Jaakko Kangasniemi received taxable income of 304,104 euros from the company. The remuneration of the managing director consists of a fully fixed monthly salary. The managing director is not eligible for the company’s incentive system and was not paid a bonus in the financial year 2024.

The managing director’s executive contract, agreed upon in 2002, was revised

in 2012 in relation to pension rights. The retirement age was raised from 60 to 63 years, and the pension type changed from defined-benefit to defined-contribution. The annual contribution level is 26.51 per cent of gross annual earnings.

The pension liability is covered partly by the group pension insurance and partly by an annual reserve on the company’s balance sheet. In the financial year ending 31 December 2024, a reserve of 72,118 euros was specified for the pension liability.

The company may terminate the managing director’s employment at six months’ notice. Upon termination by the company, in addition to the salary for the term of notice, the managing director will receive an amount equal to six months’ salary.

Because of the pension benefit change in the executive contract, the managing director forewent net pension benefits of 74,308 euros accrued in previous years. This loss of pension benefit has been counterbalanced by raising the gross monthly wage from 1 January 2013 by 1,347 euros, which will provide full compensation by the time he reaches the age of 63.

If the managing director’s employment ends before the age of 63 years, he will be remitted by the company in the amount of pension benefit lost through early termination of the contract. This compensation will be remitted regardless of the reason for termination of the contract and in addition to other entitlements under the law or his executive contract.

Management team

In the financial year 2024, taxable income received from the company by the management team, including the managing director and his deputy, totalled 1,243,376 euros.

The members of the management team, except for the managing director, are included in the incentive system covering all the company’s personnel, according to which employees can receive an incentive corresponding to, at most, one-and-a-half or two months’ salary, depending on the area of responsibility, if the set targets are met.

The incentive structure consists of individual key targets and company-level

incentive metrics, which include metrics on sustainability and impact. The Board of Directors decides on the incentive system and its key criteria annually.

In 2024, members of the management team were Jaakko Kangasniemi, managing director/CEO; Minnamari Marttila, deputy to the CEO and director of administration; Kaisa Alavuotunki, director of impact and sustainability; Unna Lehtipuu, communications director; Hanna Loikkanen, chief investment officer; and Olli Sinnemaa, chief financial officer.

Finnfund's management team in spring 2024. In the picture, from left to right, are: **Unna Lehtipuu**, **Jaakko Kangasniemi**, **Hanna Loikkanen** (since January 2024), **Kaisa Alavuotunki**, **Minnamari Marttila**, and **Olli Sinnemaa**.
Photo: Finnfund





Supervisory Board, Board of Directors,
Audit Committee and Human Resources
Committee in 2024

Supervisory Board
at the end of 2024

Pekka Aittakumpu
Member of Parliament
From 18 December 2024

Eeva Biaudet
Member of Parliament

Jarkko Eloranta
President, The Central Organisation of
Finnish Trade Unions – SAK

Noora Fagerström
Member of Parliament

Veronika Honkasalo
Member of Parliament

Anne Kalmari
Member of Parliament

Johannes Koskinen
Member of Parliament

Juha-Erkki Mäntyniemi
Executive Director, Fingo

Mikko Polvinen
Member of Parliament
Until 13 November 2024

Sakari Puisto
Member of Parliament

Nasima Razmyar
Member of Parliament

Juha Ruippo
Director, MTK

Ville Valkonen
Member of Parliament

Petri Vuorio
Director, Confederation of Finnish
Industries EK

Board of Directors 2024

Robert Wihtol, chair
Independent development
banking specialist
Until 31 July 2024

Heikki Cantell, chair
General Counsel and Secretary
General, NIB
Elected 18 December 2024 to
take office 20 January 2025

Pasi Hellman, vice chair from
29 April 2024, acting chair
from 1 August 2024
Under-Secretary of State,
Ministry for Foreign Affairs

Helena Airaksinen, vice chair
Deputy Director General,
Ministry for Foreign Affairs
Until 29 April 2024

Nicholas Anderson
Independent Financial Specialist



- Jussi Haarasilta**
Executive Vice President, Finnvera Plc
- Anu Hämäläinen**
Vice President, Kesko
Until 29 April 2024
- Tuuli Juurikkala**
Director, Head of Unit, Ministry of Finance
From 29 April 2024
- Noora Laitio**
Independent development banking
specialist, CEO and Co-founder
From 29 April 2024
- Ilona Lundström**
Board professional
From 1 June 2024
- Sari Nikka**
Board professional
- Jari Salokoski**
Head of Unit, Ministry of Finance
Until 29 April 2024

Audit Committee

- Nicholas Anderson**
Anu Hämäläinen, chair, until 29 April 2024
Sari Nikka, chair from 20 May 2024
Ilona Lundström from 1 June 2024

Human Resources Committee

- Robert Wihtol**, chair
Helena Airaksinen, until 29 April 2024
Nicholas Anderson, from 20 May 2024
Tuuli Juurikkala, from 20 May 2024

All members of the Supervisory Board and the Board of Directors are independent of the company.

CASE

Enabling the growth of TBC Bank’s green loan portfolio in Georgia

Finnfund is one of the investors in a syndicated subordinated loan agreement in the amount of 80 million euros with the Dutch entrepreneurial development bank FMO and its syndicate members. TBC Bank is the leading partner in Georgia for renewable energy financing. The funding strengthens TBC Bank’s capital position, increases its long-term resilience, and supports the bank’s sustainable growth. Finnfund’s share of the financing is 10 million euros.

“Finnfund is pleased to be part of the syndicated loan, which will enable the growth of TBC’s green loan portfolio”, says **Ulla-Maija Rantapuska**, Investment Manager at Finnfund. “It is great to see that TBC strives to act as a role model as a responsible and climate-aware financial service provider, manifested in its ESG strategy, which targets net zero emissions and sets KPIs for a sustainable loan portfolio.”

“We are proud to be the recipient of this landmark facility in partnership with six lenders. This funding will strengthen TBC’s capital position and support its sustainable growth,

with a strong focus on inclusive financing, which is a shared commitment and priority of all syndicate members. We are particularly proud that this syndicated facility enables TBC to onboard new investors such as IFU, Finnfund, and ILX, which serves as a good foundation for future cooperation”, says **Vakhtang Butskhrikidze**, CEO of JSC TBC Bank.

Read the [full article](#), or learn more about the investment on [our website](#).

Name: **TBC Bank**

Country: **Georgia**

Investment year: **2024**

Sector: **Financial institutions**



TBC Bank is the leading partner in Georgia for renewable energy financing. Photo: Finnfund



Financial statements

A pile of electric poles manufactured by The New Forests Company (NFC) in Uganda. NFC is a sustainable forestry and timber products business that manages over 22,400 hectares of Forest Stewardship Council™ (FSC™) certified forests in Tanzania and Uganda. Finnfund has been financing the company since 2014.
Photo: Finnfund

Board of directors' report 2024

Mission

Finnish Fund for Industrial Cooperation Ltd. (Finnfund) is a special purpose entity, development financier and impact investor in which the State of Finland has a majority holding, whose mission is to build a more sustainable future and create lasting impacts by investing in companies that solve global development challenges.

Finnfund falls within the administrative branch of the Ministry for Foreign Affairs, carrying out a special development policy mission. The law governing the company's activities defines its purpose as promoting the economic and social development of its target countries by financing private-sector projects with a Finnish interest.

Finnfund works with private companies operating in developing countries, providing equity risk financing, long-term investment loans, mezzanine financing, as well as specialist expertise related to invest-

ments in developing countries. We require every project to be profitable, responsible in terms of the environment and society, and measurable in terms of development impact in the target country.

Finnfund focuses on sectors of importance to sustainable development, such as renewable and lower-emission energy generation, forestry, agriculture, digital infrastructure and solutions, and the financial sector. The company may also finance other sectors.

Strategy

The vision of Finnfund's strategy, which entered into force in 2022, is to include people and the planet in every investment decision. This means that we keep sustainable actions, human rights, biodiversity, and the fight against climate change at the heart of our operations.

Our strategic goals are:

- we will double our development impact by 2025,
- we will increase the share of private funding to half in our funding base by 2030, and
- we will maintain a carbon net negative investment portfolio.

The strategy focused on five growth enablers:

- We want to have a positive development impact.
- We want to set an example for responsible action.
- We want to enable private financing to enter our target market and be a valued partner for private financiers.
- We want to increase our visibility in our target market.
- We want to be a great workplace that attracts the best possible people to work for us.

The target year of the strategy was 2025 and the achievement of the goals progressed as planned.



Finnfund’s strategy 2022-2024*

Vision

People and the Planet in every investment decision.

Strategic intent

Finnfund increases its portfolio impact through prioritized impact themes.
Impact is enabled by growth in volume and sustained profitability.

Key strategic objectives

- Double total impact from 2020 to 2025
- 50% of investments with private capital by 2030
- Maintain a carbon net negative portfolio

Growth enablers

1.

