



# FINNVERA

Finnvera's Annual Review and Sustainability Report 2022

Finnvera finances various stages of business with loans, guarantees and export credit guarantees. Finnvera is a specialised financing company owned by the State of Finland. Finnvera has official Export Credit Agency (ECA) status.



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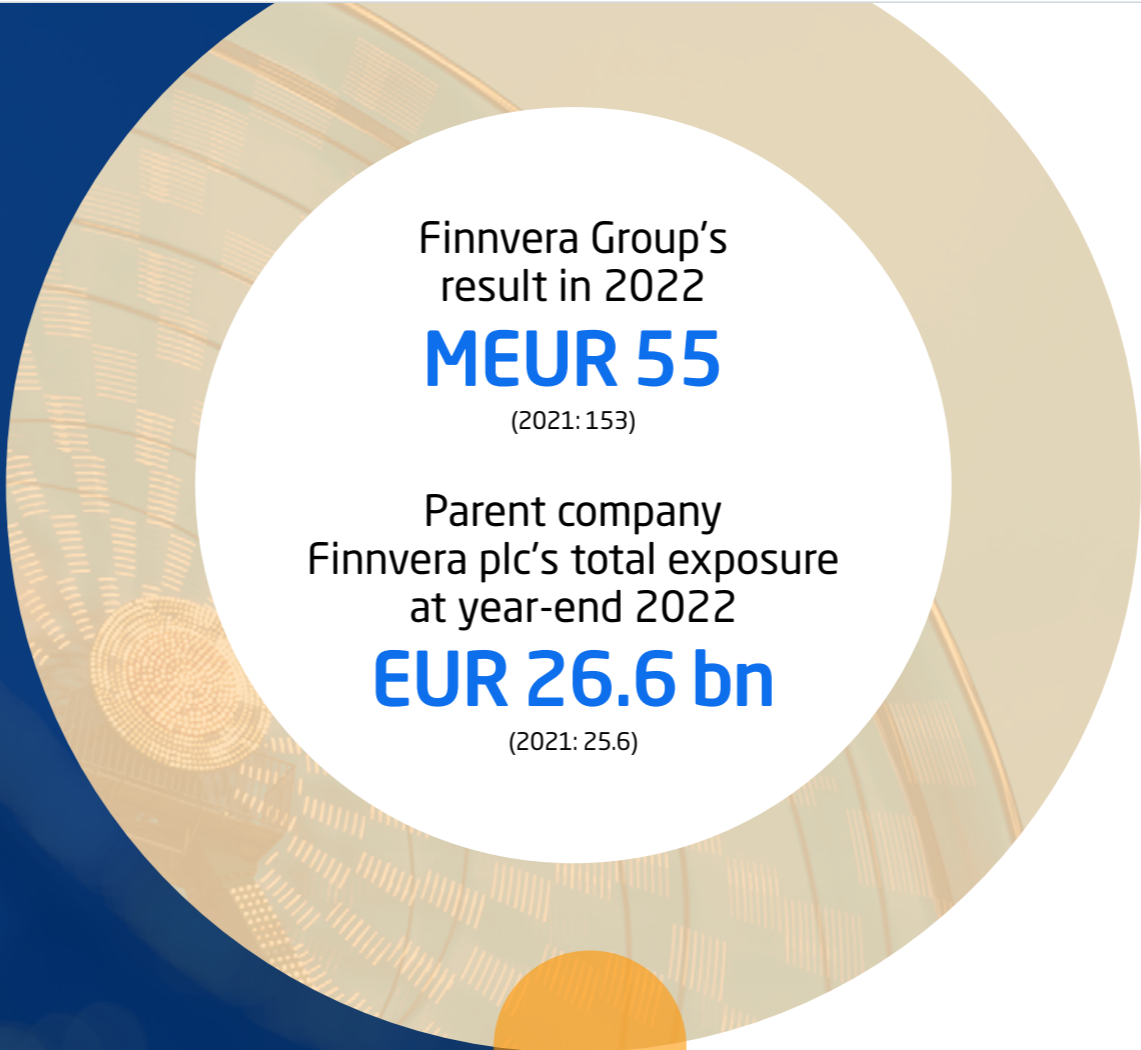
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When creating the PDF documents of Finnvera's Annual Report, the accessibility requirements for online services have been taken into account, and the publications can be read using a screen reader.

# Finnvera's year 2022

Despite uncertainty and dramatic changes in the operating environment, Finnvera's domestic and export financing reached a high level in 2022. Large projects many years in the planning are under way, and their implementation continued. In line with our strategy, Finnvera's domestic financing mainly focused on start-ups, growing and internationalising companies and their growth, investment, transfer of ownership and export projects. However, continued uncertainty is likely to slow down future growth projects.



Finnvera Group's  
result in 2022

**MEUR 55**

(2021: 153)

Parent company  
Finnvera plc's total exposure  
at year-end 2022

**EUR 26.6 bn**

(2021: 25.6)

Number of clients  
at year-end 2022

**24,400**

(2021: 25,800)

## The operating environment changed strongly

Another good year was expected following the strong growth in 2021, but 2022 was marked by uncertainty, an energy crisis and accelerating inflation following Russia's invasion of Ukraine. While these uncertainties undermined business and consumer confidence, employment remained at a good level.

## Standstill in exports to Russia

Finnvera stopped granting export credit guarantees to Russia in February 2022. Finnvera's exposure in Russia was more than halved during the year to approximately EUR 422 million but the credit risk and the need for loss provision are not expected to have decreased significantly.

## Outlook for 2023

The forecasts for 2023 indicate negative economic growth for Finland: 2023 will be a year of sluggish growth at best, and the economy is expected to return to a normal growth track in 2024. However, unpredictable and unexpected events are possible. The outlook for cruise shipping and the development of the exposure in Russia will play a key role for Finnvera.

**CEO's review**

## Financing on a high level in a changing operating environment

Finnish companies were highly active in 2022, despite the impacts of the coronavirus pandemic, the Russian attack on Ukraine and the geopolitical uncertainty as well as inflation, and Finnvera's domestic and export financing reached high levels. While the outlook is cautious, the energy crisis is opening up additional new growth opportunities for companies, including in green transition projects. Corporate responsibility and climate change mitigation are at the heart of Finnvera's strategy and increasingly integrated into our financing operations.

As the global economy is growing slowly, the Finnish economy reacts with a delay and will also recover more slowly from a downturn. While their current order books will still keep companies going, the planning of new projects is slowing down as a result of the uncertainty.

In line with our strategy, over 90% of Finnvera's domestic financing focused on the target groups defined in our strategy, that are start-ups, growing and internationalising companies and their growth, investment, transfer of ownership and export projects.

Russia's attack on Ukraine and the indirect economic impacts of the war were followed by uncertainty, to which many companies reacted by postponing their investments or transfers of ownership. Nevertheless we also financed many investments in 2022. We have prepared for potential growth in requests for instalment-free periods and demand for working capital financing, and Finnvera will be able to meet companies' financing needs within its authorisations.

Any new growth and export potential will increasingly be associated with the energy transformation and green transition. To accelerate them and to achieve our climate objectives, we developed loan products under the InvestEU guarantee programme that will be available to companies in 2023. We encourage companies to seize the business opportunities created by climate actions and to also develop new sustainable solutions through digitalisation and innovations.

To increase the number of export companies vital for the Finnish economy, we will launch a direct export credit instrument for foreign buyers intended for accelerating export trade in February 2023 as the legislative amendment enabling this has entered into force.

### Finnvera's financial year

Finnvera Group's result for 2022 was EUR 55 million (153). The result was impacted by changes in the amounts of provisions for credit and guarantee losses, in particular. The business outlook of cruise shipping companies has improved, and the credit risk of Finnvera's exposure is believed to have decreased. On these grounds, EUR 150 million of the large loss provisions for export guarantee and special guarantee operations made in 2020 were dissolved. Due to the war and arrangements necessitated by sanctions, Finnvera's exposure relating to Russia were more than halved to EUR 422 million during the year, but the credit risk and the need for loss provision are not expected to have decreased significantly.

We encourage companies to seize the business opportunities created by climate actions and to also develop new sustainable solutions through digitalisation and innovations.



The result of the domestic financing showed a loss as a result of the State's credit and guarantee loss compensation being reduced back to 50% at the beginning of 2023. In the early stages of the coronavirus pandemic, this compensation was temporarily increased to 80% in 2020.

The increase enabled us to reduce the price of our domestic funding, especially when SMEs faced a critical situation in 2020. As the loss compensation was restored to 50%, we need to bring some of our pricing back to the pre-pandemic levels to ensure our self-sustainability also in the future. The prices of our Start Guarantee and SME Guarantee, which are our guarantee products for start-ups and growing SMEs, will remain unchanged, helping to improve the preconditions for business.

In line with the objective set for Finnvera the company must, over the long term, cover the costs of its operations with income from financing. This cumulative self-sustainability has been achieved.

**New values guide operations**

Formulated together with the personnel, Finnvera's new values were launched in early summer. It has been a pleasure to see how well the new values have been incorporated in our daily work. We like to work for a good cause and get started, we are better together, and we have the courage to solve. I believe that these values will be reflected in our customer satisfaction, which was also excellent in 2022.

As we continued to develop our cooperation with Team Finland, the feedback from our customers on how we succeeded in providing information on the growth and internationalisation services offered by the Team Finland network was more positive than ever. This is what we have been working for, and we are very pleased with the result.



I believe that the new values will be reflected in our customer satisfaction, which was also excellent in 2022.

**More visibility for our footprint and handprint**

Corporate responsibility and climate change mitigation are at the heart of Finnvera's strategy and increasingly integrated into our financing operations. Interest in the handprint and footprint of Finnvera as a public provider of financing and issuer of bonds has increased, and we respond to these expectations by developing the monitoring of the impacts generated by our operations. From the beginning of 2023, environmental impacts will also be considered in the risk classifications of large financing projects, in particular.

Finnvera launched the calculation of CO<sub>2</sub> emissions generated by the projects we finance and our own operations, and we monitor emissions associated with our outstanding commitments relating to ships in keeping with the Poseidon Principles. As part of the intergovernmental E3F Coalition, we report on the shares of fossil and renewable energy in our export credit guarantee liabilities.

The handprint and impact of our operations are equally important. With our financing, we strive to ensure that companies can achieve growth and renewal which would otherwise not be possible. In line with our strategy, we encourage companies to increasingly seek growth through investments that are sustainable in terms of both the environment and the economy, in Finland and in the export sectors alike.

I would like to extend my warmest thanks to our customers, employees and all partners for the year 2022. As set out in our strategy, Finnvera's mission is to mitigate uncertainties and facilitate companies' growth, internationalisation and exports. This is the work that we will continue in line with our vision: our clients' success strengthens the Finnish economy.

**Pauli Heikkilä**  
CEO

**Operating environment**

## A new crisis and more uncertainty followed the pandemic

Another good year was expected following the strong growth in 2021, but 2022 was marked by uncertainty, an energy crisis and accelerating inflation following Russia's invasion of Ukraine. While these uncertainties undermined business and consumer confidence, employment remained at a good level.

Reduced demand and a general rise in cost levels and interest rates affected the finances of many businesses. These concerns were particularly evident in smaller companies which, anticipating difficulties, requested flexibility in financing. Finnvera also prepared for granting such flexibilities.

The increased uncertainty reduces willingness to invest, which is worrying for the Finnish economy. Major differences persisted between sectors. Finnvera's Finance and Growth review and the survey related to it found that industry had the most positive expectations regarding demand for financing and the outlook, whereas the construction sector had the lowest expectations.

Another cautiously positive sign was that companies leaving the Russian market were surprisingly successful in finding new markets, especially in Europe and the United

States. Trends in the world economy affect Finland's exports with a delay, and it is likely that the negative impacts are yet to hit our country.

### Growth expectations stalled late in the year

Whereas the accelerating inflation was largely due to external factors, or soaring energy prices, central banks increased their key interest rates significantly as a result.

In the second half of 2022, the combination of increasing price levels and rising interest rates began to have a detrimental effect on economic growth. Growth slowed down in the third quarter, and growth expectations grew more pessimistic towards the end of the year.

### Economic outlook for 2023

The latest forecasts for 2023 indicate negative or at least slower than normal economic growth for Finland. For the time being, Finland's employment rate has been higher than for a long time. Companies also continue to produce moderate profits, and their balance sheets are strong on average. Households have also had buffers in form of savings accumulated during the COVID-19 pandemic.

While 2023 will be a year of sluggish growth at best, the economy is expected to return to normal or even faster growth rates as soon as 2024. However, unpredictable and unexpected events are possible. For example, China with its slower economic growth is an unknown quantity.

### This is how Finnvera's largest country exposures developed

Russia's status as a key export market for Finnish companies changed dramatically as Russia attacked Ukraine. Finnvera stopped granting export credit guarantees for trade with Russia and Ukraine in February 2022. The arrangements made



### Green transition to play a major role in the next few years

Business sector financing will be influenced by an increasingly strong transition towards a green economy. The green transition will affect companies of all sizes. The question now is not if the green transition will happen, but how quickly it will happen.

- Companies will face challenges created by both costs and tighter regulation.
- The green transition is also a major opportunity for Finnish companies.
- Now is the time to recognise this situation and close any knowledge and competence gaps.
- Access to financing is likely to be easy – especially for green economy projects.
- Through its financing, Finnvera helps companies benefit from the opportunities provided by climate action. We limit the granting of financing to projects most harmful for the environment.



**-0.5%**

According to the Bank of Finland's forecast, Finland's GDP will contract by 0.5% in 2023. Growth will recover to 1.1% in 2024.



**Pandemic, inflation, recession... What next?**

The outlook for businesses was characterised by major challenges in 2022. While still recovering from the coronavirus pandemic, the economy was hit by inflation and fears of recession. Europe was in the grips of an energy crisis while decoupling itself from Russian fossil energy. Which are the strengths that can help soften the impacts of global economic developments on the Finnish economy? These themes were discussed in Finnvera's Finance & Growth reviews and at our highly popular Finance & Growth LIVE webinars.

during the year due to the war and sanctions more than halved Finnvera's exposure in Russia compared to year-end 2021.

Turkey, which has been a traditional export market for Finnish companies, represented Finnvera's sixth largest country exposure at the end of 2022. The economic challenges facing Turkey affected the operating environment of the country's companies and banks. Finnvera continued to grant export credit guarantees for Finnish exports of consumer goods, capital goods and export financing to Turkey in 2022.

Economic growth in Latin America was better than anticipated in 2022. The emphasis in the demand for Finnvera's guarantees was on the pulp and paper and the energy and mining sectors. Pulp and paper projects increased Finnvera's country exposure, especially in Brazil, where the sector's outlook will also be positive in the near future. The country exposure related to trade with Chile is slightly lower than in Brazil and mainly concerns the mining sector.

Of Finland's major export countries, China ranks 11th in Finnvera's country exposures. Finnvera's largest country exposure in Southeast Asia is associated with Indonesia, a country whose economic growth rate is expected to be clearly higher than China's in 2022. While Indonesia benefited from increased export commodity prices, this country is also affected by developments in China.

Finland has set the goal of increasing Finnish exports to Africa, but Finnvera's exposure for Africa have so far not increased significantly. Emerging markets and especially small countries, including several sub-Saharan countries, are afflicted by rising debt costs and inflation, while raw material prices fluctuate due to the prevailing uncertainties.



Industry analysis:

**Cruise shipping is gradually recovering from the pandemic**

The COVID-19 pandemic put a stop to the strong growth phase cruise shipping was experiencing until 2020. While the fleet in this sector was mostly back in business in the second half of 2022, there is still some way to go to full recovery.

The occupancy rates of vessels approached normal levels in North America, which is the main market for the world's largest cruise shipping companies. However, the annual turnover of the largest cruise shipping companies is still far from the pre-pandemic years. High inflation manifested as increased fuel costs, in particular, also had a negative effect on profitability.

In the first phase of the COVID-19 crisis, shipping companies focused on improving their liquidity and sought to adjust their cash flow, for example by renegotiating financing agreements and payment programmes. Finland and Finnvera participated in a two-year debt holiday arrangement of five European countries.

In 2023, companies' turnover and profitability are expected to recover closer to the






pre-pandemic levels. Declining economic development and consumer confidence create uncertainty, however, and the risk of new infection waves cannot be completely excluded. Lockdowns were still in effect in late 2022 in China, for example, and cruises had not resumed. Companies' balance sheet structures have weakened, and the need for refinancing debt liabilities will continue in the next few years.

Over the longer term, development in this sector will also be influenced by the degree to which the supply can accommodate consumer and stakeholder preferences. Consumers' increased environmental awareness and the focus of policy-makers and institutional investors on ESG issues are crucial factors.