We are an active enabler of positive impact
2.

We continue to deliver and advocate excellence in sustainability
3.

We are a valued partner for private capital
4.

We increase our presence in core markets
5.

We are an attractive employer for world-class talent

Mission

We build a sustainable future and generate lasting impact by investing in businesses that solve global development challenges.

At the end of 2023, Finnfund received a new ownership steering memorandum for the electoral period 2024–2027. The new ownership steering memorandum outlines that Finnfund must strive to strongly involve Finnish companies in its investments, and that 40 per cent of new investment decisions should be targeted at digital infrastructure and solutions. In addition, projects in Ukraine must be promoted for at least 25 million euros by the end of 2025. For investments in Ukraine, Finnfund received a new loss compensation commitment for special risk financing of 20 million euros. Following the guidelines of the new ownership steering memorandum, we started to prepare a new strategy to ensure that Finnfund’s strategy is in line with the ownership steering vision.

The new strategy was approved by Finnfund’s Board of Directors in December 2024. In addition to the themes mentioned above, it also guides Finnfund to mobilise even more private and institutional money for its investments. As a result, we also started a new fund and the preparation of a bond. We seek investors for both from Finland and internationally.

In 2024, the Finnish State increased Finnfund’s share capital by 35 million euros, of which 25 million euros must be allocated to Ukraine.

*The initial target year was 2025.

Funding and investments

In 2024, project preparation was slightly lower than in the previous year, in line with the target.

The target of project preparation was to make new investment decisions worth 200 million euros. During the year, we fully prepared a total of 26 new projects, totalling 226 million euros.

The majority of Finnfund’s new financing de-

cisions were allocated to projects with excellent development impact in terms of reducing poverty, combating climate change, and improving the position of women and girls.

The 26 new financing decisions made in 2024 (35 decisions in 2023), with a monetary value of 226 million euros (EUR 256 million), targeted different income levels as follows:

Income level	Number of decisions	%	EUR million	%
Least developed countries	7	27	53	24
Low-income countries	0	0	0	0
Lower-middle-income countries	13	50	116	53
Upper-middle-income countries	6	23	50	23
TOTAL	26	100	219	100

Of the financing decisions, 10 (16) involved loans, accounting for about 52 per cent (56 per cent) of the monetary value of the decisions.

Fifteen (17) of the projects that were approved were equity investments or mezzanine financing. When calculated in euros, they accounted for 41 per cent (33 per cent) of all approved projects. One investment decision was made in private equity funds.

The geographical breakdown of new investment decisions was as follows: 38 per cent of the decisions in volume and 31 per cent in monetary value were allocated to Africa. Asia was allocated 35 per cent of the decisions in volume and 43 per cent in monetary value. The remaining 27 per cent, and 26 per cent in monetary value,

of the decisions were allocated to other continents or international projects. Of the latter, one investment decision, worth 7 million euros, was allocated to Ukraine. Of new investment decisions, 31 per cent in monetary value were allocated to digital infrastructure and solutions.

Disbursements for investments totalled 151 million euros (EUR 157 million).

Of the disbursements during the 2024 financial year, 45 million euros (EUR 86 million) is considered official development assistance (ODA) by the Finnish State.

The amount of undisbursed commitments at the end of 2024 totalled 268 million euros (EUR 258 million). In addition, 156 million euros (EUR 159 million) was tied up in investment commitments that had not yet progressed to the agreement stage.

Development and priorities

Finnfund's strategy was updated in 2024. The new ownership steering memorandum received in December 2023 highlighted new priorities, which were immediately taken into account in operational guidance for 2024, and a review of the strategy was launched. In particular, this was reflected in the emphasis on Finnish business interests throughout Finnfund's operations and in broadening the focus from the least developed countries to middle and lower-income countries. The new strategy was approved in December 2024.

Despite the shift in focus, 2024 results are well aligned with the objectives of the previous strategy that was in place last year. The three strategic objectives were to double our impact by 2025, mobilise private funding to finance 50 per cent of Finnfund's investments in 2030 through private equity, and maintain a net negative portfolio carbon footprint.

Opened in 2022, Finnfund's office in Nairobi, Kenya has established its status as part of our operations. This is a branch of the Helsinki office and its main task is to promote project preparation in the East African region. Our office is in the same building as several European development financiers. Finnfund's presence has increased our visibility in the target market, and cooperation with other financiers has strengthened. At the end of the year, the branch had three seconded employees, and during the year, two other company employees visited the branch for shorter periods.

In 2024, Finnfund's operations were developed extensively. The reform of the investment process and related documentation was initiated while data management and reporting were improved to better suit Finnfund's current needs. The objective of the investment process reform is to enhance the preparation and implementation

of projects and to improve resource allocation. The new investment memorandum is intended to provide a better basis for decision-makers to make better-informed decisions.

In addition, initiatives aimed at increased collaboration with private-sector investors were the focus of development. Establishment activities and fundraising for a new equity fund investing in the digital sector began in 2024. The development work continues, and the fund is expected to start operating by the summer of 2025. During the year, the Planetary Boundaries Investing Framework was also developed together with a Finnish investor. At the same time, a joint investment mechanism was created to allow private investors to participate in loan projects being assessed within the tool. The first joint investment in a forest-sector project is expected to take place in early 2025.

In 2024, Finnfund applied for credit risk rating from Fitch Ratings. This is the first time in Finnfund's history that we have applied for an external credit rating. The rating was AA+, which corresponds to the credit rating of the Finnish State. Finnfund applied for a credit rating for future bonds. The intention is to issue a new bond in early 2025 to both repay the bond maturing in autumn 2025 and to meet the investment volumes of the new strategy. The credit rating will allow a wider range of investors to invest in Finnfund's issues and presumably lower the price of future loans relative to past loans.

During the year, we continued to invest in companies whose activities strengthen the local economies of our target countries, create new jobs and livelihood opportunities, reduce poverty, and contribute to the fight against climate change and biodiversity loss. Gender equality, providing basic quality services to people, and good

workplaces are key elements in investment decisions.

In 2024, Finnfund's first nature and diversity statement was published, which guides Finnfund's investment activities in strengthening nature values and biodiversity. The new policy statement complements Finnfund's responsibility policy and the previously published climate and energy policy and reinforces the work already done on the topic at Finnfund. Nature impacts are also key in the development of the above-mentioned Planetary Boundaries Investing Framework, which we continued together with a Finnish investor. The assessment tool was tested in a few initial investments, and the aim of the collaboration is to make joint investments in projects that mitigate the violation of planetary boundaries and reduce pressures on nature. We also introduced indicators for measuring biodiversity and will publish our first report for 2024, in line with the Nature-related Financial Disclosures Framework (TNFD).

The partnership with UNICEF started in 2023 continued, and with their support, we explored opportunities to add the assess-

ment of child impacts to our current investment process.

The work in the development of climate analysis continued during 2024. We further developed our ability to assess the compliance of our investee companies in different sectors with the Paris Agreement. We again improved the quality of the data used in the carbon footprint calculation from the previous year. We continued to support our portfolio companies in developing their own calculation capabilities and in making emission reduction plans. We also introduced a new tool for assessing climate risk.

Human rights remained one of the key areas for improvement in 2024. In particular, we focused on strengthening a human rights-oriented approach to digital-sector investments, conflicts and supply chains. This development work will continue in 2025.

In 2023, Finnfund signed an agreement with the European Commission under the new European Fund for Sustainable Development Plus Guarantees (EFSD+). The agreement provided Finnfund with 100 million euros in guarantees for investments

in digital infrastructure and solutions in Africa. In 2024, the guarantee programme was introduced in four investments. At the same time, technical assistance in the area of guarantees was introduced to promote the discovery of investments and to develop the business and impact and responsibility work of investments. We also finalised negotiations on four other EU guarantee programmes, which will provide more than one billion of guarantee coverage for investments in the financial, agro-forestry, and renewable energy sectors, as well as cross-sectoral value chains. These four guarantee programmes are utilised jointly with our European sister organisations through the EDFI Management Company.¹ At the end of 2024, two of these programmes were already in use: Carbon Sinks, and MSME+.²

During the year, Finnfund continued to seek to strengthen its openness and co-operation with stakeholders such as companies, experts, NGOs, influencers and the media. For the third time, we held a Growth seminar for Finnish companies, this time with an emphasis on Ukraine, in cooper-

ation with the Confederation of Finnish Industries EK and Finnpartnership, which attracted a large number of participants from businesses and public authorities alike. In the lead-up to the spring European Parliamentary elections, we organised an election panel in cooperation with Fingo. We also closely followed development policy and the achievement of the objectives of the Report on International Economic Relations and Development Cooperation as a member of the Finnish Development Policy Committee. In addition, we continued the meetings of the Impact Network aimed at Finnish actors interested in measuring and developing impact and responsibility, and organised events and meetings with Finnish and international stakeholders. Finnfund's experts also actively visited seminars and other events arranged by other organisations, as speakers and panellists, for example.