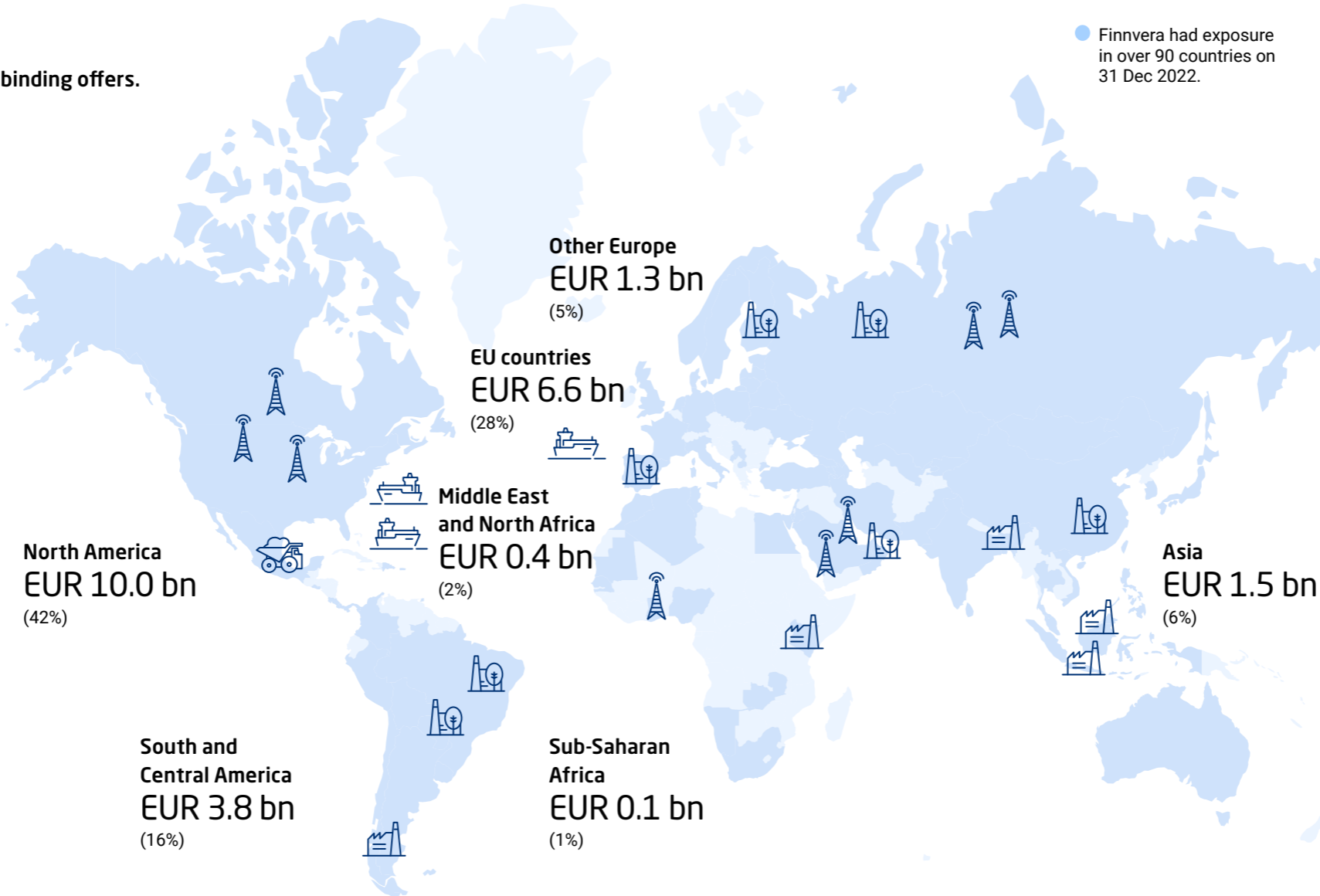
## Total exposure, export credit guarantees and special guarantees 31 Dec 2022

EUR 23.7 billion, including commitments and binding offers.

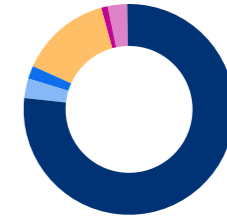
### Exposure by sector 31 Dec 2022

-  **Cruise shipping**  
EUR 12.3 bn (52%)
-  **Pulp and paper**  
EUR 4.0 bn (17%)
-  **Telecommunications**  
EUR 3.3 bn (14%)
- Others\***  
EUR 2.4 bn (10%)
-  **Mining and metals**  
EUR 0.7 bn (3%)
-  **Energy**  
EUR 0.6 bn (2%)
- Other industries**  
EUR 0.4 bn (2%)

\*Including other risks such as state and bank risks and reinsurance risk transfer.

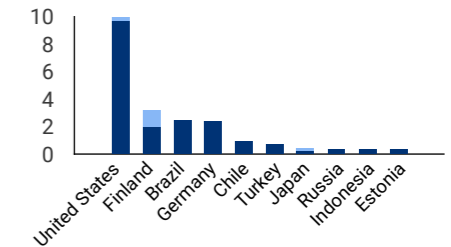


### Exposure by country risk classification 31 Dec 2022



- 0 Advanced economy, 77%
- 1 Very low risks, 0%
- 2 Low risks, 3%
- 3 Relatively low risks, 2%
- 4 Intermediate risks, 0%
- 5 Relatively high risks, 14%
- 6 High risks, 1%
- 7 Very high risks, 3%

### The biggest country exposures 31 Dec 2022, EUR billion



EUR billion	● Commitments	● Offers
United States	9.6	0.3
Finland	2.0	1.2
Brazil	2.5	0.0
Germany	2.4	0.0
Chile	0.9	0.0
Turkey	0.7	0.0
Japan	0.3	0.2
Russia	0.4	0.0
Indonesia	0.4	0.0
Estonia	0.4	0.0



# Strategy and role in society

The spearhead of Finnvera's strategy is impact based on responsible operation. The strategy is based on Finnvera's mission: promoting the internationalisation and exports of companies, complementing financial services and contributing to positive regional development. Financial regulation, digitalisation, corporate responsibility, customer behaviour and climate change were identified as key drivers of change affecting Finnvera's operations and their development.



**Strategy**

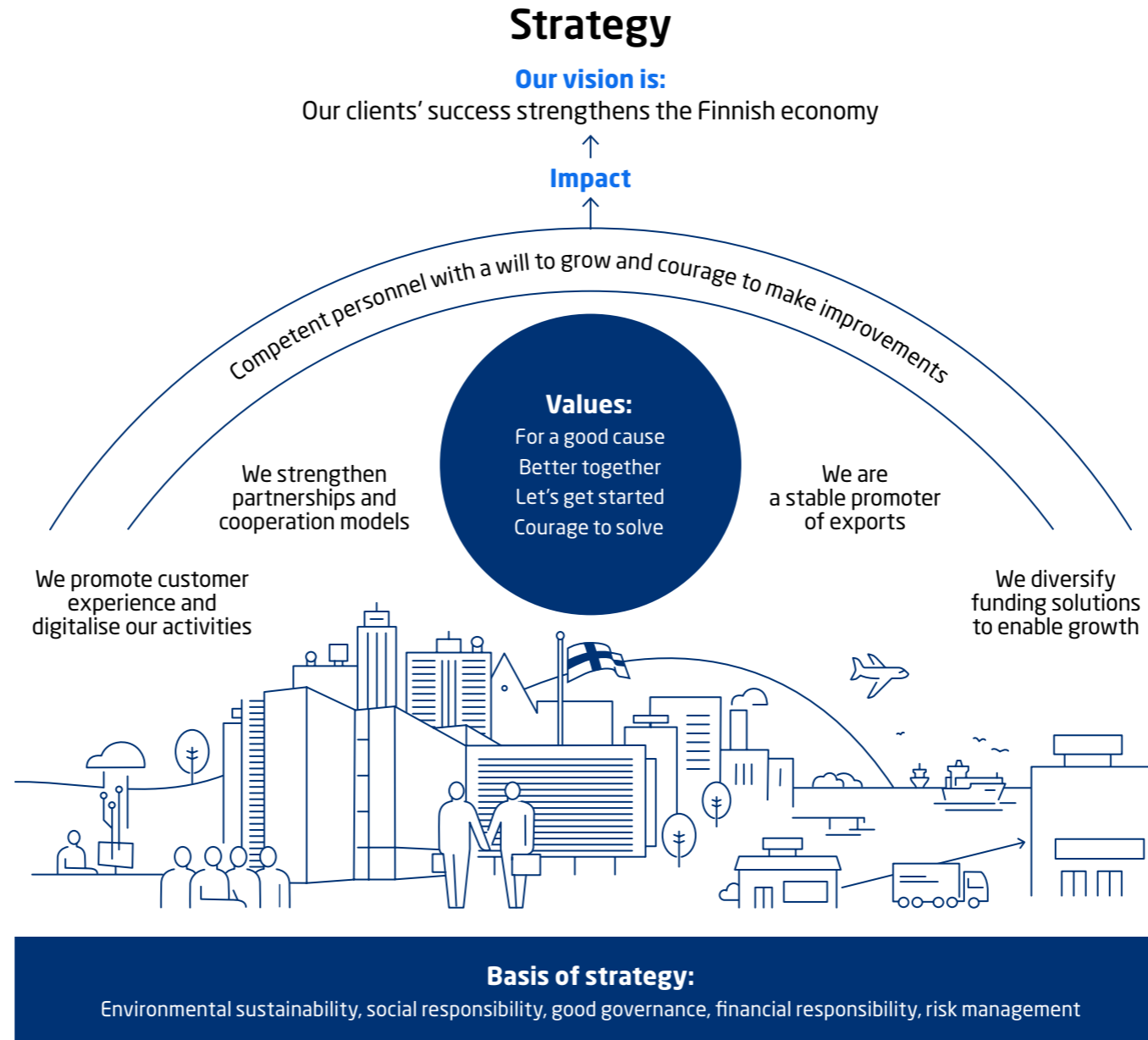
# A renewing and responsible provider of funding for growth and internationalisation

In its 2022 strategy, Finnvera again focused on new business growth, investments and internationalisation. Finnvera's role is to supplement the financial market and to accelerate business growth and exports, ensuring that Finnish companies can be on the forefront of global economic recovery. While Russia's invasion of Ukraine and accelerating inflation changed the economic outlook, the long-term focus is on enabling sustainable growth. Finnvera's renewed values set a new course for the corporate culture.

Finnvera transitioned from the short-term strategy introduced for the exceptional period of the COVID-19 pandemic to a longer planning period. The starting point of the strategy is Finnvera's basic mission: promoting the internationalisation and exports of companies, complementing financial services and contributing to positive regional development.

**Strategic goals inform concrete targets**

Financial regulation, digitalisation, corporate responsibility, customer behaviour and climate change were identified as key drivers of change affecting Finnvera's operations and their development.



Impact is the spearhead of Finnvera's strategy, and with the help of our financing, our customers can increase their turnover and profits in a way that would not have been possible otherwise. Our vision is that our clients' success strengthens the Finnish economy.

The four strategic goals are:

- We are a stable promoter of exports
- We diversify funding solutions to enable growth
- We promote customer experience and digitalise our activities
- We strengthen partnerships and cooperation models

Finnvera's strategy is founded on corporate responsibility and its themes, climate change and environmental, social and financial responsibility. In particular, the updated strategy places a greater emphasis on actions related to climate change mitigation and their links to Finnvera's business. The cornerstones of corporate responsibility also include good governance and risk management.

Strategy implementation will be ensured by our competent personnel who have a willingness to renew and courage to reform the company's operations.

Impact is the spearhead of Finnvera's strategy, and with the help of our financing, our customers can increase their turnover and profits in a way that would not have been possible otherwise. Our vision is that our clients' success strengthens the Finnish economy.

**Goal achievement**

Finnvera's strategy is reviewed annually. The goals for business operations, units and processes derived from the strategy and the budget that enables their attainment are adopted in the autumn. To follow up on strategy implementation, specific targets reported to the Board of Directors are set.

**Solutions for domestic financing are diversifying**

Finnvera's strategic goal is to allocate at least 80% of our domestic financing to start-ups, growing and internationalis-

ing companies as well as investments, transfers of ownership and exports. This goal was again attained in 2022, as more than 90% of the financing was allocated to these priority areas.

By diversifying the financing offered, we will strengthen further the support we are providing for the establishment, transfers of ownership, growth and internationalisation of Finnish companies. More flexible terms were introduced for Finnvera's Entrepreneur loan, enabling this instrument to serve an increasing number of prospective entrepreneurs. The Entrepreneur loan offers an effective solution for financing transfers of ownership, among other things. Speeding up transfers of ownership to revitalise the business sector is one of Finnvera's priorities.

In order to boost SMEs' exports and smaller export transactions, in particular, Finnvera launches so-called direct export credits. These export credits are intended for Finnish export companies' foreign customers to facilitate financing arrangements for export transactions. Finnvera starts granting these export credits in February 2023 as the relevant legislative amendment has entered into force.

In 2022, Finnvera also prepared for the introduction of loans using the risk sharing scheme offered by the InvestEU Programme launched by the European Commission. This product is targeted at financing innovative and digital companies as well as sustainable climate projects, and it will be available to companies in 2023.

Diversification of financing also involves establishing new financing partnerships. Finnvera aims to ensure that companies have alternatives to bank financing. In the context of large companies, Finnvera joined the European Investment Bank's Pan-European Guarantee Fund. The EGF guarantee programme was phased out at the end of 2022.



**Robotics is making strides, Ronja the robot retired**

Ronja the robot, a pilot robotics project at Finnvera operating since 2019, went into well-earned retirement. Ronja was Finnvera's first robotics implementation that reduced the workload of employees analysing companies' financial statements.

Thanks to agile development, six new robots were developed and launched in production to process customer information and applications in 2022. A total of ten robots are currently in operation.

Advancing digitalisation in order to improve customer experience and develop Finnvera's processes will remain one of the company's strategic goals.

**Monitoring the effectiveness and impacts of export financing**

Finnvera's goal is to offer Finnish export companies a competitive export financing system that, in terms of risk-taking and pricing, provides a level playing field with companies in competitor countries. Finnvera produced a report on competitors' export credit financing, which will serve as a model for future development projects.

Finnvera encourages companies to seek new growth and access to new markets. The aim is to help companies find business opportunities in investments generated by climate change actions. Finnvera also seeks to increase exports to Africa in line with the Finnish Government's Africa Strategy.

Finnvera worked intensively with international export financing consortia, including the E3F coalition promoting the green transition. As part of this coalition, Finnvera reported on the share of fossil energy projects in its outstanding export financing commitments and added detail to its export credit guarantee policies for the oil and gas sectors. Finnvera launched the calculation of climate impacts and CO<sub>2</sub> emissions associated with the outstanding commitments.

For more information on corporate responsibility, climate action and monitoring the impacts of Finnvera's operations, see the Corporate responsibility section on page 20.

**Towards a good employee and customer experience through renewed values and company culture**

One of the highlights in 2022 was the renewal of Finnvera's values and corporate culture. The new values are: for a good cause, let's get started, better together and courage to solve. Our values describe our way of working and acting towards our customers and other stakeholder groups, as well as each other, at Finnvera.

The values were launched together for the personnel and as part of the operating practice, and the management principles were defined accordingly. Respondents in the work mood survey and the management's 360 evaluation conducted in the autumn found that the company had an excellent track record in realising the values.

As before, the NPS (Net Promoter Score) index was used to measure customer satisfaction. Especially in domestic financing, customer satisfaction reached an all-time high. Team Finland also achieved a good level of customer satisfaction. For more information about customer satisfaction, see the section on stakeholders.

**Digitalisation development projects support strategic goals**

The digital agenda updated twice a year points the direction for digital development in Finnvera's operations and services as well as the desired outcomes. The agenda is implemented by the units through their annual plans. In keeping with the digital agenda, our online services will improve the customer experience, strengthen partnerships and increase operational efficiency.

Finnvera continued to advance its three key system projects in 2022. The work on upgrading the online services for customers relied on low-code technology. In addition to technological development, the project has benefited from service design to achieve high usability and excellent customer experience. Finnvera's new online service is to be introduced stepwise in early 2023.

The current online services were expanded during the year with a more user-friendly procedure for applying for Finnvera's export credit guarantees online.

Finnvera's case management project made headway and was christened Aarni following a vote organised for Finnvera employees. The goal of this project is to develop



**Positive development in Finnvera's digital maturity**

As part of follow-up for the digitalisation action plan in the Ministry of Employment and the Economy's administrative branch (dTEM), a digital maturity assessment was carried out in the administrative branch's organisation in autumn 2022. Measured by eight out of the ten indicators, Finnvera's digital maturity had improved since 2020. Finnvera was awarded the highest grades for cyber security and data protection as well as its digital vision and strategy, in which the grades were 4 or better on a scale of 1 to 5. Positive development was also seen in customer orientation, services and processes, management of digitalisation, personnel and digital competence, organisation and culture, and information management.

the management of information and its life cycle as well as to improve the quality and reliability of information. Aarni will be Finnvera's case register referred to in the Act on Information Management in Public Administration and provide a warehouse for storing and archiving data.

During the year, the sub-projects of a large-scale project on upgrading Finnvera's financing systems progressed according to plans. The first one to be launched was a document generation system.

**Digitalisation will continue to serve as a tool for customer experience and internal efficiency**

Advancing digitalisation in order to improve customer experience and develop Finnvera's processes will remain one of the company's strategic goals. Internal efficiency is sought from automating repetitive, simple tasks. This was taken into account in the strategic personnel plan and personnel competence development. By improving the efficiency of internal operations, Finnvera strives to free up its experts' time for more demanding tasks.