A major website redesign was completed in late 2024, significantly improving the visibility and ease of access to information for both our experts and our investments. The number of followers on social media continued to grow rapidly and, as in



previous years, we also invested in the production of digital and video material on our most interesting projects. The Communications Academy programme continued, with a focus on developing presentation and negotiation skills as well as the managerial role. We cooperated internationally especially with the communications network of European development financiers. During the year, we also conducted a comprehensive stakeholder study for internal and external stakeholders, which contributed to the preparation of the new strategy.

Finnfund continues to operate with a hybrid work model, and remote work continued as part of normal work. Travel expenses related to the preparation of new investments and monitoring of existing investments were reduced by more than five per cent compared to the previous year. This is in line with our goal to reduce our emissions by 10 per cent per employee from 2019 by 2025.

In 2024, Finnfund invested in personnel development, particularly in the development and consistency of quality of managerial work. During the year, we conducted several trainings for managers, especially

in relation to the responsibilities of managerial work. During the training sessions, we covered issues such as employment law challenges and how to address underperformance.

In addition, the People & Culture unit held monthly information briefs for both managers and all staff on topics such as postings abroad, conducting development discussions, insurance, annual leave and other absences. People & Culture also organised joint excursions with international talents to various parts of the capital region about once a month. The aim of the excursions is to support the integration of international talents into Finnfund and Finland.

Following the extensive development of our ICT infrastructure in previous financial years, in the previous year we focused on the full utilisation of the systems, as well as further and small-scale development. The ICT team focused specifically on ensuring cybersecurity as well as the development of reporting and supporting systems. The team was also strengthened with reporting expertise. In addition, the use of artificial intelligence was piloted in various teams of Finnfund.

1 EDFI Management Company, which is owned by development financiers, manages joint guarantee schemes.
2 Carbon Sinks is a guarantee scheme that focuses on guarantees for carbon sink investments, and MSME+ is a guarantee scheme that provides financing for small and medium-sized enterprises.

The Finnpartnership programme

Finnpartnership is a business partnership programme financed by the Ministry for Foreign Affairs of Finland, which is managed and implemented by Finnfund on the basis of a contract. Finnpartnership's goal is to promote sustainable development by creating long-term business cooperation that creates sustainable and decent jobs and other positive development impacts through the operations of Finnish companies. 2024 was the final year of operation of Finnpartnership's 2022–2024 programming period. At the end of 2024, the Ministry for Foreign Affairs decided to implement the option period agreed at the beginning of the programming period, which covers the years 2025–2027. Finnfund implements the programme in subcontracting cooperation with Niras Finland Oy.

In 2023, the Ministry for Foreign Affairs launched a legislative project to prepare for the overall reform of the Finnfund Act: a new subsidiary in charge of public

administrative duties would be established for Finnfund, in which the administration of the Finnpartnership programme could continue in a permanent manner and in which State grant decisions could also be made regarding business partnership aid. Some other public administrative duties from the Ministry for Foreign Affairs are also to be transferred to the subsidiary. The Government's proposal for the new Finnfund Act is expected to be submitted to Parliament in the autumn session of 2025, meaning that the Act could enter into force in the beginning of 2026 at the earliest.

At the beginning of the programming period that has now ended, the aim was to increase the number and size of projects and to achieve more and better development impacts. In addition, efforts were made to reduce the number of discontinued projects. The aim was also to bring out development impacts earlier in the projects, when traditionally developmental impacts

had been monitored only after the projects had ended. The programme exceeded all objectives defined for the three-year period. In 2024, 11.9 million euros in business partnership aid was granted to Finnish companies, compared to 3 million euros in 2021, the last year of the previous programming period.

The objectives of the programme were updated as a result of the Finnish national Ukraine rebuilding plan in the autumn

of 2023. Additional funding targeted to Ukraine was also directed to the programme, which was made available to Finnish companies faster than scheduled. A total of 38 projects have started in Ukraine during the programming period. Overall, Finnish companies launched 234 projects with the support of Finnpartnership in emerging markets during the past programming period.



Risk management

The Finnfund Board of Directors confirms the company's risk management principles and instruments. The company's management is responsible for the practical implementation of risk management on the basis of the guidelines confirmed by the Board of Directors. The company's asset and risk management guidelines are assessed annually. No major changes were made to the management principles in 2024.

The objective of asset and risk management is to mitigate the negative effects of market risks, primarily changes in interest and exchange rates, on Finnfund's earnings and to ensure sufficient liquidity. The company is exposed to greater risks than those present in typical financial institution operations. The management of funding and liquidity risks includes risk identification, hedging, and reporting to the company's administrative bodies.

The risk classification system developed by Finnfund, which has been in use since

2005, is a key instrument in the assessment and monitoring of project risks. A risk assessment is conducted on all projects in the Finnfund investment portfolio at least once a year, and more often if necessary, that is, if it is estimated that the risk level has changed. If the risk classification deteriorates, the project's balance sheet value will be impaired and, conversely, if the risk classification improves, previous impairments will be reversed. The developments of projects identified as high-risk are monitored closely and measures to mitigate the risks to Finnfund are initiated if deemed necessary.

In accordance with the new ownership steering memorandum, Finnfund strengthened risk management in 2024, especially through financial policy. We developed a risk management framework that limits its risk appetite by a combination of several variables. It considers the instrument used, the country risk, the risk rating and

the amount to be invested. In principle, the implementation of excessively risky combinations is prohibited without specific authorisation. In addition, investment memoranda include a separate statement on risk management, which aims to take into account the specific risks associated with the project, as well as the opinion of the risk management unit on the project.

A key component of risk management is the identification and management of risks and opportunities related to sustainability and impact, as well as their integration into risk classifications and financial risk management. In 2024, Finnfund specifically developed climate and biodiversity risk management: we introduced a new tool for assessing climate risk and published Finnfund's first nature and biodiversity statement. It guides Finnfund's investment activities in the strengthening of nature values and biodiversity, as well as creating a basis for better identification of financial

risks and opportunities related to nature and biodiversity. We will also publish the first combined report under the Taskforce on Nature-related Financial Disclosures (TNFD) and Taskforce on Climate-related Financial Disclosures (TCFD) frameworks as part of the annual report.

From 2012 to 2015, Finnfund had access to a special risk financing instrument worth a total of 50 million euros. In September 2018, the Finnish State decided to bring back the special risk financing instrument at a total value of 75 million euros. In 2020, the Finnish State further increased the value of the instrument to 150 million euros. The instrument is available until the end of 2024 for the purpose of distributing investment risks between the Finnish State and Finnfund. Although the special risk financing instrument was contractually valid until the end of 2024, it was replaced in 2024 by the EFSD+ Guarantee Programme of the European Commission, the guarantees



of which Finnfund is entitled to manage through an approved pillar assessment. EFSD+ guarantees were applied during the year in five investments. No new projects were included in the Finnish State's special risk financing in 2024.

Special risk financing is provided on the basis of a loss compensation commitment, whereby the State undertakes to compensate Finnfund for a maximum of 60 per cent of credit losses and investment losses on projects covered by special risk financing during the validity of the commitment. No new projects covered by special risk financing can be accepted after 31 December 2024. Projects that are approved for coverage by the special risk financing scheme while it is valid are covered by the Finnish State's risk-sharing arrangement until the projects are repaid, or Finnfund exits the project, or until the risk level has decreased to a level for which Finnfund can be liable on its own balance sheet. To be eligible for special risk financing, projects are required to have an extremely high developmental impact in low-income or lower-middle-income countries and carry risks that are otherwise considered too

high for the project to qualify for Finnfund financing.

At the end of 2024, projects worth a total of 275 million euros were covered by special risk financing. The Finnish State's share of the related risk was 136.7 million euros, or 49.7 per cent. The loss compensation commitment covers a maximum of 15 million euros in compensations per year.

Finnfund has submitted four claims for compensation under special risk financing by the end of 2024. The first in 2019, the second in 2023, and two in 2024. The claims for loss compensation amount to 7,593,132.79 euros. Of this, 5,409,970.72 euros is outstanding to Finnfund, which is agreed to be paid during 2025. The compensation claims reduce the limit of 150 million euros for special risk financing by the same amount. Consequently, at the end of 2024, the loss compensation limit is 142,406,867.21 euros.

In 2024, Finnfund was issued a new special risk financing instrument by the Ministry for Foreign Affairs for investments in Ukraine. The loss compensation commitment to Ukraine totals 20 million euros and allows for covering 80 per cent of the risk

of the investment. The new special risk financing to Ukraine amounts to 7 million euros, of which the Finnish State bears 80 per cent, or 5.6 million euros.