In the context of the prevailing operating and security environment, the growing importance of information security and data protection requirements was visible in the role of the IT services, in addition to usual system maintenance and development. Training was organised to strengthen Finnvera employees' capabilities for identifying information security risks.

**Customer-centric update of Finnvera's website**

Customer experience is increasingly created online, and the widespread remote work and use of e-services has boosted

this development. In 2022, Finnvera updated the content and layout of the company's website, engaging customers and stakeholders in its conceptualisation and early stage usability testing. The updated website aims to create a more customer-centric service experience as well as to offer relevant and comprehensible content in the customer's language. The approach to providing information on financing solutions is needs driven rather than revolving around a product or organisation type.

**Industrial and ownership policy goals guide operations**

The State of Finland owns Finnvera's entire stock. The Innovations and Enterprise Financing Department of the Ministry of Economic Affairs and Employment is responsible for Finnvera's ownership and industrial policy steering. The ministry sets the industrial and ownership policy goals for Finnvera. When determining these goals, attention is paid to the Finnish Government Programme, the ministry's corporate strategy, the policy objectives for the ministry's branch of administration, and the goals of EU programmes.

The objectives of the industrial and ownership policy and Finnvera's strategy support each other and are examined in parallel. Areas to be monitored in the context of the industrial and ownership policy include domestic financing, EU financing, export financing, risk management, impact, self-sustainability, operational efficiency, solvency, capital adequacy and risk-taking in domestic financing and export financing, and the transfer of Finnvera's financial supervision to the Financial Supervisory Authority. In 2022, of the 12 goals 10 were attained and 2 were attained partly.



**Focusing creates impact on R&D investments**

The R&D Financing Act, which entered into force at the beginning of 2023, means a significant additional state investment in research, development and innovation (TKI). Business Finland, the Academy of Finland, VTT, Sitra and Finnvera consider the draft of Finland's multi-year R&D funding plan made by the parliamentary R&D working group to be acceptable. In particular, we want to draw attention to the fact that the increasing funding is allocated effectively.

The personnel's strategic competences have been identified, and developing them is high on the company's agenda. For more information about the personnel strategy and competences of the future identified at Finnvera, see page 27.

## How Finnvera creates value

### Resources



#### Financial resources

Balance sheet EUR 12.6 billion and shareholders' equity EUR 0.9 billion, of which non-restricted equity EUR 0.7 billion. Funding acquired from international bond markets EUR 1–2 billion per year.



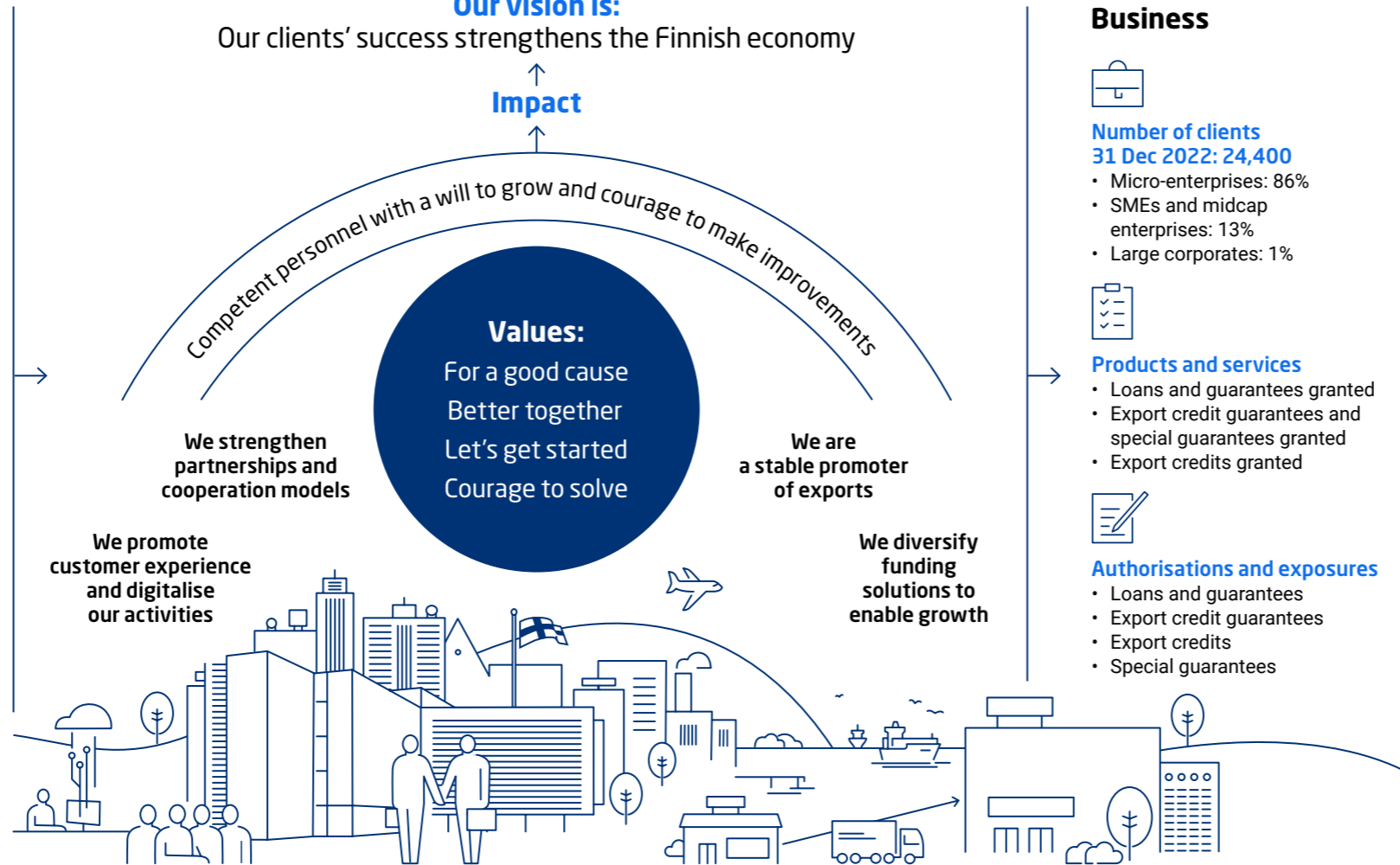
#### Personnel

365 employees at 15 locations in Finland. Extensive experience and competence in the financial sector and risk assessment.



#### Stakeholder relations

Active customer and stakeholder work. Team Finland network. Partner networks with banks and private providers of financing. Participation in Finnish and international entrepreneurs', business and financier organisations and networks.



### Business



#### Number of clients 31 Dec 2022: 24,400

- Micro-enterprises: 86%
- SMEs and midcap enterprises: 13%
- Large corporates: 1%



#### Products and services

- Loans and guarantees granted
- Export credit guarantees and special guarantees granted
- Export credits granted



#### Authorisations and exposures

- Loans and guarantees
- Export credit guarantees
- Export credits
- Special guarantees

### Impacts



#### Impact on society and financial impacts

Our financing improves the business conditions for Finnish companies, supports job creation and competitiveness and promotes exports. Finnvera's goal is to ensure that our operations are self-sustainable. We boost development in target countries through export financing projects.



#### Social impacts

Looking after our personnel's competence and well-being at work. Assessment and monitoring of social and human rights risks relating to the transactions we finance.



#### Environmental impacts

Assessment and monitoring of environmental risks of the financed transactions. We encourage companies to seize business opportunities created by the green transition. We measure the impacts of Finnvera's operations.



#### Impacts on stakeholder relations

We continuously monitor our net promoter score (NPS). The average in 2022 was 72. We conduct an extensive customer and stakeholder satisfaction survey every two years. We develop our operations on the basis of the feedback we receive.

### Basis of strategy:

Environmental sustainability, social responsibility, good governance, financial responsibility, risk management

**Stakeholder cooperation**

## Active dialogue and cooperation emphasised in uncertain times

Active dialogue and good cooperation with stakeholders are emphasised in uncertain times. The rapid change in the operating environment challenged small and medium-sized enterprises in particular, and this was reflected in an increasing number of contacts with Finnvera. Customers' and stakeholders' experiences of Finnvera's work and services comprise highly important feedback helping to develop the services.

As customers use the services, Finnvera continuously measures their willingness to recommend the company, and a goal is set for its Net Promoter Score as one of the annual targets. Finnvera's business areas commission an extensive survey of customer, bank and stakeholder satisfaction every two years. The next survey will be conducted in 2023.

### Cooperation with financing providers diversified

During the pandemic, the forum created to streamline practical cooperation between Finnvera and banks continued to operate in 2022. Its focus areas included topical issues in the corporate and financial sector as well as changes in products and services.

Finnvera's strategic goal is to enable growth by diversifying the financial market. Finnvera negotiates with a number of financial sector actors to expand the group of businesses that can benefit from our domestic guarantee.

A pilot project launched in 2021 with Noja Rahoitus Oy ended in 2022, whereas cooperation with the debt fund GOS Private Debt I Ky will continue.

A tour about financing opportunities for the green transition was launched in 2022 in cooperation with Business Finland, the Finnish Climate Fund, venture capital company Tesi and local actors.

### The Team Finland service path visualises the services of the network

Together with Business Finland, the Ministry for Foreign Affairs, ELY Centres and TE Offices, Finnvera is a core actor in the Team Finland network striving to accelerate the exports and internationalisation of businesses. In line with the Team Finland strategy, efforts were made to step up cooperation and improve customer relationship management further. The new Team Finland service path visualises the key export and internationalisation services offered to companies by the network. A Team Finland Day and webinars were organised to inform companies and partners about their services. Finnvera's key message was how financing can benefit the export transactions and export risk management of SMEs, in particular. The Internationalisation Award of the President of the Republic of Finland was presented at the end of the year.

### NGO cooperation in Finland for the benefit of companies

Finnvera participated in events organised to provide training for business advisors on financing solutions during the pandemic. The other organisers were the Federation of Finnish Enterprises, the Finnish Enterprise Agencies, the Association of Finnish Local and Regional Authorities and SEKES – Association of Finnish Development Companies.

In 2022, the Ministry of Economic Affairs and Employment established an Advisory Board for Entrepreneurship

### Finnvera's key stakeholders



#### Customers

We are here for our customers. We finance different stages of business development to help companies achieve their goals.



#### Banks and providers of financing

We complement the financial markets diversely. We partner with banks and other private providers of financing.



#### Ownership steering and ministries

Finnvera's operations are steered by the Innovations and Enterprise Financing Department of the Ministry of Economic Affairs and Employment.



#### Domestic organisations and cooperation partners

Our NGO cooperation focuses on advising companies about financing options and promoting Finnvera's financing.



#### Team Finland

Finnvera is one of the key organisations in this network that accelerates business internationalisation and growth together with Business Finland, the Ministry for Foreign Affairs and the Centres for Economic Development, Transport and the Environment.



#### International organisations and cooperation

For an export-driven country, international cooperation is extremely important. Finnvera is active in forums and organisations of its field, including the OECD and the EU.

We constantly listen to our customers and stakeholders, for example in advisory boards in which business representatives share their views on financing. In 2022, we met with our stakeholders more than 1,040 times, which was well above the target. We actively engage our customers in development projects related to products, online services and website development.

**The NPS scores for customer segments exceeded the targets in 2022:**

- the NPS for local small enterprises was **72**
- for domestic market companies **69**
- for growing and internationalising companies **77**
- and for large companies **71**

as a meeting place for the representatives of entrepreneurs and public actors. Finnvera is actively involved in the Advisory Board, represented by Regional Director Anna Karppinen.

Other cooperation with Finnish NGOs focused on business advice and services related to financing options, for example for transfers of ownership or export trade. Key partners include the Federation of Finnish Enterprises as well as the Forum for Transfers of Ownership and its member organisations. The Forum for Transfers of Ownership published a Barometer, and an SME Barometer was commissioned twice a year together with the Federation of Finnish Enterprises and the Ministry of Employment and the Economy.

**Finnvera was active in international forums**

The objectives of international cooperation are monitoring the operating environment and regulatory framework of financing, making Finnvera's and Finland's views heard, establishing contacts and learning best practices. Finnvera is 'larger than its size' on an international scale as, in terms of the outstanding commitments, Finnvera is larger than equivalent export credit agencies in many countries with a higher GDP.

Finnvera participated in the Poseidon Principles initiative that monitors the environmental impact of ship finance. The climate commitments made by the State of Finland and Finland's accession to E3F (Export Finance for Future Coalition) create a framework which promotes the phasing out of export financing for fossil fuels.

Finnvera has appointed representatives to the boards and task forces of the European Association of Guarantee Institutions (AECM), the umbrella organisation of European guarantee organisations; the Network of European Financial Institutions for Small and Medium Sized Enterprises (NEFI); and the Montreal Group. Pekka Karkovirta, Vice President, International Relations, is the Chairman of the Participants to the Arrangement on Officially Supported Export Credits for 2023.



**President of the Republic's Internationalisation Awards went to Kempower, K. Hartwall, Andritz and Kasvuryhmä Suomi**

The Internationalisation Award of the President of the Republic is a recognition granted each year to internationally successful Finnish companies, corporations and long-term foreign investors. The core Team Finland actors, Finnvera included, made a proposal regarding candidates for the award. In 2022, the evaluation emphasised sustainable development and the ethical nature of operations as well as impacts on Finnish competence, innovation, the development of employment and foreign investments.

[Read more >](#)



**International specialists gathered at Finnvera**

In June, Finnvera hosted a training seminar of the European Association of Guarantee Institutions (AECM) in Helsinki. The theme of the event was different credit risk classification methodologies. At a separate event connected to the training, Finnvera, the European Commission, the European Investment Fund and other participants shared information on export financing tools and products.

In November, Finnvera hosted a Bern Union seminar on credit risk classification and pricing. Some 50 representatives from 21 different countries participated in the seminar.



**4/5**

Finnvera's growing and internationalising companies' satisfaction with access to information on Team Finland network services and the business benefits they produce improved. The target of a minimum customer experience score of 4/5 was reached for both indicators.



**Corporate governance**

## The importance of good governance and risk management were highlighted

Finnvera's organisation returned to office and hybrid work after the pandemic. As war broke out in Europe, new types of threats emerged, including a higher risk of cyber attacks and insufficient energy supply. Finnvera, too, prepared for these threats. The organisation's preparedness and continuity management remained at a high level.

The strategy updated in late 2022 stressed and highlighted the importance of good governance and risk management as the foundation of the strategy and Finnvera's work.

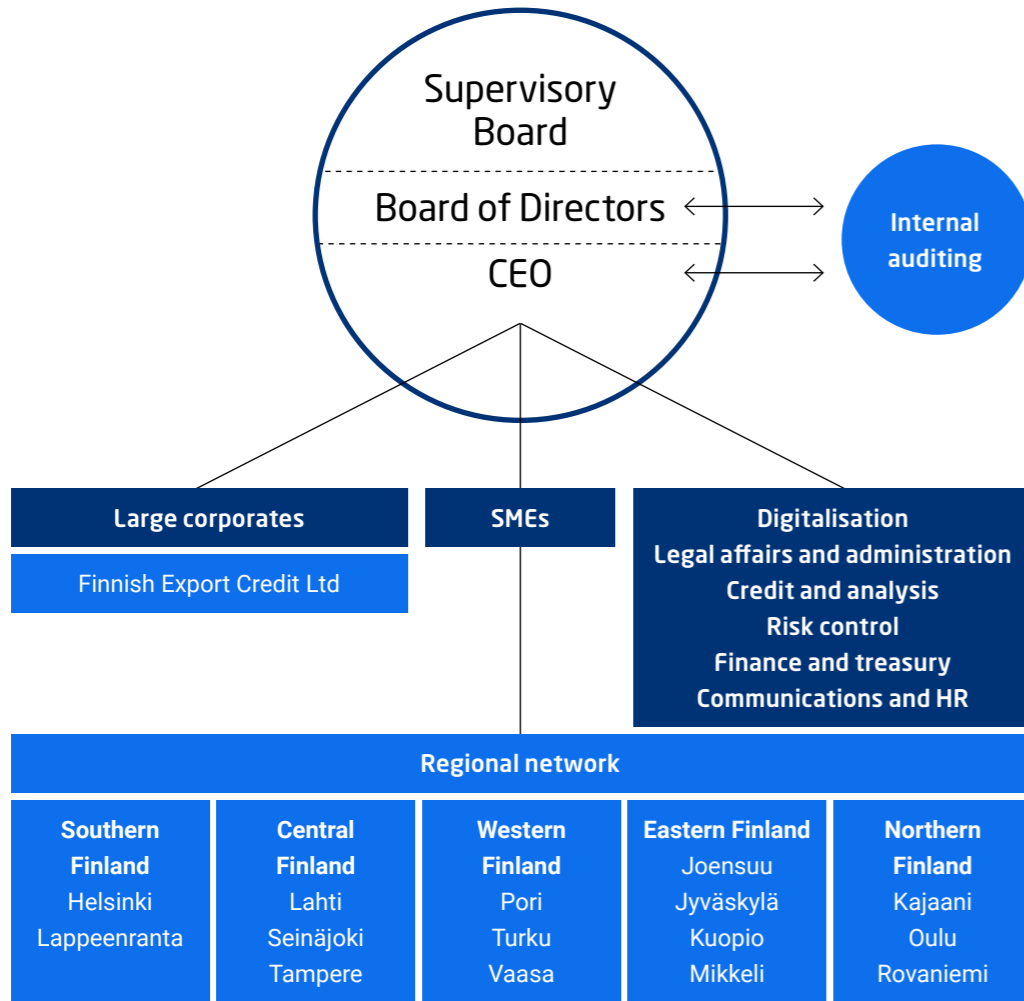
The Finnvera Group complies with good corporate governance and strives to ensure transparency at all levels of the organisation. While the principle of good governance has been integrated into Finnvera's operating model, the goals of fostering good governance, knowing the customers and developing internal practices were recorded in the company's strategy to stress its significance.

Finnvera's Board of Directors has approved the key policies, principles and guidelines that direct the company's operations. Finnvera's work is guided by a Code of Conduct approved by the Board of Directors. It gathers together Finnvera's corporate responsibility policy, ethical principles



**Organisation and administration**

Responsibility for Finnvera's corporate governance and its operation is vested in the General Meeting of Shareholders, the Supervisory Board, the Board of Directors, and the Chief Executive Officer. A comprehensive description of Finnvera's governance, key policies and remuneration can be found in the Statement on the Corporate Governance and Steering System.



and legal rules. The Code of Conduct includes the general operating policy outlines and the principles of responsible financing emphasised in Finnvera's social role, the basic premises for the confidentiality of our operations, and the principles applied to the work community.

**Management of operative risks was strengthened**

Risk management is one of Finnvera's core tasks and plays an extremely significant role in financing. The crises of recent years with their direct and indirect impacts have highlighted the importance of risk management.

The Board of Directors approved an operational risk management policy for Finnvera. This policy describes the main operational risks and key risk management methods. Operational risks may arise in operations, processes, tasks, systems and services. Operational risk management is closely linked to comprehensive efforts to develop the quality of Finnvera's operations, the processes that guide them and the operating system.

All Finnvera employees, including the management, are responsible for identifying operational risks, risk management and reporting on risks in their areas of responsibility and in connection with their work.

**New members on Finnvera's Board of Directors**

New members joined Finnvera's Board of Directors in 2022, as the Annual General Meeting elected Elina Piispanen, M.Sc. (Econ.), and Petri Viertiö, M. Sc. (Eng.), as Board members in March. Long-term members Pirkko Rantanen-Kervinen, M.Sc. (Econ.) and Antti Zitting, Enterprise Counsellor, left the Board at the same time. In the autumn, the Board acquired entrepreneurial competence as entrepreneur Anne Nurminen was appointed a new member of the Board of Directors.

Finnvera's governing bodies and senior management returned to their normal working modes after the pandemic, and the usual

**Pia Peltoniemi appointed as CEO of Finnish Export Credit Ltd**

The Board of Directors of Finnish Export Credit Ltd appointed Pia Peltoniemi, LL.M., EMBA, as CEO of the Finnish Export Credit Ltd for the period running from 15 September 2022 till 14 September 2024 following the retirement of the previous CEO. Finnish Export Credit, which belongs to the Finnvera Group, provides export credit financing and interest equalisation services.

meeting schedules were resumed. The Board met 20 times during the year. As the recommendation to work remotely was lifted, the Board of Directors and Management Group once again had physical meetings instead of virtual ones. The preparedness task force appointed to monitor and prepare for the COVID-19 pandemic ceased to operate in June 2022, and the company returned to its normal state in this respect.

The jointly agreed hybrid work model was fully introduced in autumn 2022. This means that while the teams and units define the balance between office and remote work themselves, the aim is that each Finnvera employee works in the office on average one or two days a week.

**Legislative proposals for developing Finnvera's financing**

Finnvera's operation is directed by the Innovations and Enterprise Financing Department of the Ministry of Economic Affairs and Employment. Close cooperation with the Ministry of Economic Affairs and Employment and other ministries continued. In 2022, the cooperation with the ministry included working on legislative proposals related to Finnvera's financing. Legislative amendments concerning Finnvera's direct lending to Finnish

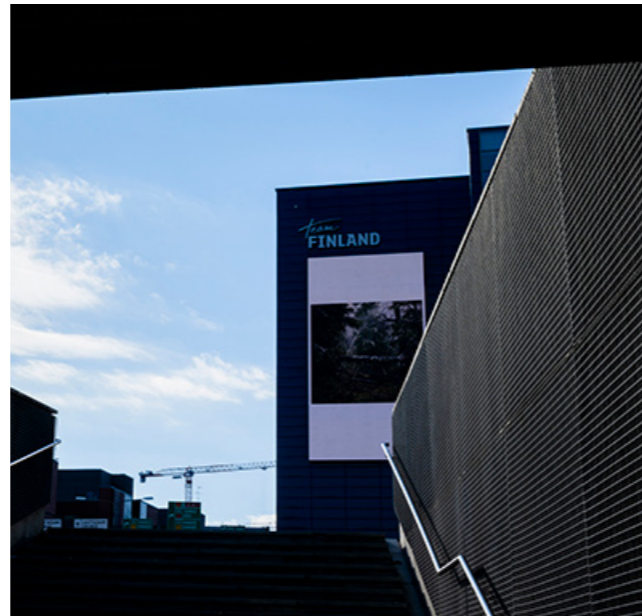
export companies' foreign customers and the so-called special risk-taking regulation in the Act on the State's Export Credit Guarantees were submitted to Parliament.

The Government decided to cut the State's credit and guarantee loss compensation back to 50% as from 1 January 2023. In the early stages of the COVID-19 pandemic, this compensation was temporarily increased to 80% in 2020. Preparations for transferring Finnvera's financial supervision to the Financial Supervisory Authority also continued in 2022. A government proposal on this matter was submitted to Parliament in December 2022. Finnvera has prepared for the transfer internally, for example through risk management development. According to the government's proposal, the transfer to the Financial Supervisory Authority will take place at the beginning of 2024.

Finnvera makes its financing decisions independently based on a careful risk assessment and analysis of each project, complying with the national and international regulation applicable to the company. While Finnvera's Board of Directors makes the largest exposure decisions itself, in other respects it has delegated decision-making powers to the company's Credit Committee. Finnvera can also take into account the government's industrial policy goals in its decisions regarding projects and, if necessary, include projects in the special risk-taking procedure defined in the Act on the State's Export Credit Guarantees.

**Extension of Finnvera's ISO 9001 accreditation was confirmed**

Finnvera has an ISO 9001 certified management system, the accreditation of which was once again confirmed for three years. The audit found no deviations from the standard requirements, and the positive observations, comments and development opportunities that emerged will be processed further as part of continuous improvement of the operating system.



**Veraventure Ltd merged with Finnvera**

The merger of the subsidiary Veraventure Ltd, which administered Finnvera's venture capital investments, with the parent company went ahead on 31 July 2022. Finnvera's venture capital investments came to an end in 2021 as the company sold its remaining venture capital portfolio to Finnish Industry Investment Ltd. This sale finalised Finnvera's withdrawal from venture capital financing in line with the Ministry of Economic Affairs and Employment's policy. At the time of the merger, Veraventure Ltd no longer had employees.

Finnvera's financing solutions focus on enabling the establishment, growth and renewal as well as internationalisation and exports of companies.

**Energy and cyber security as topical issues - crisis preparedness tested and strengthened in different ways**

Finnvera prepared for the impacts of the energy crisis and potential intermittent electricity shortages at the organisational level and in its offices. An operating model was created for possible power cuts, and Finnvera employees were informed of it at a common virtual event.

On Finnvera's Helsinki premises, the operation of the building's backup power system was tested with a controlled power cut. The temperature on Finnvera's premises was lowered, and the personnel were given instructions in keeping with the Government's energy saving campaign.

Finnvera participated in Taisto, Finland's largest digital security exercise for public sector organisations and their stakeholders. This national exercise contained simulated

data protection and information security violations. The exercise organised by the Digital and Population Data Services Agency helped to develop leadership, management and communication related to digital security. The contents of the exercise were planned in cooperation with the National Bureau of Investigation, the Association of Finnish Local and Regional Authorities, the National Cyber Security Centre and the Office of the Data Protection Ombudsman.

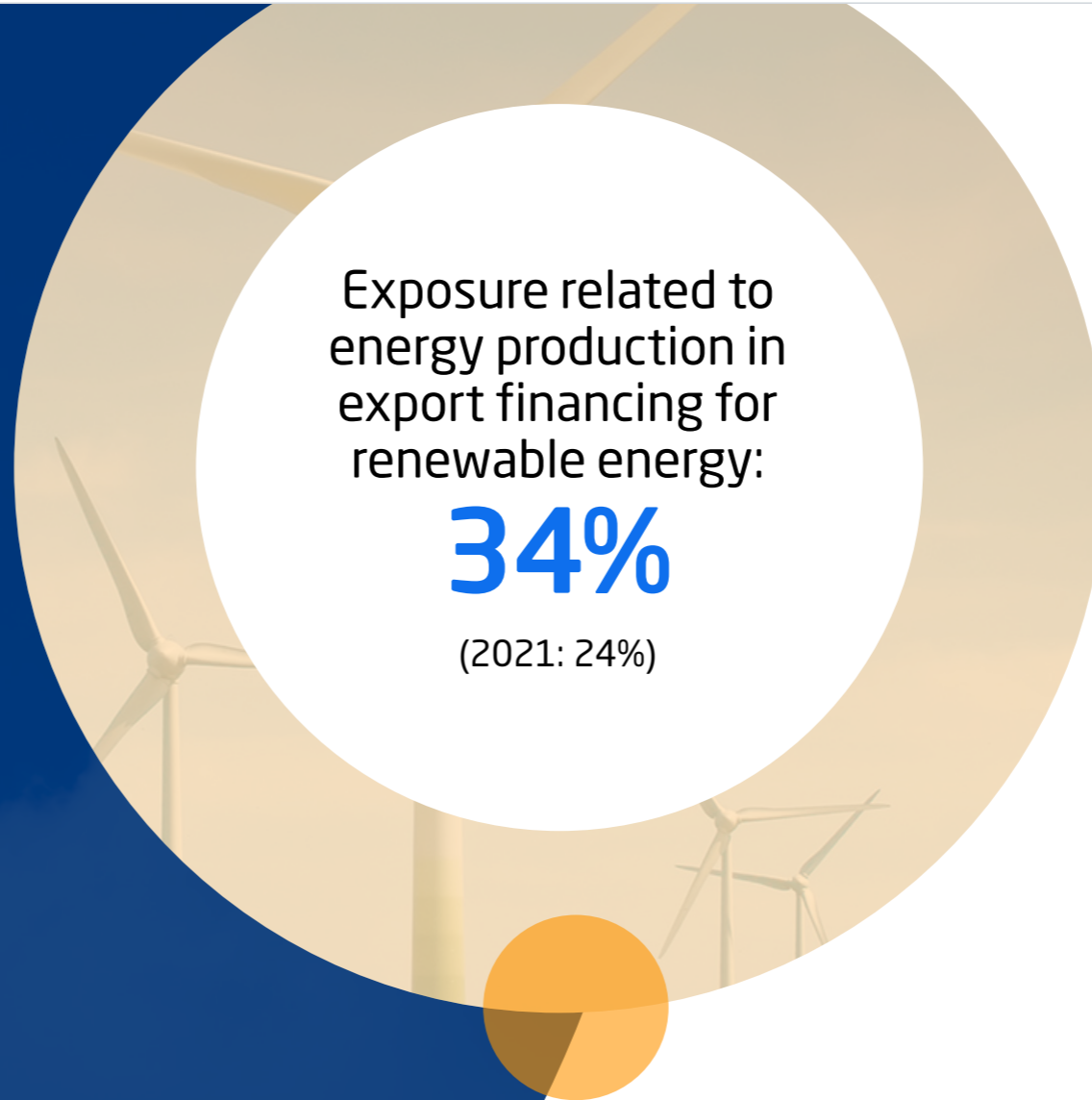
Finnvera also organised training to prepare for cyber and information security threats, and the employees familiarised themselves with cyber security and information security by completing mandatory online courses in which practical situations were modelled.

Finnvera's Board of Directors annually confirms the Group's risk management principles and risk appetite as well as all key risk policies. For a description, see the section on risk management in the financial statements.

[Read more >](#)

# Corporate responsibility at Finnvera

Corporate responsibility and climate change mitigation are at the heart of Finnvera's strategy and increasingly part of our financing processes. As Finnvera is a public provider of financing and issuer of bonds, interest in the impacts of our operations has grown. We improved the monitoring of our operations' impacts and the ESG risk assessment of projects to be financed.



### New values guide operations

Year 2022 was marked by a joint effort to develop the corporate culture and by the launch of our new values. Our values are: for a good cause, better together, let's get started and courage to solve. Finnvera employees' work energy remained at a good level.

### Corporate responsibility and impact at the core of Finnvera's strategy

Finnvera plays an important role in Finnish society by facilitating Finnish enterprising. Finnvera's greatest impacts on the environment and people are generated through the industrial export projects financed by us. The attainment of corporate responsibility objectives is promoted through systematic management.

### The impacts of Finnvera's operations in the limelight

For the first time, we calculated the CO<sub>2</sub> emissions from the projects we financed and from our own operations. We will monitor emissions associated with our outstanding commitments related to ships in keeping with the Poseidon Principles. From the beginning of 2023, environmental impacts will also be considered in the risk classification of large financing projects.

### Read about our corporate responsibility themes

The material topics of Finnvera's corporate responsibility are based on stakeholder expectations. Read more about our material topics in this [report](#).

## Finnvera's role and impact in society

Figures for the reference year 2021 are in parentheses.



### Impact on society and financial impacts

Domestic financing offered:  
**MEUR 1,260**  
(MEUR 1,724)

Start-ups launched with the help of financing:  
**1,931 pcs**  
(2,399 pcs)

Jobs created with the help of domestic financing:  
**6,001**  
(8,599)

Transfers of ownership financed:  
**MEUR 130, 771 companies**  
(MEUR 174, 813 companies)

Export credit guarantees and special guarantees offered:  
**MEUR 5,676**  
(MEUR 4,340)

Exports covered by export credit guarantees:  
**MEUR 3,521**  
(MEUR 2,508)



### Social impacts

Personnel expenses:  
**MEUR 30**  
(MEUR 30)

Personnel training:  
**MEUR 0.4**  
(MEUR 0.3)

Personnel work energy level:  
**4.3/5**  
(4.3/5)

ESG assessment, export credit guarantees granted:  
**295 pcs**  
(349 pcs)



### Environmental impacts

Emissions from Finnvera's own operations:  
**637 t CO<sub>2</sub>**

Emissions from financed projects:  
**9 Mt CO<sub>2</sub>**

Finnish exports:  
**to 94 countries**  
(93)

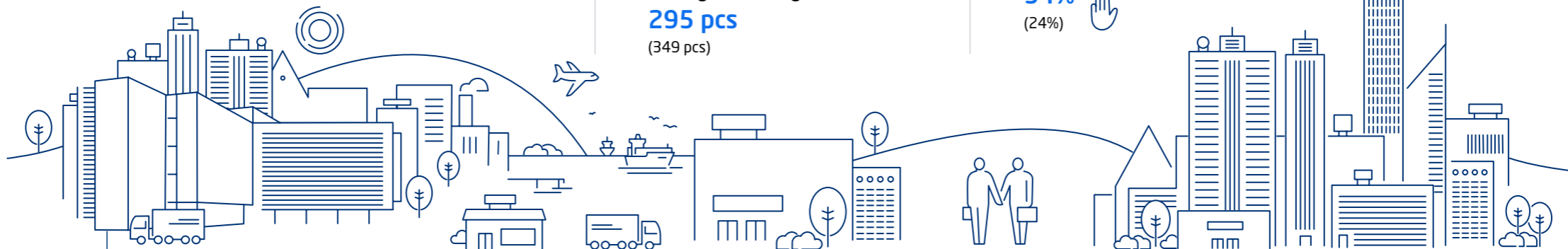
Renewable's share of export exposures related to energy production:  
**34%**  
(24%)



### Impacts on stakeholder relations

Meetings and contacts with clients and stakeholders:  
**5,500 pcs**  
(7,080 pcs)

Customers willing to recommend Finnvera, average NPS:  
**72**  
(67)



Micro-enterprises: 86%  
(87%)

Number of clients 31 Dec 2022: 24,400  
(25,800)

SMEs and midcap enterprises: 13%  
(13%)

Large corporates: 1%  
(0.4%)