The objective with regard to interest and currency risks is to identify and hedge against potential risks. Forward exchange agreements and interest rate and currency swap contracts are used as hedges against currency and interest rate risks resulting from investment loans granted by Finnfund. Interest derivatives are used as hedges against interest rate risks resulting from investment loans when the interest basis of the investment loans deviates from that of Finnfund's own funding.

Solvent Nordic banks comprise the contracting parties of Finnfund's derivatives contracts.

The general rule for share capital and fund investments, applied on a case-by-case basis, is to cover currency positions that are certain or at least likely and that can be hedged at a reasonable cost in relation to the benefits gained.

In order to manage its liquidity risk, Finnfund maintains liquidity that is adequate in view of the anticipated volume of disburse-

ments. Finnfund has a committed credit facility of 100 million euros, non-committed credit facilities with Nordic banks, and a commercial paper programme totalling 300 million euros. Bank credit facilities or the commercial paper programme were not used at all during 2024.

The refinancing risk associated with borrowing is managed by trying to maintain a sufficiently extensive group of financiers and a versatile range of instruments. An additional aim is that at least half of the borrowing should be long-term financing. At the end of 2024, the average time to maturity of interest-bearing debt was 5 years if the convertible bonds granted by the State are not included in calculations, and 14 years if the State convertible bonds are included.

The company's cash position at the end of 2024 was very strong, due to the successful issuance of a bond at the end of 2023 and the funds returned from investments during the year. The cash funds will be invested in accordance with the company's current asset and risk management guidelines pending the progress of the investment decisions made to the payment phase.

The company maintains continuous procedures for identifying, managing and preventing cybersecurity risks. Key personnel risks are managed by maintaining replacement and succession plans for key members of personnel.

In 2024, Finnfund received a summons related to a project exit in 2022. The applicant claims that Finnfund sold the shares without a share redemption procedure. The matter has been the subject of a mediation procedure, which has not led to an agreement. Finnfund considers the summons unfounded and denies it in all respects.

In October, we hosted a Growth seminar “Kasvua Ukrainasta” for Finnish companies, focusing on opportunities in Ukraine. This event was organised in collaboration with the Confederation of Finnish Industries (EK) and Finnpartnership. On stage, Ville Tavio, Minister for Foreign Trade and Development, and Unna Lehtipuu, Communications Director at Finnfund. *Photo: Finnfund*



Net profit and balance sheet

The profit for 2024 was 10,692,969.01 euros (EUR 3,803,242).
The operating income is shown in the table below.

Operating income (EUR thousand)	2024	2023	Change (EUR)	Change %
Financial income	46,145	44,054	2 092	5
Financial expenses	-22,990	-17,143	-5,847	34
Net financial income	23,156	26,911	-3,755	-14
Other operating income	2,003	2,087	-84	-4
Administrative expenses, depreciation and other expenses	-19,866	-20,438	572	-3
Profit before value adjustments, sales and taxes	5,293	8,560	-3,267	-38
Value adjustments and sales	11,831	-4,716	16,547	-351
Income taxes	-6,431	-41	-6,390	15,585
Net profit	10,693	3,803	6,890	181

Summary

Net financial income decreased to 23.2 million euros (EUR 26.9 million).
Financial income increased by 4.7 per cent to 46.1 million euros (EUR 44.1 million). Financial expenses, on the other hand, increased by 35 per cent to 23 million euros (EUR 17.1 million).
Interest income was the largest source of income at 41.6 million euros (EUR 33.7 million) and represented 93 per cent of total income. Dividends and income from funds decreased significantly relative to the previous year, totalling 2.5 million euros (EUR 7.4 million).
Operating expenses (EUR 19.9 million) were below previous year's level (EUR 20.4 million). The decrease in expenses was due to the increased efficiency of the company's operations and the fact that part of the expenses could be invoiced to the European Commission as expenses for guarantees from the Commission.

Profit before valuation items, sales and taxes decreased to 5.3 million euros (EUR 8.6 million).
Income
Dividend income amounted to 1.2 million euros (EUR 1.9 million).
Interest income was 41.6 million euros (EUR 33.7 million).
Other income from long-term investments amounted to 1.3 million euros (EUR 5.6 million), consisting of gains from fund investments. Capital gains from investments were recognised as income to the amount of 35 million euros (EUR 3.9 million).
Other financial income excluding foreign exchange gains, at 2.0 million euros (EUR 2.1 million), mainly consisted of arrangement fees, commitment fees, and other financing fees.
Investment income before taxes totalled 44.7 million euros (EUR 44.1 million).
Other operating income amounted to 2.0 million euros (EUR 2.1 million), and this



comprised largely fees received for the administration of the Finnpartnership programme and other income from fees and charges.

Impairment losses

Newly recognised individual impairment losses amounted to 24.5 million euros (EUR 16.6 million), representing about 3.1 per cent (2.3 per cent) of the balance sheet value of investment assets at the end of the year under review.

Reversals of previously recognised individual impairment losses amounted to 26.2 million euros (EUR 23.5 million) in 2024.

The net effect of impairments, capital gains and sale losses on financial performance was approximately 11.8 million euros (EUR 4.7 million negative).

Expenses

Interest expenses increased from the previous year's figure to 16.1 million euros (EUR 12.1 million). Interest expenses were incurred through borrowing in both US dollars and euros.

Other financial expenses were 5.4 million euros (EUR 5.0 million), including manage-

ment fees of 4.7 million euros (EUR 4.6 million) associated with fund investments.

The exchange rate differential due to currency trading and hedging was 1.4 million euros negative (EUR 0.8 million positive).

Sales losses were recognised to the amount of 25 million euros (EUR 15.5 million).

Operating expenses totalled 19.9 million euros (EUR 20.4 million).

The taxes entered in the profit and loss account, 6.4 million euros (EUR 41,000), consist of both capital gains taxes, stamp duty and withholding taxes on dividends paid to the target countries of the investments, as well as taxes on wages and salaries to Kenya. Taxes were divided between the target countries as follows: capital gains taxes of 6.2 million euros were paid in Kenya, withholding taxes of 5,000 euros were paid in Panama and 50,000 euros in Pakistan, and corporation taxes of 135,000 euros were paid in Kenya.

Finnfund usually pays substantial taxes only on capital gains, which during the year under review were realised on successful exits from equity investments. The taxes

paid by the project companies are not reflected in Finnfund's profit and loss account, but they are reported as part of the development impacts.

Balance sheet

The balance sheet total stood at 935 million euros (EUR 881 million) at the end of the year under review.

The balance sheet value of investment assets was 778 million euros (EUR 722 million) at the end of the year under review.

The breakdown of investment assets was as follows: loans (including subordinated loans and other mezzanine instruments) 391.2 million euros (EUR 365.2 million) or 50.3 per cent (50.6 per cent); equity investments 214.1 million euros (EUR 213.6 million) or 27.5 per cent (29.6 per cent); and fund investments 172.4 million euros (EUR 143.3 million) or 22.2 per cent (19.8 per cent).

Liquid assets stood at 138.8 million euros (EUR 138 million) at the end of the year under review. The liquid assets are invested in domestic bank deposits and money market instruments in accordance with the asset and risk management guidelines.

At the end of the financial year, the company's equity (share capital and unrestricted equity) totalled 361 million euros (EUR 315 million) or 39 per cent of the balance-sheet total (36 per cent).

In 2024, the company completed one share issue. Under the share issue, a maximum of 214,069 new shares were offered to existing shareholders in proportion to their existing holdings at the issue price of 170 euros per share. The subscription period was from 29 April 2024 to 28 June 2024. As a result of the share issue, the share capital was increased by 34,999,940 euros, corresponding to the proportion subscribed by the Finnish State. Pursuant to the issue decision, 205,882 new shares were issued. Finnvera Plc and the Confederation of Finnish Industries EK did not subscribe to any of the new shares they were offered.

At the end of the share issue and the year under review, the company's registered share capital stood at 321,988,330 euros, divided between 1,894,049 shares, with the Finnish State holding 1,829,479 shares (96.59 per cent), Finnvera Plc holding 63,349 shares (3.34 per cent), and



the Confederation of Finnish Industries EK holding the remaining 1,221 shares (0.06 per cent).

The company’s shares have no nominal value. The equivalent value of a share in bookkeeping is 170 euros. The company has one share class. A minimum of 51 per cent of the company shares must be under the direct ownership and control of the State of Finland at all times. The company does not distribute its funds in dividends or in payments from its unrestricted equity fund; nor does it acquire or redeem its own shares.

The company has two long-term convertible bonds from the Finnish State.

At the end of 2016, Finnfund signed an agreement with State Treasury on a subordinated convertible bond of a total of 130 million euros. The loan period is 40 years, of which the first 10 years are instalment-free. The interest on the loan is 0.5 per cent per annum for the first five years. After this period, the State is entitled to adjust the interest rate if it so desires. The State is also entitled to convert the loan either entirely or partly as Finnfund’s share capital.