**Corporate responsibility management**

# Sharper focus on systematic management of corporate responsibility

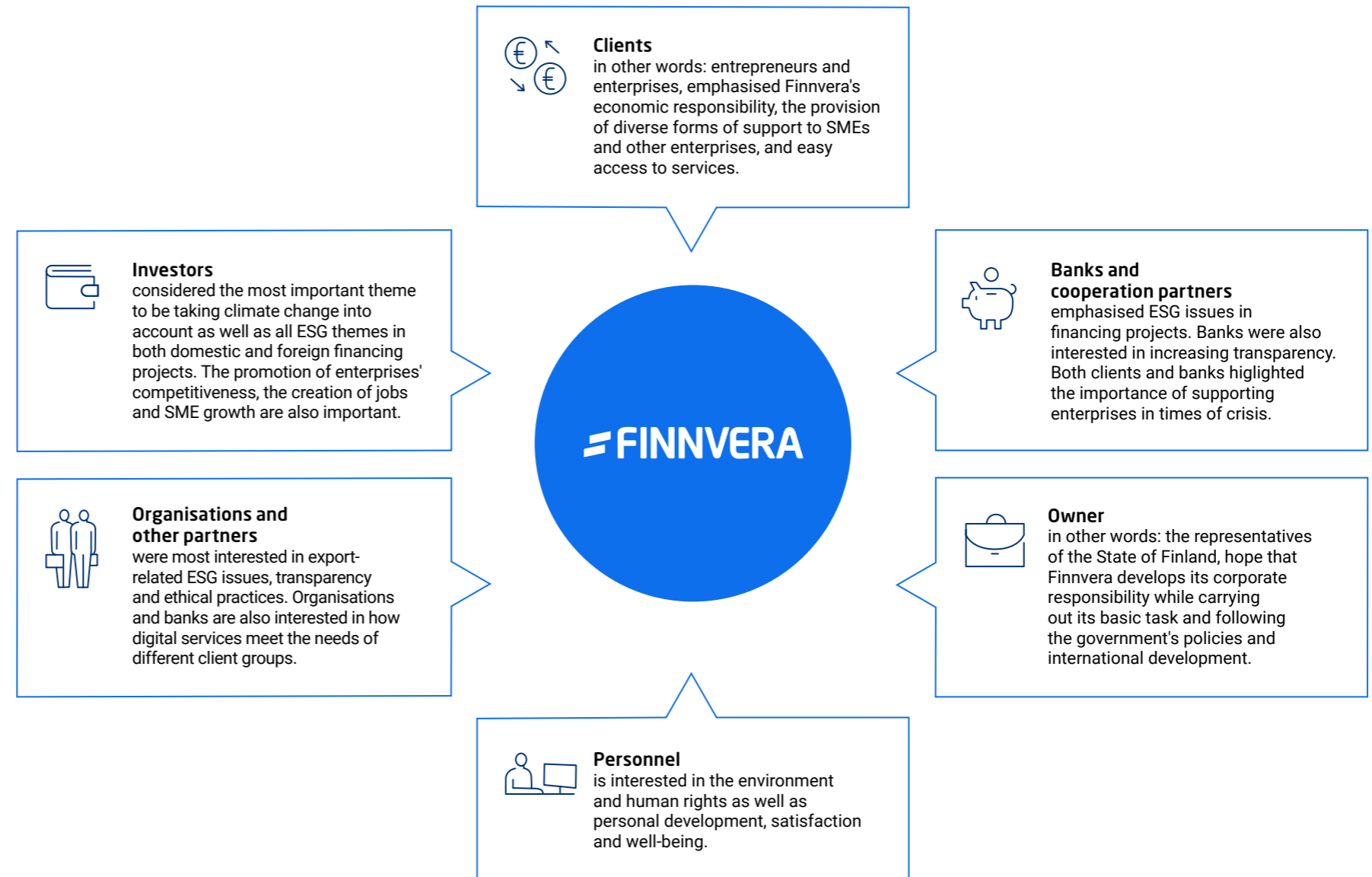
Corporate responsibility and impact are at the core of Finnvera's strategy. Through its financing, the company's task is to help its customers succeed and expand their business while ensuring responsible action towards the environment and humans. Corporate responsibility concerns all Finnvera employees, and the attainment of responsibility goals is promoted through systematic management practices.

Finnvera plays an important role in society by facilitating and boosting Finnish enterprising. The company's greatest impacts on the environment and people are generated through the industrial export projects financed by it. These projects create jobs and make Finnish expertise available in the target countries. As an export credit agency, Finnvera primarily finances new projects and technologies, which usually replace older, more polluting ones. This is how Finnvera's financing can promote a transition towards better technologies with lower emissions.

The negative impacts of the financed projects are managed through an accurate environmental, social and governance (ESG) risk assessment and monitoring of each project. Finnvera's ESG risk management process is described in the **Financing section** of this report.

As the key corporate responsibility themes in its operations, Finnvera has identified 1. responsible operating methods, 2. boost-

## Stakeholders' views on Finnvera's material corporate responsibility topic



ing the competitiveness of the Finnish economy and companies, 3. respect for the personnel and human rights, and 4. customer orientation. The themes were selected on the basis of a materiality analysis carried out in 2020. This analysis examined the expectations of Finnvera's key stakeholders by means of an extensive online survey and interviews. The analysis also took into account Finnish and EU level debate on corporate responsibility and changes in requirements. The next time the materiality analysis is updated, the key topics and impacts will increasingly be examined in line with the 'double materiality', i.e. taking into account both Finnvera's impacts on the economy, the environment and people and the impacts of society on Finnvera.

**Work guided by the principles of corporate responsibility**

The Ministry of Economic Affairs and Employment guides corporate responsibility at Finnvera through its ownership steering policies. These principles guiding the company's operations stress responsibility in dealings with all stakeholders as well as compliance with laws, regulations, recommendations issued by different authorities and international commitments in the company's operation. Finnvera's corporate responsibility policies are drafted by the Management Group, the Credit Committee and Asset Management, and they are approved by the Board of Directors.

As part of the state's ownership steering, state-owned companies must observe general corporate responsibility conventions and principles. In accordance with this policy, Finnvera complies with the UN Principles on Business and Human Rights (UNGP) and asks guarantee holders to respect OECD recommendations issued to multinational companies. Finnvera develops its objectives and indicators of corporate responsibility and monitors its frames of reference, including the UN's Sustainable Development Goals (Global Compact) as the basis for its operations and reporting. Finnvera's Code of Conduct is an important

guideline that brings together the legal rules, internal corporate responsibility policies and ethical principles to which all personnel members at Finnvera are committed. The personnel are familiarised with the ethical principles and the Code of Conduct in their induction training. Online training organised in 2022 familiarised all Finnvera employees with the corporate responsibility in the company's operations.

The policies governing financing define the ways in which Finnvera can participate in project financing. These policies also apply to partnerships. Finnvera's Environmental and social risk management policy is a key tool for controlling the impacts of Finnvera's financing. Finnvera's role as a public provider of financing and a channel of EU funding also necessitates strict policies on fight against corruption, bribery and tax havens. Finnvera complies with OECD recommendations, in addition to which it has internal guidelines for ensuring appropriate action that are updated annually. Finnvera also communicates to exporter companies about the principles of preventing corruption and tax avoidance in each financing project.

Finnvera strives to provide transparent information on the principles of its financing. A description of responsible operating practices and documentation related to them can be found on the company's website. The website also has an open whistleblowing channel which different stakeholders can use to report any abuses they have observed, anonymously if they so wish. No reports of abuse were received through the channel in 2022.

Human rights play an important part in Finnvera's corporate responsibility, as the export projects the company finances are often directed to countries where respect for human rights cannot be taken for granted. When assessing the social risks of financing projects, particular attention is paid to vulnerable groups of people, and projects are assessed from the perspective of both labour rights and impacts on local residents. [Read more in the section on ESG risk management in financing.](#)

**The material topics of Finnvera's corporate responsibility**

The material topics of corporate responsibility are based on the materiality analysis conducted in 2020. The topics have been refined taking into account the company's strategy and business:

**Responsible operating methods**

- Environmental and social responsibility in financing projects
- Working against corruption, bribery and tax havens
- Taking actions against climate change
- Sustainable financing
- Minimising the environmental impact of our own operations and procurement

**Financial responsibility**

- Boosting the competitiveness of the Finnish economy and companies
- Strengthening growth and competitiveness among small-scale entrepreneurs and SMEs through financing
- Promoting Finnish exports steadily and sustainably
- Creating jobs

**Respect for the personnel and human rights**

- Competent and well-being personnel
- Protecting information security
- Taking human rights into account in financing

**Client orientation**

- Client-oriented operations, a continuous improvement of the services
- Strengthening partnerships and cooperation models
- Open and clear communications

Finnvera allocated additional resources to work on corporate responsibility. Finnvera joined the corporate responsibility network FIBS. In 2023, the company will establish a cross-administrative group consisting of persons responsible for different areas led by the Corporate Responsibility Manager.



**Additional resources for work on corporate responsibility**

The goals set for corporate responsibility at Finnvera are approved by the company's Board of Directors. The responsibility goals are finalised together with other strategic goals as part of the annual planning system. The overall responsibility for achieving the goals rests with the Board of Directors and the Managing Director. Progress towards the goals in different units is monitored by Finnvera's Management Group, which reports to the Board of Directors at minimum once a quarter. The ownership steering policy ties performance associated with the responsibility goals to the rewarding of the Management Group. To read more about the rewarding of Finnvera's senior management, see the Statement on the Corporate Governance and Steering System.

Among other things, progress towards the corporate responsibility goals is monitored by means of an annual management review and internal and external audits as part of Finnvera's certified operating system. The work on corporate responsibility is also developed based on feedback from personnel, customers and stakeholders.

Significantly more stringent international obligations concerning corporate responsibility reporting will be introduced in the next few years. In 2022, Finnvera investigated the most effective organisational models related to responsibility and reporting and identified key business areas in terms of the company's impact. Reporting on these areas will be developed in the future. In 2023, Finnvera will establish a cross-administrative group consisting of persons responsible for different areas led by the Corporate Responsibility Manager.

Finnvera joined the corporate responsibility network FIBS. The training offered by this organisation will build up each Finnvera employee's competence related to responsibility themes as well as provide information on new requirements and development in the responsibility sector.

**Sustainable choices are important in procurements**

A Government Resolution states that public procurement must promote sustainable choices and aim for overall solutions that meet the needs in an ecologically and economically optimal manner. Finnvera complies with the Finnish Act on Public Procurement, which aims to enhance efficiency in the spending of public funds, promote high-quality, innovative and sustainable procurement, and safeguard equal opportunities for enterprises and other corporations to provide goods and services through competitive tendering for public procurements. Finnvera's largest procurements in 2022 were associated with the financing system upgrade, the update of online service architecture, and the case management system.

As far as possible, Finnvera relies on framework agreements negotiated by Hansel, the government's central purchasing body. In 2022, framework agreements were used in such procurements as media monitoring and cleaning services. The goal is to decrease total costs through systematic, long-term procurement not restricted by the boundaries of units and areas of responsibility. Finnvera relies on the services of approximately two hundred suppliers, most of which are Finnish.

As amendments to the Act on Public Procurement and Concession Contracts enter into force in 2023, we will examine especially what practical impacts the changes concerning quality will have on invitations to tender and contract award decisions, and whether the legislative amendment will make it possible to increasingly take environmental and social aspects into account in Finnvera's procurements. Procurements have also been included in the calculation of the impacts of Finnvera's operations. The environmental perspective has been addressed in Finnvera's company cars, for example, for which maximum emission limits have been set.

**An external ESG evaluation of Finnvera's operations**

In 2022, Finnvera commissioned an external evaluation from Sustainalytics, a company belonging to the Morningstar group, of compliance with the ESG criteria in Finnvera's operations from the perspective of investors. The evaluation found that Finnvera's ESG risk level is low.

[Read more >](#)



**Online training translates responsibility goals into tangible work**

Corporate responsibility has been given significant emphasis in Finnvera's new strategy. Consequently, the company has set the aim of building up competence related to corporate responsibility and sustainability throughout the organisation. In 2022, online training on responsibility themes identified as essential for Finnvera was organised for all personnel members. This training, which was mandatory for all Finnvera employees, highlighted concrete measures that Finnvera and every individual can take to achieve the goals set for corporate responsibility.



**Finnvera Group's tax footprint in 2022**

**MEUR 17**

(2021: MEUR 19)

As a state-owned specialised financing company, the parent company Finnvera plc is exempt from income taxation as defined in the Income Tax Act. The company's positive result is transferred to reserves annually for potential future losses. Finnvera measures its operations' impact on society by assessing, among other things, the growth, exports and employment achieved by enterprises with Finnvera's financing. The subsidiary Finnish Export Credit Ltd has no corresponding income tax exemption.



## This is how corporate responsibility is monitored and implemented at Finnvera

This table lists some of the goals, aspects to be monitored and actions which describe corporate responsibility in Finnvera's own operations, through transactions to be financed and their impacts.

	Corporate responsibility topic	Aspects that we monitor	Indicator or guiding principle	2021	2022	Observations
Responsible operating methods	Environmental and social responsibility in financing projects	Controlling the environmental and social impacts of projects carried out abroad	Screening of projects based on their environmental and social risks, risk category A and B projects of export guarantees applied for, %	A: 37% B: 25%	A: 36% B: 29%  ok	Finnvera screens all export financing applications for environmental and social risks. A total of 371 export credit guarantee applications were received in 2022, one third of which were scrutinised by the environmental and social risk management team. // Export credit agencies have an obligation to consider the borrowing restrictions set by the IMF and the World Bank for low-income countries.
		Sustainable lending: Prevention of over-indebtedness of low-income countries	Compliance with OECD Sustainable Lending Practices	ok		
	Work against corruption, bribery and tax havens	Identification of bribery and tax haven connections in financed projects according to Finnvera's anti-bribery and tax haven policies.	Finnvera's up-to-date policies, EU and OECD guidelines	ok	ok	Finnvera's operating policies are reviewed and updated annually. In 2022, Finnvera integrated measures to prevent money laundering and terrorist financing into its new operational risk management policy.
	Action against climate change	We help companies to grasp the opportunities created by climate actions	Financing of climate-positive projects	-	ok	Use of the EU's CEF AFIF facility in 2022. Preparation of climate and environmental loans and digital and innovation loans backed by an EU guarantee. Introduction H1/2023.
		We measure climate impacts	Ship financing CO <sub>2</sub> level, distribution of exposures related to energy	ok	ok	Application of the Poseidon Principles and dividing energy sector exposures into fossil sources and renewables. Calculation of Scope 1–3 CO <sub>2</sub> emissions for the first time in 2022 (from 2021 level).
		We identify climate change risks	Integrating climate change impacts into risk management	ok	ok	Including climate change and other ESG factors in the risk classification of projects to be financed in export financing in particular. The risk rating model to be introduced from 1/2023 onwards.
	Sustainable financing	Sustainable financing framework	Terms and targets for sustainable and responsible investments	-	ok	In 2022, a framework for sustainable financing was approved for Finnvera's funding and investments.
	Minimisation of the environmental impacts of Finnvera's own operations and purchasing	Business travel replaced by video and telephone conferences, prioritising rail transport in domestic travel	Domestic flights/train journeys in the year under review	32/20	199/414	In Finnvera's travel policy, domestic flights are replaced with rail travel on routes where this can be conveniently done. The need for international flights is determined based on project requirements. Before making a trip, it must be considered if it is necessary to make the trip or if it is possible to use virtual connections. // Maximum emission limits have been set for Finnvera's company cars.
			Digitalisation as a way to reduce paper consumption	ok	ok	Finnvera's offices are mainly paperless, and such solutions as e-services and electronic signatures are used in client services.
			Using the framework agreements of Hansel, the government's central purchasing body	ok	ok	Public procurement conducted under the Act on Public Procurement and Concession Contracts must promote sustainable choices. Hansel framework agreements, e.g., in travel agency services, which take environmental responsibility issues into account
Financial responsibility	Self-sustainability: In the long term, the expenses incurred in the company's operations can be covered by the income received from operations	Cumulative self-sustainability was achieved	ok	ok	The period for reviewing self-sustainability is 10 years for SME and midcap financing and 20 years for export financing. Cumulative self-sustainability has been attained in Finnvera's SME and midcap financing over a 10-year period. Correspondingly, export financing has been cumulatively self-sustainable for as long as Finnvera has been operating.	
		Capital adequacy: Capital adequacy for domestic operations must be at least 15 per cent	Capital adequacy %	23.9%	25.7%	

	Corporate responsibility topic	Aspects that we monitor	Indicator or guiding principle	2021	2022	Observations
Boosting the Finnish economy and the competitiveness of enterprises	Providing financing solutions that enable growth, internationalisation, and competitiveness for small entrepreneurs and SMEs	Allocating 80 per cent of financing to strategic focus areas	%	91 %	91%	Domestic financing mainly focused on start-ups, growing and internationalising companies and their growth, investment, transfer of ownership and export projects.
		Start-ups financed	number	2 399	1,931	
		SME and midcap financing offered and the share of enterprises seeking growth and internationalisation	EUR/%	EUR 1.7 bn/ 52%	EUR 1.3 bn/ 51%	
		Transfers of ownership financed	EUR/number	174 MEUR/ 813	130 MEUR/ 771	
	Promoting Finnish exports steadily and sustainably	Guarantees that came into effect	EUR	EUR 3.3 bn	EUR 5.3 bn	Based on the Finnish Customs' preliminary statistics on international trade in goods.
		Export credit guarantees and special guarantees offered	EUR	EUR 4.3 bn	EUR 5.7 bn	
		Ratio of exports covered by export credit guarantees to Finland's total exports	%	3,66 %	4.32%	
Creating jobs	New jobs created with the help of SME and midcap financing	number	8 599	6 001		
Looking after the personnel and respect for human rights	Skilled and healthy personnel	Training per year	hours per person per year	8,4	20.6	The work motivation survey is carried out annually and the People Power index every two years. In 2021, the index was 76.8 (2019: 72).
		Performance review discussions for the entire personnel to support competence and well-being	participation %	90 %	89%	
		Personnel survey index	People Power index	76,8	4.3/5 -	
		Sick leaves	%	1,20 %	2.5%	
		Discrimination cases	number	0	0	
	Information security	Keeping information security, systems and information security skills up to date	System testing and personnel training	ok	ok	Cyber and information security training for all personnel. Finnvera participated in the Government's Common Digital Security Exercise TAISTO.
	Taking human rights into account in financing projects	Controlling the environmental and social impacts of projects carried out abroad	Project categorisation according to environmental and social risks, including human rights risks	ok	ok	The UN Guiding Principles on Business and Human Rights (UNGP) are taken into account when assessing financing projects. Finnvera participated in the development project of public providers of financing (Shift), the final report of which was published in December 2022.
Client orientation	Client orientation in all of our operations and the continuous improvement of customer experience	Clients' willingness to recommend us	NPS index	67	72	Willingness to recommend is constantly monitored. The Net Promoter Score (NPS) measuring client willingness to recommend was at a record high in 2022.
		Client satisfaction	NPS index by business area, average	68,9	-	An extensive client and stakeholder survey is conducted every other year. The next survey will be conducted in 2023.
	Reinforcing partnerships and cooperation models	Active stakeholder dialogue, stakeholder satisfaction	Stakeholder surveys, meetings and contacts with clients and stakeholders	ok	ok	In 2022, the number of meetings and contacts with clients and stakeholders was over 5,500.
	Open and clear communication	Finnvera publishes company stories and information about guaranteed export transactions by the parties' permission	Publications on the Finnvera.fi website	ok	ok	Finnvera publishes company stories and information about guaranteed export transactions by the parties' permission.

**Personnel**

## Renewed values guide corporate culture and personnel development

Year 2022 was marked by a joint effort to develop corporate culture and the launch of Finnvera's new values. Meeting colleagues once again at Finnvera Day after long lockdown periods also set a positive tone for the past year.

Motivated and competent personnel are an important success factor for Finnvera, and the employees are supported in many ways in developing their professional competence. Finnvera also invests in personnel well-being by supporting both the physical and mental health of the employees. Finnvera's key policies on HR management include transparent rewarding, systematic competence management and personnel planning, and taking care of the employer image.

Around 365 experts in various fields work at Finnvera in 15 localities around Finland. Most of the employees are based in the company's headquarters in Helsinki. The next largest offices are located in Kuopio, Turku and Tampere. In 2022, 28 new permanent employees joined the company. The company had 17 summer workers.

Over the past three years, almost 80 new employees have joined Finnvera to replace those who have retired or moved to completely new tasks, for example as a result of digitalisation. This has also shortened the average dura-

tion of careers at Finnvera, which traditionally were long, 13.4 years in average in 2022, contributing to the renewal of Finnvera and our corporate culture.

### Finnvera's new values renew company culture

Finnvera's HR work was strongly marked by a renewal of the corporate culture and values. The idea was to ensure that Finnvera's culture supports the attainment of the company's goals. The renewal of the values was initiated by finding out which aspects of the work the personnel consider the most meaningful and to what extent the work is perceived as meeting their expectations. In addition to the survey, the personnel and management were extensively engaged in interviews to discuss the core elements and future direction of working at Finnvera.

Finnvera's new values are: better together, for a good cause, let's get started and courage to solve. The values were launched in the spring at the Finnvera Day event.

Finnvera's management principles were updated in line with the renewed values: Supervisory work is carried out in a good spirit with community support and a can-do attitude – understanding the supervisor's responsibility and role as the employer's representative. The new values were also incorporated as a visible part into Finnvera's internal communications in the form of guidelines and videos that build the employer image.

### Personnel development with future competence needs in mind

Addressing future competence needs in working life is at the core of Finnvera's personnel development. Especially digitalisation, which has strong links to the strategy, will significantly change the tasks, and Finnvera wishes to support its personnel through the change proactively and offer alternative development paths.

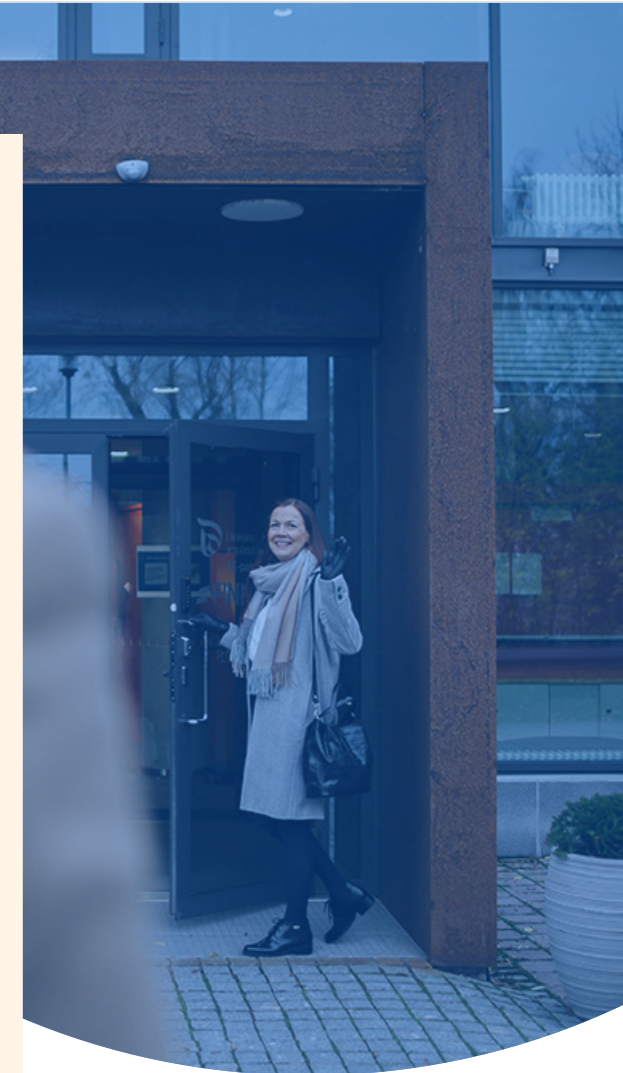


### Finnvera Day brought all employees together

Finnvera Day is an event that has traditionally brought all Finnvera employees together every second year. After being postponed several times, Finnvera Day finally took place in May 2022.

Launching the new values and corporate culture comprised the main content of the event. A work community theatre put on a performance to illustrate the culture and activities in line with the new values. Through personal stories, the Management Group explained how the values have been present in their lives.

After lengthy lockdowns and a period during which almost all work was carried out remotely, the event helped soften the return to daily encounters and hybrid work.





Finnvera's new values are: better together, for a good cause, let's get started and courage to solve.

In the personnel plan "Finnverans 2025" prepared in 2021, the company identified competence areas essential for its strategy on which personnel development will focus. In 2022, a responsible officer and an action plan were defined for each competence area. Personal development areas were also identified for each Finnvera employee on the basis of Group level key competence areas.

On average, the personnel received a total of 20.6 hours of training per person (women 19.9 hours and men 21.6 hours) in 2022. The training was strongly linked to the identified strategic competence areas. Training related to project management and managing your own work was offered to all personnel members. In addition, online training on corporate responsibility and cyber security that was mandatory

for all employees was organised. Training specific to certain roles was arranged, for example for supervisory duties and customer work.

In 2022, a so-called 360 evaluation was commissioned for Finnvera's Management Group to assess its members' management competence and compliance with the management principles. Based on the evaluations, personal development plans were drawn up for the Management Group members. In 2023, all supervisors in the company will get their turn.

**Supporting mental resources is important - Finnvera employees have a high level of work energy**

The joint development of Finnvera's corporate culture and the personnel day in the spring strengthened the sense of togeth-



**Revamps of Helsinki and Kuopio premises**

Finnvera completed extensive facility projects as Finnvera and Business Finland launched a search for joint premises in Helsinki in autumn 2021. In October 2022, the companies agreed to extend the lease on the premises known as the Team Finland building with Ilmarinen Mutual Pension Insurance Company until January 2028.

The new lease enabled Finnvera to give up some of its premises. The requirements of hybrid work will be addressed better in the facilities. The personnel had opportunities to influence both the mapping of space requirements at the beginning of the search for facilities and the decoration of the new premises.

In October, a search for premises for Finnvera's Kuopio office was launched. The employee views were collected in a work environment survey and small group interviews. According to the preliminary schedule, the new lease will be signed in spring 2023, and the move may take place in late 2023.

Finnvera's business principles state that Finnvera is a safe place to work where everybody is treated equally.

erness. The hybrid work model was introduced with the aim of combining the best aspects of office and remote work. In addition to virtual coffee breaks, Finnvera employees also met face to face more frequently.

Finnvera looks after the well-being of its personnel by offering them comprehensive occupational healthcare services, which include health examinations at certain ages, laboratory tests and access to physiotherapy. The sick leave rate in 2022 was 2.5 (1.2). To promote occupational safety, the personnel were provided with information on travel safety at the beginning of the year. In connection with the annual occupational safety days, the employees in Finnvera's head office in Helsinki were familiarised with the civil defence shelter and given fire-fighting and first aid training.

Providing support for mental resources in an unstable world situation has also been emphasised. Russia's invasion of Ukraine gave rise to momentary feelings of uncertainty and lack of meaning in the work. The personnel were supported through this crisis by offering a shared discussion forum and a psychologist's assistance to those who needed it.

Despite the uncertain global situation, the work energy of Finnvera employees remained at the very good level of 4.3/5 (4.3/5) in the annual survey of 2022. The survey found that, similarly to recent years, Finnvera's eNPS (Employee Net Promoter Score) index remained high at 33 points (35). The survey also looked at how the new values were realised in Finnvera employees' daily life. They found that For a good cause was realised the best of all four values, and the greatest need for development was seen in Courage to solve it. The feature is partly associated with the special nature of work as a risk analyst. By relaxing various guidelines, an effort will be made to create space for solutions.



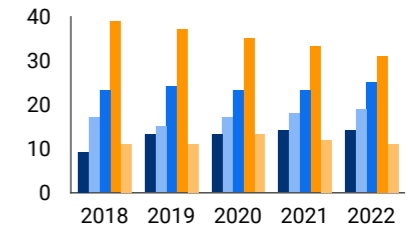
Finnvera's business principles state that Finnvera is a safe place to work where everybody is treated equally. We monitor and report on the realisation of equality and non-discrimination in different areas of working life, placement in tasks, reconciliation of work and private life, training and career development, workplace bullying and sexual harassment, and pay equality. The data indicate that gender equality and non-discrimination are realised in these areas at Finnvera.

The rights and freedom of employees to organise and join representative organisations of their choice are observed in our workplace. We respect the ILO conventions in our operations. We also comply with the national Working Hours Act.

[Read more about Finnvera's Code of Conduct >](#)

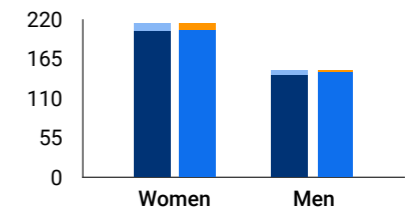
**Personnel age distribution, %**

	2018	2019	2020	2021	2022
Under 31 years	9%	13%	13%	14%	14%
31–40 years	17%	15%	17%	18%	19%
41–50 years	23%	24%	23%	23%	25%
51–60 years	39%	37%	35%	33%	31%
Over 60 years	11%	11%	13%	12%	11%



**Type of employment contract in year 2022, ppl**

	Women	Men
Permanent contract	203	142
Fixed-term contract	12	8
Full-time contract	206	146
Part-time contract	9	4
Zero-hour contract	0	0



**Type of employment contract by location in 2022, ppl**

	Permanent contract	Fixed-term contract	Full-time contract	Part-time contract	Zero-hour contract
Helsinki headquarters and regional office	192	8	191	9	0
Joensuu	5	0	5	0	0
Jyväskylä	11	1	12	0	0
Kajaani	4	0	4	0	0
Kuopio headquarters and regional office	37	6	42	1	0
Lahti	6	0	6	0	0
Lappeenranta	8	0	8	0	0
Mikkeli	6	0	6	0	0
Oulu	13	0	13	0	0
Pori	8	0	7	1	0
Rovaniemi	5	0	5	0	0
Seinäjoki	5	1	6	0	0
Tampere	19	3	21	1	0
Turku	19	1	19	1	0
Vaasa	7	0	7	0	0
<b>Total</b>	<b>345</b>	<b>20</b>	<b>352</b>	<b>13</b>	<b>0</b>

**Personnel turnover in 2022**

	Men, ppl, %	Women, ppl (%)	Total, ppl (%)		Men, ppl, %	Women, ppl (%)	Total, ppl (%)
<b>Incoming</b>				<b>Outgoing</b>			
Under 30 years	2 (0.6%)	3 (0.9%)	5 (1.5%)	Under 30 years	1 (0.3%)	0	1 (0.3%)
30–50 years	12 (3.5%)	9 (2.6%)	21 (6.1%)	30–50 years	11 (3.2%)	10 (2.9%)	21 (6.1%)
Over 50 years	1 (0.3%)	1 (0.3%)	2 (0.6%)	Over 50 years	13 (3.8%)	9 (2.6%)	22 (6.4%)
<b>Total</b>	<b>15 (4.4%)</b>	<b>13 (3.8%)</b>	<b>28 (8.1%)</b>	<b>Total</b>	<b>25 (7.3%)</b>	<b>19 (5.5%)</b>	<b>44 (12.8%)</b>

**Environmental impacts**

## A stride forward in identification and reporting of climate impacts

One of Finnvera's main company-level goals in 2022 was developing the calculation and more extensive reporting of the emissions. Strides forward were made in not only emissions reporting but also intensifying international climate cooperation.

Finnvera's key climate and environmental impacts are generated through various export financing projects. Whereas many of the industrial sectors financed by Finnvera consume natural resources and produce emissions, Finnish state-of-the-art technology can also help to reduce the environmental loading caused by projects.

A key tool for minimising the negative environmental impacts of financing is Finnvera's environmental and social risk management policy. At the practical level, the impacts are tackled by means of ESG risk assessments carried out in connection with financing decisions for export projects. In terms of the environment, careful assessment is emphasised in projects implemented in areas with sensitive natural values. As a party to the OECD Arrangement, Finnvera is also committed to taking biodiversity risks into account in its financing.

### Active participation in international climate cooperation

Finnvera's strategy sets the goal of more accurate identification, measurement and reporting of the climate impacts of financing. In the absence of CO<sub>2</sub> calculation rules for export financing operators, participation in international cooperation to develop these methods was seen important.

In 2022, Finnvera joined the EU's Export Credit Agency (ECA) summit, a cooperative body whose objectives include agreeing on common CO<sub>2</sub> calculation practices for export financing. In our chairmanship role, Finnvera also continued to actively influence the OECD Arrangement negotiations, in which the key theme in 2022 was providing additional incentives for climate-friendly projects in export financing. On Finnvera's initiative, the State of Finland also joined the international Export Finance for Future (E3F) Coalition, which aims to channel funding to climate-positive projects.

### Finnvera determined the shares of renewables and fossil energy in energy sector exposure

Finnvera's financing exposure related to energy production are divided between renewable and fossil fuels as follows.

The exposure for export financing related to energy production and distribution amounted to EUR 782 (758) million at the end of 2022. Fossil energy accounted for 57% (66), renewable energy for 34% (24) and peat for 5% (6) of this amount, including guarantees related to power generation, electricity and heat distribution. 4% (4) of the guarantees were not categorised.

In domestic financing, the exposure for energy production totalled EUR 12 (24) million. Most of this exposure was related to renewable energy. The analysis took into account the sectors related to electricity and gas production and the production and distribution of heat and cooling.



### Export financing for fossil fuels to be reduced under international agreements

Finnvera continued to update the sectoral policies of its financing by limiting export credit guarantees granted for oil and gas projects. In the future, export credit guarantees will only be granted for power plants that are vital for security of supply, or projects that support renewable energy or replace higher-emission production. This policy is based on the goals set by the Export Finance for Future (E3F) Coalition and Glasgow Climate Change Conference to end public support for fossil fuels.

[Read more >](#)

As part of our risk management in 2022, Finnvera examined the effects of climate change risks on the risk classification system of companies and financed projects. We safeguard the preconditions for our operation by identifying the risks and opportunities brought about by climate change in credit risk assessments and our asset management. Through the selected risk classification model, we will integrate climate change impacts into our financing decisions and risk management from January 2023 on.

**Following the Poseidon Principles, Finnvera calculated emissions for ship financing**

For the second time, Finnvera calculated the carbon intensity level of its outstanding commitments related to ships. The result was 57.3% above the targeted level based on the emissions goals of the International Maritime Organization (IMO). The result differs significantly from the previous year's figure, as Finnvera was 7% below the international target level in 2021. The calculation method is based on a formula that takes into account the distance travelled by ships during the year. During the pandemic, this calculation posed challenges to operators as cruise ships mainly stayed in ports while their maintenance continued to generate emissions.