The State may collect receivables from the company either completely or partly by subscribing to the company’s new shares in one or several allotments in such a way that 170.00 euros of debt equity entitles it to one share. The State can subscribe to at most 764,705 of the company’s shares. The subscription price corresponds to the accountable par of a share, and it is recorded in the company’s invested unrestricted equity fund.

At the end of 2019, Finnfund signed an agreement with State Treasury on a conditional subordinated convertible bond of a total of 210 million euros. The loan period is 40 years, of which the first 10 years are instalment-free. The interest on the loan is 0.5 per cent per annum for the first five years. After this period, the State is entitled to adjust the interest rate if it so desires.

The State may collect receivables from the company either completely or partly by subscribing to the company’s new shares in one or several allotments in such a way that 170.00 euros of debt equity entitles it to one share. The State can subscribe to at most 1,235,294 of the company’s shares. The subscription price corresponds to

the accountable par of a share, and it is recorded in the company’s invested unrestricted equity fund.

In derogation from the foregoing, the loan agreed in 2019 will be automatically converted in full into share capital in the company if the company’s equity ratio falls to 10 per cent.

At the end of the year under review, the company’s long-term interest-bearing debt stood at 533 million euros (EUR 537 million) and short-term interest-bearing debt at 37 million euros (EUR 28 million), totalling 570 million euros (EUR 565 million).

Long-term interest-bearing debt includes a 130 million euros convertible bond granted by the State and withdrawn in 2017 and 2018, a 210 million euros convertible bond granted by the State in 2019 and withdrawn in 2020 and 2021, a 75 million euros sustainability bond issued in 2022, and a green private placement bond issued in 2023. Otherwise, the long-term interest-bearing debt is in US dollars, used to refinance Finnfund investment loans denominated in US dollars.

Short-term debt includes loan instalments and repayments in less than

12 months. The 75-million-euro sustainability bond issued in 2022, maturing in October 2025, has been reclassified as short-term debt.

Long-term debt as a percentage of all financing liabilities totalled approximately 94 per cent (95 per cent) at the end of the year under review.

The company had no guarantee commitments at the end of 2024, just as it did not have in 2023.

Key figures

	2024	2023	2022
Financial income (EUR million)	103.9	68.7	71.3
Net profit (EUR million)	10.7	3.8	0.3
Return on equity (%)	3.0	1.2	0.1
Equity ratio (%)	38.6	35.5	39.0

Formulae

Return on equity = $\frac{\text{Net profit}}{\text{Equity}} \times 100\%$

Equity ratio = $\frac{\text{Equity}}{\text{Balance sheet total} - \text{advances received}} \times 100\%$

Administration and personnel

In 2024, the Supervisory Board convened five times, the Board of Directors convened 12 times, the Board of Directors’ audit committee convened six times, and the HR committee convened three times.

The Annual General Meeting, held on 29 April 2024, addressed the statutory matters listed in Article 11 of the Articles of Association, a review of the company’s 2023 development and ownership policy goals (corporate responsibility goals) and their implementation and the 2023 tax footprint report, a review of the implementation of the 2024–2027 ownership steering memorandum, a review of the company’s remuneration system and the actual remuneration of management in 2023, a review of the risks of the company’s investment operations in 2023, and the proposal by the Board of Directors concerning an increase of the company’s share capital.

Members of the Supervisory Board elected at the Annual General Meeting for the

period 2024– 2027: **Nasima Razmyar**, **Eva Biaudet**, **Anne Kalmari** and **Petri Vuorio**.

By a unanimous decision dated 18 December 2024, the shareholders of the company decided to supplement the Supervisory Board and elected **Pekka Aittakumpu** to replace Mikko Polvinen, who resigned on 13 November 2024, for the remainder of his term of office until the Annual General Meeting to be held in spring 2026.

After the above elections, the composition of the Supervisory Board is as follows in its entirety:

<i>Jarkko Eloranta</i>	2022–2025
<i>Noora Fagerström</i>	2022–2025
<i>Sakari Puisto</i>	2022–2025
<i>Veronika Honkasalo</i>	2022–2025
<i>Pekka Aittakumpu</i>	2024–2026
<i>Juha Ruippo</i>	2023–2026
<i>Johannes Koskinen</i>	2023–2026

<i>Ville Valkonen</i>	2023–2026
<i>Juha-Erkki Mäntyniemi</i>	2023–2026
<i>Nasima Razmyar</i>	2024–2027
<i>Eva Biaudet</i>	2024–2027
<i>Anne Kalmari</i>	2024–2027
<i>Petri Vuorio</i>	2024–2027

Members of the Board of Directors elected at the Annual General Meeting:

Robert Wihtol, Chair
Pasi Hellman, Deputy Chair
Nicholas Anderson
Jussi Haarasilta
Tuuli Juurikkala
Noora Laitio
Ilona Lundström
Sari Nikka

The members of the Board of Directors do not have deputy members.

Robert Wihtol resigned as member and Chair of the Board of Directors of the company on 31 July 2024.

By a unanimous decision dated 18 December 2024, the shareholders of the company decided to supplement the Board of Directors and elected **Heikki Cantell** to replace Robert Wihtol as member and Chair of the Board of Directors as of 20 January 2025.

The Board of Directors has an audit committee, with the following members since 20 May 2024:

Sari Nikka, Chair
Nicholas Anderson
Ilona Lundström (as of 1 June 2024)

The Board of Directors has an HR committee, with the following members since 20 May 2024:

Robert Wihtol, Chair until 31 July 2024
Helena Airaksinen, Chair as of 1 August 2024
Nicholas Anderson
Tuuli Juurikkala

The company’s auditor has been the audit firm Deloitte Oy, with Aleksi Martamo, Partner, Authorised Public Accountant, as the principal auditor.

The company CEO is Jaakko Kangasniemi (PhD and MBA).

During the year under review, the company had an average of 101 employees (101 employees in 2023). At year-end, the number of employees in contractual employment was 100 (97), of whom 95 (93) were full-time. Of the employees, 60 were women and 41 were men.

The total salaries and bonuses paid to personnel in 2021–2024 were as follows:

	2024	2023	2022
Average number of personnel	101	101	90
Total salaries and bonuses (EUR thousand)	9,945	9,552	8,582

The final accounts include a provision of 1,552,328.64 euros for incentive bonuses earned in 2024, amounting to 15.61 per cent of payroll expenses (13.62 per cent). In 2024, the amount of incentives was partly based on the achievement of common targets and partly based on individual performance.

The Board of Directors decides on the incentive system and its key criteria annually. The company’s remuneration follows the remuneration guidelines applying to state-owned companies.

Outlook and strategic direction for 2025

At the end of 2024, we completed our new strategy that will be in place until 2027. In particular, we will focus on the following three areas for new investments: the technology and digital sector, clean transition and nature, and the local growth of our target countries. We will invest in mobilising private and institutional funding and attracting Finnish expertise into our investments. In addition, we will strive to find projects related to the reconstruction of Ukraine, which specifically highlight Finnish business cooperation.

At the heart of the success of the strategy will be the creation of a digital infrastructure and solutions fund in 2025 and a new bond issue. These will help us to further expand our funding base. We seek investors in both instruments both in Finland and internationally. With regard to risk management of instruments based on external funding, it is important that we lever-

age the risk sharing mechanisms widely available in our investments, such as the European Commission's EFSD+ guarantees and the loss compensation commitment for special risk financing in Ukraine.

In terms of project preparation, we are looking for investments that generate a continuous cash flow on Finnfund's own balance sheet, which in practice means investing in debt investments in particular. This will help us to significantly increase the income and profitability of our operations. In the future, we will mainly invest in equity with other instruments, such as a new fund to be established. Despite the changes, Finnfund's operations continue to focus on the positive development impacts and the management of responsibility risks.

In 2024, we updated our investment process and as part of it, we also made changes to our organisation. The unit responsible for the financial analyses of

new projects was made a separate unit, which will operate in a matrix between investment activities and risk management. This will help us to further ensure the independence of analyses in project preparation. This change is also in line with the objective of ownership steering to strengthen risk management.

In 2025, we will continue to develop the organisation. In the beginning of year, we established a separate portfolio management unit with the objective of creating consistent and effective practices to investment portfolio monitoring. With this change, we are seeking improved capabilities to intervene early on in potential investment problems, which will help reduce the realisation of risks.

The role of our Nairobi office will also be highlighted in the future in terms of investment portfolio management. It has played an essential role in building relationships with other investors and seeking out new investment opportunities. This task will continue, but it will be accompanied by increased monitoring of existing investments. About half of the investments in the Finnfund portfolio are in Africa, and

local presence brings efficiency to managing them.

The earnings prospects for 2025 are positive. The year 2024 was the third consecutive profitable year after the difficult years of the coronavirus pandemic, and we believe that the positive earnings development will continue during the current year. We will continue the emphasis on continuous cash flow in new investment decisions that we started in 2024, which will strengthen the predictability of performance.