The figure reported for last year is based on data from 2021, a year in which the cruise industry was still affected by the pandemic to some extent, even if some ships were already sailing. A more stable year for the cruise industry and consequently also for emissions calculations is expected in 2023 as ships resume normal operation.

**A major stride forward in calculating emissions associated with export credit guarantee exposure**

One of Finnvera's main goals in 2022 was to include not only ship financing, representing around one half of Finnvera's exposure for export credit guarantees, but also the rest of the exposure in the calculation of CO<sub>2</sub> emissions. In 2022, Finnvera focused on developing its calculation methods, as a result of which the company was for the first time able to report not only its direct CO<sub>2</sub> emissions but also its most significant indirect emissions (Scope 2–3).

Emissions have been calculated for the whole domestic and export financing. The data was collected from companies that have reported access to (Scope 1 and 2). Other

emissions were calculated by estimating on a cost basis. Finnvera's emissions were calculated in accordance with the international GHG protocol. Emissions from the financed projects were calculated in line with the detailed guidelines of the PCAF standard. Finnvera's carbon footprint in 2021 was 9 Mt CO<sub>2</sub>e. Of the emissions, 99.993 percent consisted of financed emissions. The carbon footprint of Finnvera's own operations totalled in 637.11 t CO<sub>2</sub>e in 2021.

The goal set for 2023 is to set a target for reducing our climate impacts.

**Environmental impacts of Finnvera's operations**

Finnvera's direct environmental impacts are mainly associated with the energy consumption of buildings as well as travel in Finland and trips associated with international financing projects. The company's offices operate on modern premises at 15 locations. The Green Office principles are followed in the largest office located in the Team Finland building in Ruoholahti, Helsinki. In 2022, Finnvera prepared to take measures for safeguarding adequate energy supply in the buildings in which the com-

pany operates, among other things by means of exercises for coping with the effects of a longer power outage. A large share of the properties in which Finnvera employees work announced that they were lowering their indoor temperature.

Finnvera strives to minimize the environmental impact of our direct operations. In line with the domestic travel policy, non-essential business travel is replaced by virtual meetings, and rail transport is preferred in domestic travel. Foreign travel is related to financing projects abroad, in particular, which involve site visits and meetings with foreign buyer clients and financing partners. The need for a visit is always determined on a case-by-case basis. After the interruption necessitated by the coronavirus pandemic, foreign travel resumed in 2022.

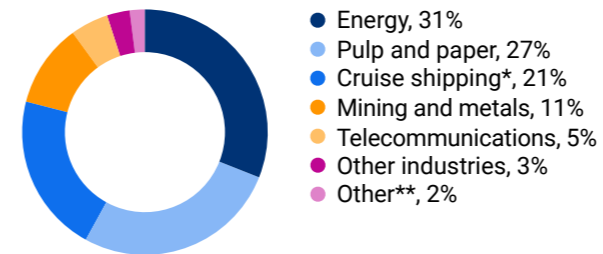
**Carbon footprint in Finnvera's own operations in 2021, in total 637.11 t CO<sub>2</sub>e**

	Emissions t CO <sub>2</sub>	share of carbon footprint, %
Scope 1	80.17	13%
Scope 2	359.36	56%
Scope 3	197.58	31%
<b>Total</b>	<b>637.11</b>	<b>100%</b>

**Financed domestic emissions in 2021 by sector, in total 1,370,616 t CO<sub>2</sub>e**



**Financed export emissions in 2021 by sector, in total 7,671,461 t CO<sub>2</sub>e**



\* Emissions calculated by ship (in other sectors as company emissions)  
 \*\* Including emissions related to state and bank exposure

Flight emissions in 2022  
**249 t CO<sub>2</sub>e**  
 (2021: 19.4 t CO<sub>2</sub>e)

Business travel increased after the pandemic and restrictions were eased. There were 414 (20) international and 199 (32) domestic flights. For comparison, in 2019, flight emissions were 325 t CO<sub>2</sub>e.

## Climate change mitigation in Finnvera's operations



### Encouragement

We help our customers seize the opportunities created by climate change action by financing growth, exports and investments.

- Backed by the InvestEU guarantee programme, we provide loans for SMEs' digitalisation and climate projects
- Our aim is to increase the share of climate-friendly projects



### Restrictions

Our sectoral policies exclude the most harmful projects for the climate.

- Coal-fired power plants and peat projects abroad are not eligible for Finnvera's financing
- Our export credit guarantees for the oil and gas sectors are restricted



### Measurement and reporting

We set goals for as well as measure and report on the climate impacts of the projects we finance and our own operations.

- We report on emissions relating to our ship liabilities according to the Poseidon Principles
- We calculate the direct and indirect CO<sub>2</sub> emissions from our operations
- We will set a target for reducing our climate impacts



### Influencing

We influence the regulatory framework of export financing.

- We influence and participate actively in OECD Arrangements negotiations
- We exert influence and act as part of the E3F Coalition



### Risk management

We are integrating climate change risks into our key financing decisions and risk management.

- We will add an ESG element to the risk classification model of the projects to be financed



### Competence

Corporate responsibility is one of our strategic competences.

- We will build up our competence related to corporate responsibility by means of training



Finnvera's strategy sets the goal of more accurate identification, measurement and reporting of the climate impacts of financing.



# Financing in 2022

The SME sector started the year with expectations of growth, and the demand for financing broke all records in early 2022. The uncertainty resulting from a changing global situation was reflected as postponement of investments. However, Finnvera continued to finance strongly the growth and internationalisation of companies. The demand for export financing remained stable, and Finnvera backed Finnish companies' exports.



## Largest amounts of financing for industrial sectors

As before, the largest amounts of domestic financing went to industry. Financing granted to the trade and consumer services sector increased from 2021. In Finnvera's export financing, the telecommunications and forest sectors were prominent.

## New export credit instrument for companies

Finnvera prepared for launching a direct export credit for foreign buyers intended to accelerate export transactions. The new export credit will be introduced in February 2023 as the legislative amendment enabling it has entered into force. Financing plays an important role in increasing the number of export companies, which are crucial for the Finnish economy.

## High customer satisfaction with Finnvera's services

Finnvera's customer feedback and customer experience scores were higher than ever. Customer feedback on the benefits of Team Finland cooperation was also historically good. Formulated together with the personnel, Finnvera's new values were launched in 2022 as part of our operating methods.

**Domestic financing**

## High volume of financing despite uncertain times

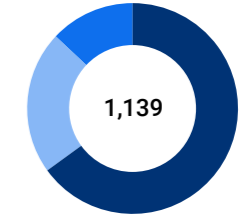
The positive trend in the growth, internationalisation and investments of companies that began in 2021 continued in early 2022, and the volumes of domestic financing were high. While the change in the operating environment and uncertainty following Russia's attack on Ukraine reduced the demand for financing, domestic funding nevertheless exceeded EUR 1 billion over 12 months.

As a whole, domestic financing remained at a higher level than in the pre-pandemic period. Finnvera granted enterprises a total of EUR 1.1 (1.7) billion of domestic loans, guarantees and export guarantees. The amount of financing granted totalled to EUR 1.3 (1.7) billion when also the export credit guarantees for SMEs and midcaps are included.

Domestic financing included EUR 196 (516) million of financing granted to large companies. Finnvera granted working capital loans to large corporates within the framework of the European Investment Bank's (EIB) Pan-European Guarantee Fund (EGF). This guarantee programme continued until the end of 2022.



Domestic financing granted 2022, MEUR



- Guarantees, 743 MEUR, 65%
- Loans, 247 MEUR, 22%
- Export guarantees, 149 MEUR, 13%

Domestic financing granted  
**EUR 1.1 bn**  
 (2021: 1.7)

Transfers of ownership financed  
**130 MEUR**  
 (2021: 174)

Export guarantees for SMEs' exports  
**270 MEUR**  
 (2021: 272)

**Industry accounted for largest financing amounts, financing for trade and consumer services increased**

Examined by sector, industry received the largest amount of financing measured in euros, or EUR 616 (1,055) million in total, accounting for 54% of the financing. This represented a significant drop in the sector's financing share from the previous year's figure of 64%. The difference is partly explained by significant financing provided for large corporates in 2021, mainly in the industrial sector.

EUR 251 (312) million was granted to business services, which accounted for 22% of the total amount. In 2022, trade and consumer services were the only main sector in which the amount of financing increased from the previous year. EUR 206 million (174) was granted to this sector, and its relative share of the financing increased to 18%. The tourism sector accounted for EUR 52 (92) million and 5% of the financing.

The breakdown by sector does not include export credit guarantees for SMEs.

More than 90% of the domestic financing went to companies and target groups identified in Finnvera's strategy: start-ups and companies seeking growth and internationalisation as well as investment, transfer of ownership, export and delivery as well as SME guarantee projects.

While working capital financing was prominent, its share of all projects financed decreased significantly from the previous year to 47% (53). Uncertainty in the operating environment had a negative impact on investment financing towards the end of the year. As a positive trend, previously launched investments went ahead during the year, despite the uncertainty. The euro-denominated share of investments out of all projects financed was 34% (31).

Companies seeking growth and internationalisation, which are crucial for boosting economic growth, accounted for 51% (52) of the SME and midcap financing granted by Finnvera.


**Financing products were renewed and diversified**

Finnvera's primary form of financing is guarantees for loans granted by banks or other financial institutions. In 2022, guarantees represented 65% of our domestic financing, while loans accounted for 22% and export guarantees for 13%. Finnvera approved 85% of financing applications received.

The availability of financing for companies remained at a good level, and Finnvera sought to diversify its financing options, for example by seeking new partners to grant financing to companies with a Finnvera guarantee.

We updated the terms and conditions of our Entrepreneur loan at the beginning of October 2022. No self-financing share is now required, and as little as five per cent is accepted as the entrepreneur's shareholding in the target company. The loan amount is always considered individually in each case, and following the update, these loans are also available for larger projects than before. Additionally, they are suitable for situations where the borrower has a shareholding in a company larger than an SME. Finnvera's Entrepreneur loan is a personal loan that can be used to finance the purchase of shares in a company, or to invest in the share capital of a limited liability company or an invested non-restricted equity fund. Among other things, the Entrepreneur loan is suitable for corporate acquisitions.

During the year, Finnvera made preparations for granting direct export credits to Finnish export companies' foreign buyers as a new product. This means that Finnvera gives a guarantee for an export credit granted by its subsidiary, Finnish Export Credit Ltd, and the arrangement does not involve a bank. Background studies found that SMEs struggle to access financing for their export transactions, and the development of exports is hampered by Finnish companies' lack of access to equally extensive financing solutions for export trade as

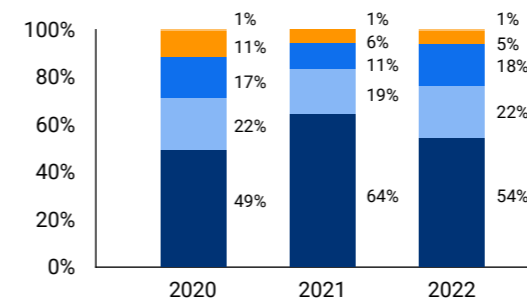


**Growth at the heart of the green transition**

Enersense is a shining example of a company that has succeeded in making the right decisions at the right time. Underpinning its growth have also been successful acquisitions, which have strengthened Enersense's position at the heart of the green transition. Finnvera has been a financing partner for this listed company in several projects.

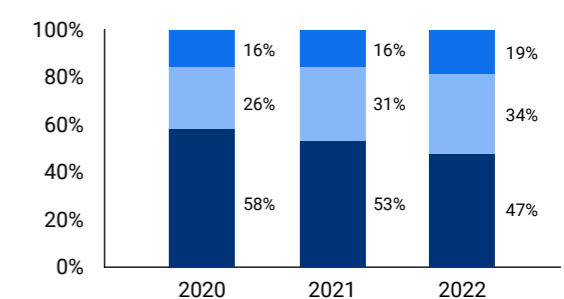
[Read more >](#)

**Domestic financing granted by main sector, % of financing granted**



- Industry, 2022: 54%
- Services to business, 2022: 22%
- Trade and consumer services, 2022: 18%
- Tourism, 2022: 5%
- Rural trades, 2022: 1%

**Share of investments and working capital in the overall projects financed %, domestic financing**



- Working capital, 2022: 47%
- Investments, 2022: 34%
- Other, 2022: 19%

businesses in competitor countries. The granting of direct export credit to buyers, which is intended particularly for accelerating SMEs' exports and export transactions worth less than EUR 20 million, will begin as the legislative amendment enabling this has entered into force.

**Diverse use made of EU funding**

The modifications to Finnvera's products made during the pandemic in 2020 remained valid. The banks had access to an 80% Finnvera guarantee and additional EU financing instruments. Finnvera also tapped EU funding. The agreement on the European Investment Fund's COSME LGF counter-guarantee, which enables Finnvera to provide unsecured SME Guarantees, will continue until the end of 2023.

Finnvera concluded an agreement on partnering with the European Investment Fund in the InvestEU Programme and will introduce the new loan products supported by the programme in the first six months of 2023. Bolstered by a guarantee under this Programme, Finnvera will launch a climate and environment loan intended for companies' climate and environment positive investments, and a digitalisation and innovation loan for business development.

Finnvera partners with the Alternative Fuels Infrastructure Facility (AFIF) of the European Commission's Connecting Europe Facility (CEF). Finnvera granted two loans within the framework of this facility in 2022, which leveraged EU grants totalling over EUR 10 million and investments totalling over EUR 30 million in reducing transport emissions.

In line with Finnvera's strategic goals, efforts were made to increase further the uptake of Growth Loans intended for growth and internationalisation projects and business reorganisation. The Growth Loan is a so-called junior loan which, in the context of lending, is to a great extent comparable to a company's equity and improves its possibilities of acquir-



**Acquisitions require external financing, Finnvera's Entrepreneur loan settled the transfer of business**

Haurun Jäteauto Oy in Oulu, Finland was taken over by the third generation of the same family. The new owners aim to modernise old practices in waste management. Without Finnvera's Entrepreneur loan, they would have struggled to complete the transfer of business to the next generation.

ing external financing. More advantageous terms and pricing for these loans were introduced in 2020.

**Transfers of ownership slowed down by uncertainty**

While transfers of ownership are important from the perspective of corporate structure renewal and business sector vitality, business acquisitions are sensitive to downturns. The uncertain outlook and rising cost levels hampered transfers of ownership in 2022, and after a record year in 2021,



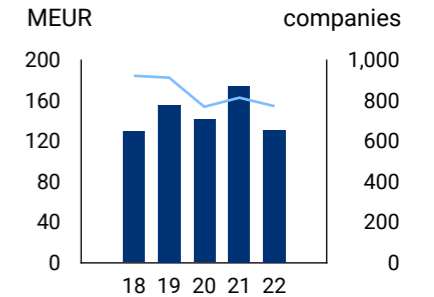
**Need for charging points increased by transport electrification, EU support programme speeds up progress**

Finland has been granted funding for expanding the charging network for electric cars under the Connecting Europe Facility for Transport. Speeded up by the EU funding, Neste is building new charging stations around the country.

Finnvera's financing for transfers of ownership dropped to EUR 130 (174) million. Finnvera was involved in the transfers of ownership of 771 (813) companies. The average size of transfers of ownership financed by Finnvera also decreased. There were regional differences in transfers of ownership, and a high number of them still went ahead in Southern Finland, especially in Uusimaa.

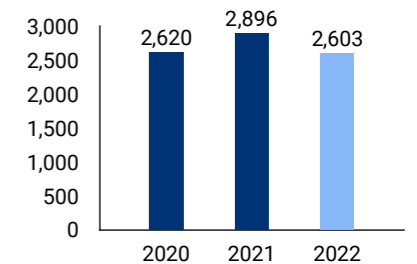
Financing transfers of ownership is one of Finnvera's strategic priorities, and active cooperation to speed up such

**Transfers of ownership financed**



● MEUR, 2022: 130  
— Number of companies, 2022: 771

**3-year-trend of exposure, MEUR Loans, guarantees and export guarantees**



transfers and acquisitions continued within the framework of the broad-based Forum for Transfers of Ownership.

**Export financing for SMEs almost on par with previous year's level**

Finnvera granted EUR 270 (272) million in export guarantees for SMEs. Under a special authorisation from the European Commission, Finnvera could continue granting credit insurance also for projects in Western industrialised countries and, for example, EU Member States.

One of Finnvera's long-term strategic goals is to increase the number of enterprises using the export financing services. Finnvera's direct export credit for transactions worth less than EUR 20 million is one of the measures that will support growth in exports. More than 140 export financing workshops were organised, and financial advice for export trade was offered to companies around 230 times during the year. The workshops are part of Finnvera's customer advice service provided free of charge, and they will be continued in 2023.

**Outstanding commitments reduced, companies' solvency remained fairly good**

Finnvera's outstanding commitments in domestic financing amounted to EUR 2.6 billion (2.9). This represents a decrease from the previous year due to repayments of pandemic financing and other large repayments. After the pandemic years, the situation of Finnish companies was largely back to normal in 2022, and Russia's invasion of Ukraine had no significant direct impacts on Finnish companies. Companies' solvency remained fairly good.