At the same time, it should be noted that due to the Russia's invasion and growing global uncertainty, it is difficult to predict the challenges we will face in our target markets over the current year. A possible trade war and the weakening of development policies of large countries could lead to a more challenging economic environment in our target countries. Naturally, this will also affect private sector companies due to reduced access to funding, for example.

It should be noted that, at the time of writing this Board of Directors' report, there have been no significant events after the financial year.

Proposal of the Board of Directors on the treatment of distributable funds

The company's profit for 2024 is 10,692,969.01 euros. The Board of Directors proposes that the profit be transferred to the retained earnings account for previous financial years.

Many of our investee companies in the agriculture and forestry sectors work with smallholders. One of them is Kentegra in Kenya. These farmers are picking pyrethrum flowers on their farm in Nakuru County. Read more on [our website](#) or [watch a video](#).

Photo: Kentegra Biotechnology



Profit and loss account

EUR 1,000

	Note	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Other operating income	1	2,003	2,087
Staff expenses	2		
Wages and salaries	3	-10,815	-10,276
Social security expenses			
Pension expenses		-1,762	-1,739
Other social security expenses		-444	-366
Social security expenses		-2,206	-2,105
Staff expenses		-13,021	-12,380
Depreciation according to plan	4	-380	-492
Other operating expenses	5 6	-6,465	-7,567
OPERATING LOSS		-17,863	-18,352

	Note	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Financial income			
Income from participating interests		1,136	6,268
Income from other investments		36,503	5,125
Other interest and financial income		66,310	57,261
Financial income, total		103,949	68,654
Reduction in value of investments		1,745	6,910
Financial expenses			
Interest and other financial expenses		-70,708	-53,368
Financial income and expenses	7	34,987	22,196
PROFIT / LOSS BEFORE TAXES		17,124	3,844
Income taxes	8	-6,431	-41
PROFIT / LOSS FOR THE FINANCIAL YEAR		10,693	3,803

Balance sheet

EUR 1,000

	Note	31 Dec. 2024	31 Dec. 2023
ASSETS			
NON-CURRENT ASSETS			
Intangible and tangible assets	9		
Other capitalised long-term expenditure		390	764
Machinery and equipment		17	24
Intangible and tangible assets, total		407	787
Investments	10		
Participating interests		130,487	114,658
Receivables from participating interest	11	8,931	5,366
Other shares and similar rights of ownership		256,169	242,375
Other receivables	11	382,195	359,877
Investments, total		777,782	722,275
TOTAL NON-CURRENT ASSETS		778,189	723,062
CURRENT ASSETS			
Receivables			
Long-term	12		
Other long-term receivables		5,136	10,545
Short-term			
Amounts owned by participating interest undertakings	13	75	6
Other receivables	14	5,975	4,855
Prepayments and accrued income	15	10,272	8,311
Short-term, total		16,322	13,172
Receivables, total		21,458	23,717

	Note	31 Dec. 2024	31 Dec. 2023
Financial securities	16		
Marketable securities		112,493	95,700
Cash in hand and at banks		23,022	43,174
TOTAL CURRENT ASSETS		156,973	162,590
TOTAL ASSETS		935,162	885,653

	Note	31 Dec. 2024	31 Dec. 2023
LIABILITIES			
EQUITY	17		
Share capital		321,988	286,988
Retained earnings		28,240	24,437
Profit / loss for the financial year		10,693	3,803
TOTAL EQUITY		360,921	315,228
PAYABLES			
Long-term	18 19		
Private placements		100,000	175,000
Convertible loans		340,000	340,000
Loans from credit institutions		17,968	26,546
Other long-term payables		4,272	603
Long-term, total		462,239	542,149
Short-term	20		
Loans from credit institutions		85,232	9,653
Advances received		1,589	2,454
Trade payables		650	640
Other payables		17,141	8,537
Accruals and deferred income	21	7,389	6,991
Short-term, total		112,001	28,275
TOTAL PAYABLES		574,241	570,424
TOTAL LIABILITIES		935,162	885,653

Cash flow statement

EUR 1,000

	2024	2023
CASH FLOW FROM OPERATIONS		
Payments received from operations	90,789	86,773
Disbursements to operations	-149,976	-108,551
Dividends received	1,170	1,830
Interest received	34,600	30,800
Interest paid	-16,346	-11,986
Payments received on other operating income	34,387	15,409
Payments of operating expenses	-24,720	-23,561
TOTAL CASH FLOW FROM OPERATIONS (A)	-30,096	-9,286
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	0	-28
TOTAL CASH FLOW FROM INVESTMENTS (B)	0	-28

	2024	2023
CASH FLOW FROM FINANCING		
Short-term loans repaid	0	-2,000
Long-term loans drawn	0	95,377
Long-term loans repaid	-9,794	-9,953
New share issue	35,000	10,000
TOTAL CASH FLOW FROM FINANCING (C)	25,205	93,424
CHANGE IN LIQUID ASSETS (A+B+C) increase (+) decrease (-)	-4,890	84,110
LIQUID ASSETS AT THE START OF THE FINANCIAL YEAR (1 Jan.)	137,136	53,026
LIQUID ASSETS AT THE END OF THE FINANCIAL YEAR (31 Dec.)	132,246	137,136
NONMONETARY CHANGES IN LIQUID ASSETS	3,269	1,737
LIQUID ASSETS AT THE END OF THE FINANCIAL YEAR (31 Dec.)	135,515	138,873

Notes to financial statements

Notes to the presentation of the financial statements

Balance sheet classifications for the previous financial year have been changed to correspond to the classifications used in the financial year now ended with respect to the presentation of bonds. The bond premium, amounting to 4,679,617.04 euros, has been transferred to other long-term receivables in the comparative balance sheet.

Accounting policy

Portfolio

Equities and fund investments, as well as loan receivables, are valued at the lower of the acquisition cost or fair value in the financial statements. The value of

the investment is based on the risk classification and other factors affecting the value. The value of investments is monitored continuously.

The Islamic form of financing Murabaha has been treated according to the same principles as other loan receivables in both the balance sheet and the income statement. The value of loan receivables at the exchange rate on the balance sheet date is 6,937,943.99 euros. Income of 1,202,956.42 euros has been entered in the income statement.

The procedure is based on our request to the Accounting Board (KILA) for an opinion and the statement received from the board on 22 April 2020. The principle of Islamic finance is to tie capital and income to commodity transactions. In 2024, the sales transactions referred

to in the Islamic financing agreement were 1,306,411.76 euros and the purchase transactions were 1,306,411.76 euros. Income from the purchase transactions was 827,400.95 euros in 2024.

Some capital loans are, in practice, equity investments. Income from these investments is paid only when the company's financial situation allows it. Interest from such capital loans is recorded in accounting only when paid. In addition, part of the interest income from loans that are written off is recorded only when paid.

In the profit and loss statement, write-offs and their cancellations have been included in the item of Reduction in value of investments.

Fund investments are valued at cost or lower based on the latest available fund manager's report of the fund's fair value.

Special risk finance

Special risk finance is the term used to describe the class of projects in which Finnfund has been indemnified against investment losses or write-offs, by a decision of the Finnish government on 20 September 2012 and in force until 31 December 2015, or decided on 20 September 2018 and in force until 31 December 2023, or decided on 17 December 2020 and in force until 31 December 2024. Projects that were indemnified before the deadline remain within this class afterwards. The indemnified investments and loans were separately approved by the Board of Directors.

Projects with the company's risk classification of C, CC or CCC are eligible for special risk finance. The corresponding level of losses indemnified by the



government will be 40%, 50% and 60%. The investment risk is carried partly by Finnfund and partly by the government. The company’s Board of Directors ensures that the maximum risk to the state of the entire special risk financing portfolio for projects approved for special risk financing does not exceed 50% of the total risk. Yearly write-offs and their cancellations of the projects included in the special risk finance class are made using the same principles as for other investments.

The deferred value of claims on the government for its share of net losses from special risk finance projects is stated separately in the company’s accounts. Separate application must be presented to the government for payment of the indemnity, which cannot exceed 15 million euros annually.

Special risk finance: Ukraine

The Finnish State has undertaken to compensate Finnfund for credit and investment losses from projects in Ukraine — or in exceptional situations in Moldova if the benefits for Ukraine are substantial — on the basis of a loss compensation commitment issued by the State on 27 June 2024 and in

force until 31 December 2027. Projects approved under the commitment before the expiry of the deadline will continue to be covered thereafter. The company’s Board of Directors has approved the projects for this special risk financing commitment.

The company uses the risk classification system it has developed in the assessment and monitoring of project risks. The investment risk is carried partly by Finnfund and partly by the State. The company’s Board of Directors ensures that the maximum risk to the State of the projects approved for this commitment is no more than 80 per cent of the total risk. Yearly impairment losses and their reversals for the projects are recorded on the profit and loss account using the same principles as for other projects.

The deferred value of claims on the State for its share of net losses from special risk financing projects concerning Ukraine is stated separately in the company’s accounts. The State pays the corresponding compensation on the basis of a separate application. The compensation paid by the State may not exceed 5.0 million euros per year.

Other investments in current assets

Securities have been valued at lower of the acquisition cost or estimated market value.

Derivatives

Derivatives are presented in the financial statements in accordance with the fair value principle according to the IFRS standards. The IFRS treatment of derivatives is based on chapter 5, section 2 of the Finnish Accounting Act (1336/1997) and a statement issued by the Accounting Board in December 2016 (KILA 1963/2016). Forward exchange agreements, interest rate swaps and currency and interest rate swaps were initially recorded at fair value on the date of agreement and valued to their fair value in the financial statement. In the valuation to fair value, valuation reports issued by banks have been used to perform a recalculation using accepted valuation methodologies. Positive and negative changes to fair value have been recorded as financial income and expenses in the profit and loss account. In the balance sheet, derivatives are listed under other receivables and other payables. Although its derivatives are acquired for the purpose of hedging,

Finnfund does not practice hedge accounting under IFRS.

Items denominated in foreign currencies

Receivables and payables denominated in foreign currencies have been converted into EUR using the exchange rates at the end of the accounting period.

Intangible and tangible assets

Intangible and tangible assets are entered on the balance sheet at their acquisition cost less depreciation. The depreciation plan for the Helsinki premises has been prepared according to the rental period. The costs related to the renovation of the premises, machinery and furniture have been capitalised on other long-term expenses and machinery and equipment on the balance sheet. The costs of the financial IT system have been capitalised on the balance sheet under other long-term expenses with a five-year depreciation plan. The costs related to the renovation of the premises and design have been capitalised on other long-term expenses on the balance sheet with a five-year depreciation plan.

Planned depreciations

Other capitalised as long-term expenses:

Premises (Helsinki) 7 years

Other capitalised as long-term expenses:

Premises (Nairobi) 5 years

Other long-term expenses:

IT system 5 years

Machinery and equipment 5 years

Pensions

Pensions for the company’s employees have been arranged in an external pension insurance company. Pension expenditure is booked in the year of accrual.

The managing director’s pension liability is covered partly by an existing group pension insurance and partly by an annual reserve in the company’s balance sheet. The annual payment is 26.51% of the managing director’s gross annual earnings.

Songsit Suwanprasert is working at Salo Tech Thailand, a joint venture among Solar Finland, Finnfund, and PEA Encom of Thailand. Read more on [our website](#) and [watch a video](#). Photo: Finnfund



Notes to the profit and loss account

EUR 1,000

1. Other operating income

	2024	2023
Operating income from participating interests	230	196
Consultancy revenues	1,058	1,042
Other operating income	715	849
	2,003	2,087

2. Average number of staff employed

	2024	2023
Employees	101	101

3. Wages and salaries

	2024	2023
Managing Director and his alternate	531	486
The Board of Directors and the Supervisory Board	128	136
The Board of Directors		
Chair's monthly compensation	1,100 €	
Vice chair's monthly compensation	700 €	
Board members' monthly compensation	600 €	
Compensation per meeting of Board of Directors and Audit Committee	300 €	

	2024	2023
Supervisory Board		
Chair's compensation per meeting	800 €	
Vice chair's compensation per meeting	600 €	
Board member's compensation per meeting	500 €	
Managing Director has the right to retire at the age of 63. Retirement age is based on the contract renewed in 2012.		

4. Depreciation

	2024	2023
Other capitalised long-term expenses	373	373
Machinery and equipment	7	118
	380	492

5. Other operating charges

	2024	2023
Voluntary staff expenses	830	757
Office	1,017	972
ICT	1,313	1,234
Travel and negotiation expenses	1,342	1,466
Entertainment and PR expenses	168	272
External services	2,222	2,151
Other expenses	507	715
Other income: technical assistance from the EU	-933	0
	6,465	7,567

6. Auditor's remuneration

	2024	2023
Audit fee	30	30
Auditor's statements	2	0
	32	30



7. Financial income and expenses

	2024	2023
Financial income		
Income from participating interests		
Dividends	435	1,459
Income from funds	29	864
Profit from sales of assets	631	3,906
Other income	40	39
Income from participating interests	1,136	6,268
Income from other investments		
Dividends	790	421
From funds	1,260	4,703
Profit from sales	34,453	0
Income from other investments	36,503	5,125
Other interest and financial income		
Interest income	41,508	33,739
Interest income from participating interests	99	0
Financial income	1,984	2,019
Exchange rate gain	22,720	21,503
Other interest and financial income	66,310	57,261
Financial income total	103,949	68,654
Permanent write-offs of investments and their reversals		
Equity and funds	-15,301	-7,899
Loans and other receivables	-9,205	-9,019
Reversal of write-offs on shares and fund investments	24,738	8,547
Reversal of write-offs on loans	1,514	15,280
Write-offs of investments and their reversals	1,745	6,910

	2024	2023
Interest and other financial expenses		
Interest expenses to others	-16,108	-12,122
Other financial expenses	-5,439	-5,021
Loss from investments, funds and sales of assets including loss compensation from the State	-24,998	-15,532
Exchange rate loss	-24,162	-20,693
Interest and other financial expenses total	-70,708	-53,368
Financial income and expenses total	34,987	22,196
The item Financing income and expenses includes exchange rate (net)	-1,443	810

Income from financing operations by income level

(does not include income from liquidity and funding)

	2024	2023
Least developed countries (LDC)	16,732	14,096
Other low-income countries (LIC)	0	130
Lower-middle-income countries (LMIC)	73,903	27,070
Upper-middle-income countries (UMIC)	5,977	4,280
	96,612	45,577

8. Income taxes

	2024	2023
Withholding taxes on dividends	55	1
Capital gains tax	6,241	0
Tax on corporate income	135	56
Withholding taxes on payrolls	0	-16
	6,431	41

Notes to the balance sheet

EUR 1,000

9. Intangible and tangible assets

	Other long-term expenses	Machinery and equipment	Total
Acquisition cost 1 Jan. 2024	2,044	34	2,078
Acquisition cost 31 Dec. 2024	2,044	34	2,078
Accumulated depreciations 1 Jan. 2024	-1,281	-10	-1,291
Depreciation of the accounting period	-373	-7	-380
Accumulated depreciations 31 Dec. 2024	-1,654	-17	-1,671
Book value 31 Dec. 2024	390	17	407
Book value 31 Dec. 2023	764	24	787

10. Investments / Shares and funds

	Participating interests	Others	Total
Acquisition cost 1 Jan. 2024	133,056	283,192	416,248
Increases	16,003	52,615	68,618
Transfer between items	3,203	-3,203	0
Decreases	-15,468	-32,962	-48,431
Acquisition cost 31 Dec. 2024	136,793	299,641	436,435
Individual write-offs accumulated as of 1 Jan. 2024	-18,398	-40,818	-59,215
Reversal of write-offs	12,091	12,647	24,738
Write-offs during the financial year	0	-15,301	-15,301
Individual write-offs accumulated as of 31 Dec. 2024	-6,307	-43,472	-49,779
Book value 31 Dec. 2024	130,487	256,169	386,656

Investments / Loans

	Participating interests	Others	Total
Acquisition cost 1 Jan. 2024	6,921	396,340	403,261
Increases	3,928	97,432	101,360
Capitalised interest	0	3,337	3,337
Decreases	-549	-72,844	-73,393
Acquisition cost 31 Dec. 2024	10,300	424,265	434,565
Individual write-offs accumulated as of 1 Jan. 2024	-1,555	-36,463	-38,019
Reversal of write-offs	186	1,327	1,514
Write-offs during the financial year	0	-6,934	-6,934
Individual write-offs accumulated as of 31 Dec. 2024	-1,369	-42,070	-43,439
Book value 31 Dec. 2024	8,931	382,195	391,126

11. Subordinated receivables

	2024	2023
Capital loans to participating interests	8,931	5,366
Capital loans to others	128,471	122,170
	137,402	127,536



12. Other long-term receivables

	2024	2023
Acquisition cost 1 January	0	0
Increases	948	0
Acquisition cost 31 December	948	0
Impairment losses	-428	0
Book value 31 December	520	0
Derivative receivables	468	5,850
Bond issuance difference	4,137	4,680
Rent security depos	12	15
	5,136	10,545

13. Receivables from participating interests

	2024	2023
Interests	74	0
Legal expenses	0	6
Other	1	0
	75	6

14. Other receivables

	2024	2023
Loss compensation from the State according to the special risk financing commitment	5,410	0
Other	565	4,855
	5,975	4,855

15. Accrued income

	2024	2023
Interests	8,837	6,619
Other	1,435	1,692
	10,272	8,311

16. Marketable securities

	2024	2023
Fair value	112,575	95,862
Book value	112,493	95,700
Difference	82	162

17. Shareholders’ equity

The purpose of the company is not to generate a profit for the shareholders. The company does not pay dividends or distribute its unrestricted equity fund nor does it redeem its own shares.

	2024	2023
Restricted equity		
Share capital 1 Jan.	286,988	276,988
Increase of share capital	35,000	10,000
Share capital as of 31 Dec.	321,988	286,988
Unrestricted equity		
Profit from previous financial years 1 Jan.	28,240	24,437
Retained earnings 31 Dec.	28,240	24,437
Profit/loss for the financial year	10,693	3,803
Total unrestricted equity	38,933	28,240
Total equity	360,921	315,228

Share capital

	2024	2023
Number of shares	1,894,049	1,688,167
Nominal value, EUR	170.00	170.00

18. Loans with maturity more than 5 years

	2024	2023
Private placement	100,000	100,000
Loans from credit institutions	0	2,413
Loans from government	327,419	331,613
	427,419	434,026

19. Private placements

	2024	2023
Sustainability Bond 2022/2025 Bullet 6m Euribor + 125bps 0% floor	75,000	75,000
Private Placement Green Bond 2023/2033 Bullet Fixed 3,5%	100,000	100,000
	175,000	175,000

20. Other short-term debt

	2024	2023
Bonds	74,964	0
Loans from financial institutions	10,267	9,653
Advances received	1,589	2,454
Derivative liabilities	7,963	0
Accounts payable	650	640
Other	9,179	8,537
	104,613	21,285

21. Accruals and prepaid income

	2024	2023
Deferral of personnel expensed	5,191	4,549
Interest	2,191	2,430
Other	6	12
	7,389	6,991

Other supplementary information

EUR 1,000

Loss compensation commitment from the government

	2024	2023
Special risk finance		
Decisions of the Board of Directors	279,593	271,099
Government's indemnity	138,247	132,212
Government's indemnity, %	49%	49%
Special risk finance Ukraine		
Decisions of the Board of Directors	7,000	0
Government's indemnity	5,600	0
Government's indemnity, %	80%	0%

Lease liabilities

The company has signed a fixed-term lease on its premises, which is valid until 31 December 2030. Current lease with contractual obligations expires on 31 December 2024. The company has entered into a six-year fixed-term lease for the Nairobi office in Kenya as of 1 February 2022. The obligation to pay the rent begins on 1 April 2022. The monthly rent excluding VAT is approximately EUR 3,600, including the service charge and parking costs.

	2024	2023
Payable in the next financial period	601	704
Payable later	2,894	1,053

Other commitments

	2024	2023
Undisbursed commitments		
Contractual commitments	267,836	257,815

Derivative contracts

Fair values of derivatives in financial assets and liabilities

	2024			2023		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Receivables						
Forward exchange agreements	–	–	–	4,784	–	4,784
Interest rate swaps	565	468	1,032	70	1,744	1,814
Currency and interest rate swaps	–	–	–	–	4,106	4,106
Total	565	468	1,032	4,855	5,850	10,705

	2024			2023		
Liabilities	Short-term	Long-term	Total	Short-term	Long-term	Total
Forward exchange agreements	7,381	–	7,381	–	–	–
Interest rate swaps	–	–	–	–	1	1
Currency and interest rate swaps	582	3,597	4,179	–	–	–
Total	7,963	3,597	11,560	–	1	1

The fair value of derivatives are classified at Level 2 based on information available from the markets and generally accepted valuation methods.

Asset and risk management

The objective of asset and risk management is to mitigate the negative effects of market risks, i.e. changes in interest and exchange rates, on Finnfund’s earnings, and to ensure sufficient liquidity. The leading principles of asset and risk management are described in the asset and risk management guideline approved by the Board of Directors. Their implementation is the responsibility of the Chief Financial Officer.

Interest and exchange rate risks

Forward exchange agreements and interest rate and currency swap contracts are used as hedges against currency and interest rate risks resulting from investment loans granted by Finnfund. Interest derivatives are used as hedges against interest rate risks resulting from investment loans, when the interest basis of the investment loans deviates from that of Finnfund’s own funding.

Sensitivity analysis

The sensitivity analysis of the value of derivatives instruments presumes a change of +/- 1% in Euribor and Sofr/Libor interest rates. The EUR/USD exchange rate change is presumed at +/- 10% (USD weakens/strengthens 10%). The impact of the changes on Finnfund’s financial result is described below.

Sensitivity analysis, derivatives

Effect on result, EUR 1,000	2024	2023
Change of +/- 1% in EURIBOR interest	48 / -48	0 / 0
Change of +/- 1% in SOFR interest	-795 / 795	-730 / 730
Change of +/- 10% in EUR-USD exchange rate	12,815 / -12,815	11,990 / -11,990

Credit risk

Solvent Nordic banks comprise the contracting parties of Finnfund’s derivatives contracts.

Liquidity risk

In order to manage its liquidity risk, Finnfund maintains liquidity that is adequate in view of the anticipated volume of disbursements. Finnfund has a committed credit facility of 100 million euros, non-committed credit facilities in Nordic banks, and a commercial paper programme set up in 2010 totalling 300 million euros. The credit facilities provided by banks were not in use at the end of 2024.

Undiscounted cash flow resulting from derivatives

2024					2023			
Receivables	Under 1 year	1 - 5 years	Over 5 years	Total	Under 1 year	1 - 5 years	Over 5 years	Total
Forward exchange agreements	177,594	–	–	177,594	169,009	–	–	169,009
Interest rate swaps	1,165	579	6	1,750	1,559	1,734	35	3,327
Currency and interest rate swaps	18,356	14,000	114,000	146,356	4,492	28,843	117,500	150,835
Total	197,115	14,579	114,006	325,700	175,060	30,576	117,535	323,171

2024					2023			
Liabilities	Under 1 year	1 - 5 years	Over 5 years	Total	Under 1 year	1 - 5 years	Over 5 years	Total
Forward exchange agreements	185,590	–	–	185,590	164,819	–	–	164,819
Interest rate swaps	209	230	4	443	299	393	23	715
Currency and interest rate swaps	22,144	25,493	129,225	176,862	7,765	40,924	130,156	178,845
Total	207,943	25,723	129,229	362,894	172,883	41,317	130,179	344,380

Receivables, liabilities and transactions with related parties

There has been no related party transactions which come under the disclosure obligation during the financial year.

Exchange rate

31 December 2024 EUR/USD 1,0389

The annual Team Finland Day was organised again in August. On stage, Kristiina Karjanlahti, Chief Economist at Finnfund, discussed emerging markets and new export opportunities for Finnish companies. *Photo: Finnfund*





Signatures of Board of Directors’ report and financial statements

Helsinki, 28 March 2025

Nicholas Anderson
Member of the Board

Auditor’s note
Our Auditor’s report has been issued today.

Heikki Cantell
Chairman

Pasi Hellman
Member of the Board

Helsinki, 28 March 2025

Jussi Haarasilta
Member of the Board

Noora Laitio
Member of the Board

Deloitte Oy
Audit Firm

Tuuli Juurikkala
Member of the Board

Sari Nikka
Member of the Board

Aleksi Martamo
APA

Ilona Lundström
Member of the Board

Jaakko Kangasniemi
Managing Director, CEO

Auditor’s report

To the Annual General Meeting of the Finnish Fund for Industrial Cooperation Ltd.

A translation of the Finnish Original.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Finnish Fund for Industrial Cooperation Ltd. (business identity code 0356880-6) for the year ended 31 December, 2024. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor’s Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the financial statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of

financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company’s ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.



Auditor’s responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks,

and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors’ and the Managing Director’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial state-

ments and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 29 March, 2025

Deloitte Oy
Audit Firm

Aleksi Martamo
Authorised Public Accountant



Statement of the Supervisory Board

At the meeting held today, the Supervisory Board of the Finnish Fund for Industrial Cooperation Ltd. examined the report of the Board of Directors and the corporation's financial statements prepared by the Board of Directors and the Managing Director, and the Auditors' Report for 2024. The Supervisory Board reports to the Annual General Meeting of Shareholders that the report of the Board of Directors and the accounts give no cause for comment, neither does the proposal of the Board of Directors on how to deal with the distributable funds for the year.

Helsinki, 14 April 2025

Johannes Koskinen

Pekka Aittakumpu

Jarkko Eloranta

Veronika Honkasalo

Juha-Erkki Mäntyniemi

Nasima Razmyar

Ville Valkonen

Eva Biaudet

Noora Fagerström

Anne Kalmari

Sakari Puisto

Juha Ruippo

Petri Vuorio

finnfund

For more information,
please visit

www.finnfund.fi