Almost a half of the exposure in SME and midcap financing concern industry, approximately a quarter concern business services and almost a fifth the trade and consumer services sector. While the share of tourism in the granted

financing saw a significant increase momentarily as a result of the pandemic, the share of this sector in the exposure has remained unchanged in recent years at around 10%.

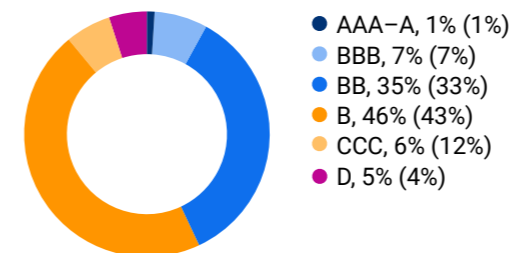
Risk categories BB and B accounted for 82% of Finnvera's outstanding commitments for domestic financing. While BB and B are risk categories of so-called normal financing for Finnvera, companies belonging to them may struggle to access financing in the market. As for enterprises in risk category CCC, their ratings have usually declined after the financing was originally granted and therefore the credit risk has clearly increased. These companies accounted for 6% of the outstanding commitments, while category D companies accounted for 5%. Finnvera's financing is usually less important in categories BBB and higher.

**High number of customer contacts and resolved issues**

Finnvera's customer service received more than 14,500 calls (12,500) and answered 92% of them in 2022. In up to 87% of all cases, the customer's issue was resolved directly during the call. The number of contacts was the largest at the beginning of the year, and similarly to the year before, March was the busiest month regarding the number of calls. While the call numbers went up from the previous year, they were still lower than in the pandemic year of 2020, in which Finnvera received 17,000 calls. More than 6,150 e-mails were responded to in 2022, and Finnvera's chat served customers more than 800 times. Financial advice for start-ups and up-and-running companies was a particularly popular topic.



**Exposure by risk category 31 Dec 2022, % Loans, guarantees and export guarantees In total 2,603 MEUR (31 Dec 2021: 2,896 MEUR)**



**Exposure by sector 31 Dec 2022, % Loans, guarantees and export guarantees, in total 2,603 MEUR**





**Juuso Heinilä**  
Executive Vice President,  
SME and midcap business

Executive Vice President's review

## High levels of domestic financing and excellent customer experience

While 2022 was a year of growth and recovery for SMEs, investments were delayed by the uncertainty. Finnvera continued to finance strongly companies' growth and internationalisation.

### What was 2022 like from the perspective of export financing?

The year was very busy in SME financing from the start, and the demand for financing broke all records. It mainly focused on start-ups as well as business growth and internationalisation. While the demand for investment financing was strong to begin with, less finance was granted towards the end of the year following Russia's attack on Ukraine. On a positive note, Finnish SMEs were able to manage their liabilities contracted during the pandemic.

Financing granted to large corporates in Finland decreased clearly from the previous year's figures. In normal circumstances, Finnvera does not finance large corporates in Finland as a rule.

### How willing were Finnish companies to invest in 2022?

The dramatically increased uncertainty in the operating environment decreased the number of financing projects and the demand for financing in the context of both investments and transfers of ownership. A number of investments were

launched during the year, however, the financing decisions on which had already been made in the previous year. The fact that companies are postponing their future projects is a cause for concern. We also encourage companies to invest in uncertain times to enable growth when the economy starts recovering.

### Which were the biggest successes and challenges of the year?

What I see as the greatest success is our customer feedback and customer experience, which were better than ever. The feedback from our customers on the benefits of Team Finland cooperation was also historically good. We have invested a great deal in being able to help innovative Finnish companies grow and internationalise by stepping up our cooperation with Business Finland, the ELY Centres and the Ministry for Foreign Affairs, and this change is reflected in positive customer feedback. I also see as a success the work energy of our staff: regardless of many changes, its level remained excellent.

The greatest challenge without any doubt was the dramatic change in the operating environment. However, we are prepared to provide our customers with the services and financing solutions they need, regardless of the changed environment.

### What is the outlook for 2023 like?

The outlook for the operating environment is regrettably uncertain. A strong decline in consumer confidence is reflected in companies' expectations. Rising energy prices

and interest rates affect both consumers and companies. Finnish companies are not currently facing acute financial difficulties, and Finnvera's customers have met their liabilities as usual. While we wish to facilitate growth and internationalisation, we are aware of the fact that the operating environment is right now exceptionally demanding and difficult to predict.

### How is corporate responsibility visible in Finnvera's business?

Responsibility is embedded in our very mission: our reason for existing is to enable companies to launch their business, grow and internationalise.

We started calculating the carbon footprint of our commitments in SME business. Next year, we intend to take a step further by incorporating ESG assessments into our project processing. This means that we will obtain information on an applicant company's corporate responsibility from all public sources. If we come across serious problems, financing will not be granted.

Through our financing solutions, we also strive to facilitate companies that are solving problems related to climate change and similar. Our climate and environmental loans as well as digital and innovation loans are now available for companies. Their purpose is to promote sustainable investments and projects by which Finnish companies can help solve global difficult challenges while seeking growth.



The fact that companies are postponing their future projects is a cause for concern. To safeguard future growth, we encourage companies to invest also in uncertain circumstances.

The average NPS score for customers' willingness to recommend us

**72**  
in 2022.

**Export financing**

## Steady demand for export financing reflects the long time span of exports

Despite uncertainty and dramatic changes in the operating environment, the demand for export financing was fairly stable in 2022, and the amount granted was larger in the previous year. This reflects the structure of Finnish industry and exports with large investments and long timespans. The aftermath of the pandemic, Russia's attack on Ukraine and accelerating inflation created uncertainty in export prospects.

Finnvera granted export credit guarantees and special guarantees amounting to a total of EUR 5.8 (4.3) billion, mainly for large corporates' export transactions. This represented a year-on-year increase of 31%. Finnvera grants export credit guarantees for export transactions financed by banks. Some of the projects are financed with export credits guaranteed by Finnvera and granted by its subsidiary, Finnish Export Credit Ltd. Export credits granted by Finnvera amounted to EUR 0.9 (0.7) billion. While export credits showed an increase of 35% from the year before, they remained clearly below the pre-pandemic levels.

The annual volume of export financing is always influenced by the timing of individual major export transactions, which makes large annual variations possible. As in previous years, telecommunications and the pulp and paper sector were prominent in export credit guarantees granted by Finnvera. The largest individual financing project in 2022 was the USD 800 million export credit and guarantee for Andritz's deliveries to Brazil. In the forest sector, Finnvera also granted an export credit guarantee of around USD 450 million for joint deliveries by Valmet and Andritz to Brazil. The largest export



### Guaranteed exports globally

Finnvera guarantees Finnish exporters' political and commercial risks and has liabilities for export credit guarantees relating to over 90 countries. This reflects the diversity of Finnish exports and export countries. Read more about transactions guaranteed by Finnvera.

[Read more >](#)

Export credit guarantees and special guarantees granted

**EUR 5.8 bn**

(2021: 4.3)

Export credits granted

**EUR 0.9 bn**

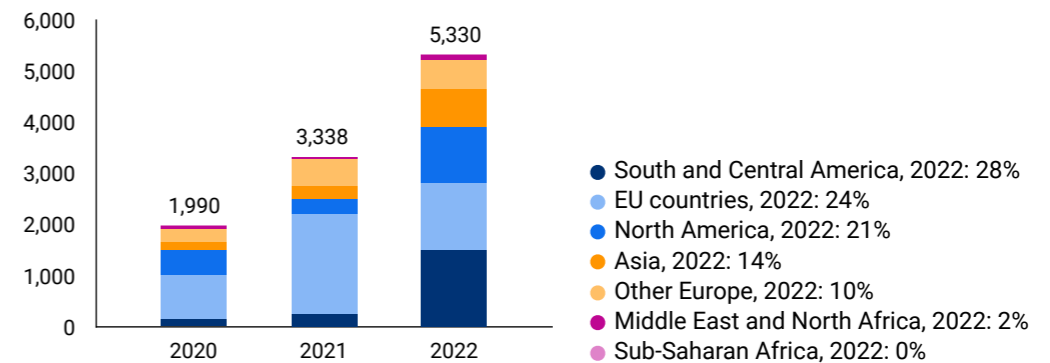
(2021: 0.7)

Buyer credit guarantees granted

**EUR 2.3 bn**

(2021: 2.1)

Export credit guarantees and special guarantees that came into effect by region, MEUR



credit guarantee amounts in the telecommunications sector were USD 500 million granted to operators in the United States and EUR 250 for exports to Japan.

No new vessel orders were made in cruise shipping, which has been impacted by the coronavirus pandemic in the last few years. The German shipyard MV Werften and its owners were placed in liquidation, which will also cause losses to Finnvera. Finnvera guaranteed deliveries of Finnish companies to the shipyard in 2019, and at the beginning of February 2023 Finnvera has paid compensation of the guarantees approximately EUR 100 million. The final amount of losses will become clear later. Globally, however, there are signs of recovery in cruise shipping, even though Russia's military operations are delaying cruise demand. A sector analysis about cruise shipping can be found in the Operating environment section.

In addition to export credit guarantees Finnvera could, until the end of 2022, grant loans to large corporates for domestic projects under the European Investment Bank's EGF facility. Under this facility, Finnvera granted loans to different companies amounting to EUR 301 million in total in 2021–2022.

**High volume of Buyer Credit Guarantees, Euro amounts of short-term export credit guarantees increased**

Buyer credit guarantees accounted for 40%, or EUR 2.3 (2.1) billion, of the export credit guarantees granted by Finnvera. The demand for buyer credit guarantees reflects the structure of Finnish exports and the fact that the financing of capital goods exports requires long payment periods and long-term credits for export companies' buyer customers.

Under a legislative amendment that entered into force on February 2023, Finnvera will be able to grant export credits



**The Finnish marine industry intends to win the ship development race**

Harnessing new energy sources and reducing ships' environmental impact are key goals in the efforts of the Finnish maritime industry to get ahead of its competitors. Driving forward the development work are the industry giants Meyer Turku and Wärtsilä. Reducing greenhouse gas emissions from shipping is also important for Finnvera, which is committed to the Poseidon Principles on monitoring the climate impacts of ship financing.

[Read more >](#)

to Finnish export companies' foreign buyers directly without a bank as an intermediary also in the future. Export credit is intended for sales of capital goods worth around EUR 1 to 20 million from Finland. The export credit diversifies Finnvera's export financing solutions and also makes it possible to speed up smaller export transactions through financing.

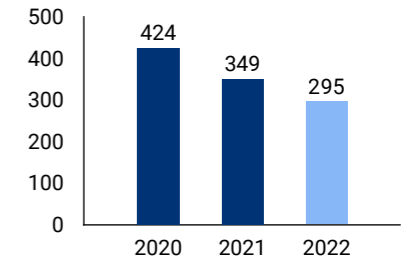
To speed up small and medium-sized export transactions, Finnvera typically uses credit insurance and Documentary Credit Guarantees when the repayment period is less than two years. Granted by the European Commission, Finnvera's special authorisation to give guarantees with a short risk period for exports to so-called marketable risk countries, including the EU Member States, Japan and the United States, was extended until the end of 2025.

Finnvera granted 96 (199) credit insurance type guarantees, or Export Receivables Guarantees, Receivables Purchase Guarantees and Credit Risk Guarantees amounting to a total of EUR 1.1 (421) billion. The large growth in euros is

mainly explained by a singly significant credit risk guarantee granted in 2022. As a result of the war, no more export credit guarantees were granted to Russia after February 2022, which reduced the number of these guarantees. This reduction was also influenced by the expiry of the European Commission's derogation granted during the coronavirus pandemic, which meant that Finnvera could no longer grant short-term export credit guarantees without restrictions to EU countries and other Western industrialised countries.

Credit insurance allows an export company to protect itself against credit losses and improve its competitiveness by offering the buyer a longer term of payment. Finnvera updated the terms and conditions of its credit risk guarantee in late 2021, and the new credit risk guarantee instrument replaced export receivables guarantees and the former credit risk guarantee in 2022. The credit risk guarantee can also cover political and sovereign risks arising from the buyer's country. The new credit risk guarantee also includes

**Number of guarantees and special guarantees granted**





subsidiary insurance, where the guarantee holder is a Finnish company and the exporters are its foreign subsidiaries or companies controlled by it. This enables Finnvera to serve a wider group of exporters.

The use of Documentary Credit Guarantees reflects Finnvera's role in sharing the political risks associated with export trade and is a sign of banks wishing to rely, to an increasing extent, on Finnvera as a guarantor of risks. Finnvera granted 168 (107) Documentary Credit Guarantees amounting to EUR 426 (188) million, or significantly more than in 2021. The underlying factor in the strong demand for Documentary Credit Guarantees was good sales of forest industry products in Turkey and traditional North African countries in which these instruments are used, or Algeria and Tunisia.

**Export credit guarantee and special guarantee exposures in over 94 countries**

At the end of 2022, Finnvera had exposures for export credit guarantees and special guarantees relating to 94 countries. In 17 countries, the exposure exceeded EUR 100 million, whereas in 38 countries it amounted to over EUR 10 million. Geographically, approx. one half of the total liabilities for export credit guarantees is related to trade with the United States. In 2022, the strongest demand for Finnvera's export financing in euro amounts outside Europe was related to trade with Latin America.

Credit insurance was granted for a wide variety of sectors and, under special authorisations, for trade with almost all EU countries and the United Kingdom. On the African continent, guarantees were granted especially for trade with North African countries.

Traditionally, the countries accounting for the largest volumes of Finnvera's credit insurance have been Russia and Turkey. Finnvera's exposure in Russia more than halved to

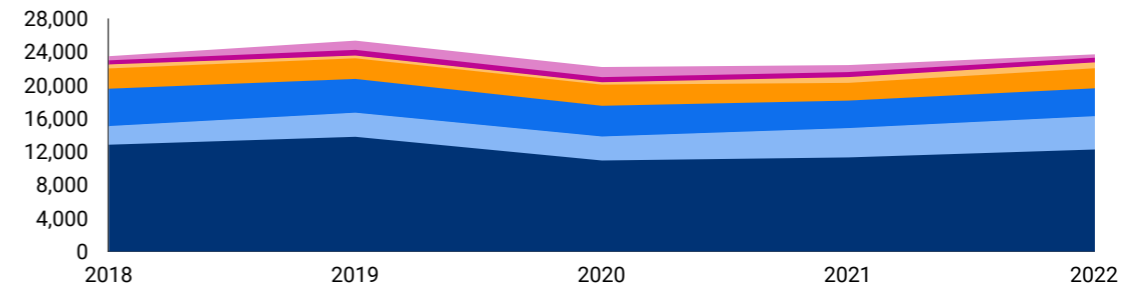


**Countries and Markets review describes countries from the exporter's perspective**

Market knowledge is very important for both exporters and the export credit agency. The second Countries and Markets review of the year focused on Latin America, which is a significant growth market for Finnish exports and a region where there has been a great deal of demand for Finnvera's export credit guarantees.

[Read more >](#)

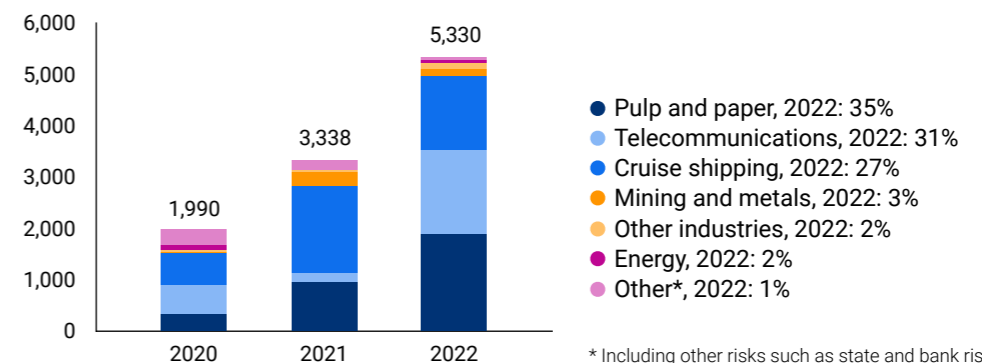
**Export credit guarantees and special guarantees, 5-year-trend of exposure by sector, MEUR\***



Exposure on 31 Dec	2018	2019	2020	2021	2022
● Cruise shipping	12,835	13,786	10,938	11,308	12,262
● Pulp and paper	2,243	2,901	2,886	3,526	4,008
● Telecommunications	4,487	4,055	3,688	3,303	3,345
● Other*	2,440	2,478	2,539	2,129	2,409
● Mining and metals	478	332	290	693	707
● Energy	492	684	616	606	559
● Other industries	497	1,108	1,215	840	407
<b>Total</b>	<b>23,473</b>	<b>25,344</b>	<b>22,172</b>	<b>22,405</b>	<b>23,697</b>

\* Including other risks such as state and bank risks and reinsurance risk transfer.

**Export credit guarantees and special guarantees that came into effect by sector, MEUR**



\* Including other risks such as state and bank risks.

EUR 422 million during the year as a result of sanctions and repayments of liabilities.

**Cruise shipping prominent in outstanding commitments**

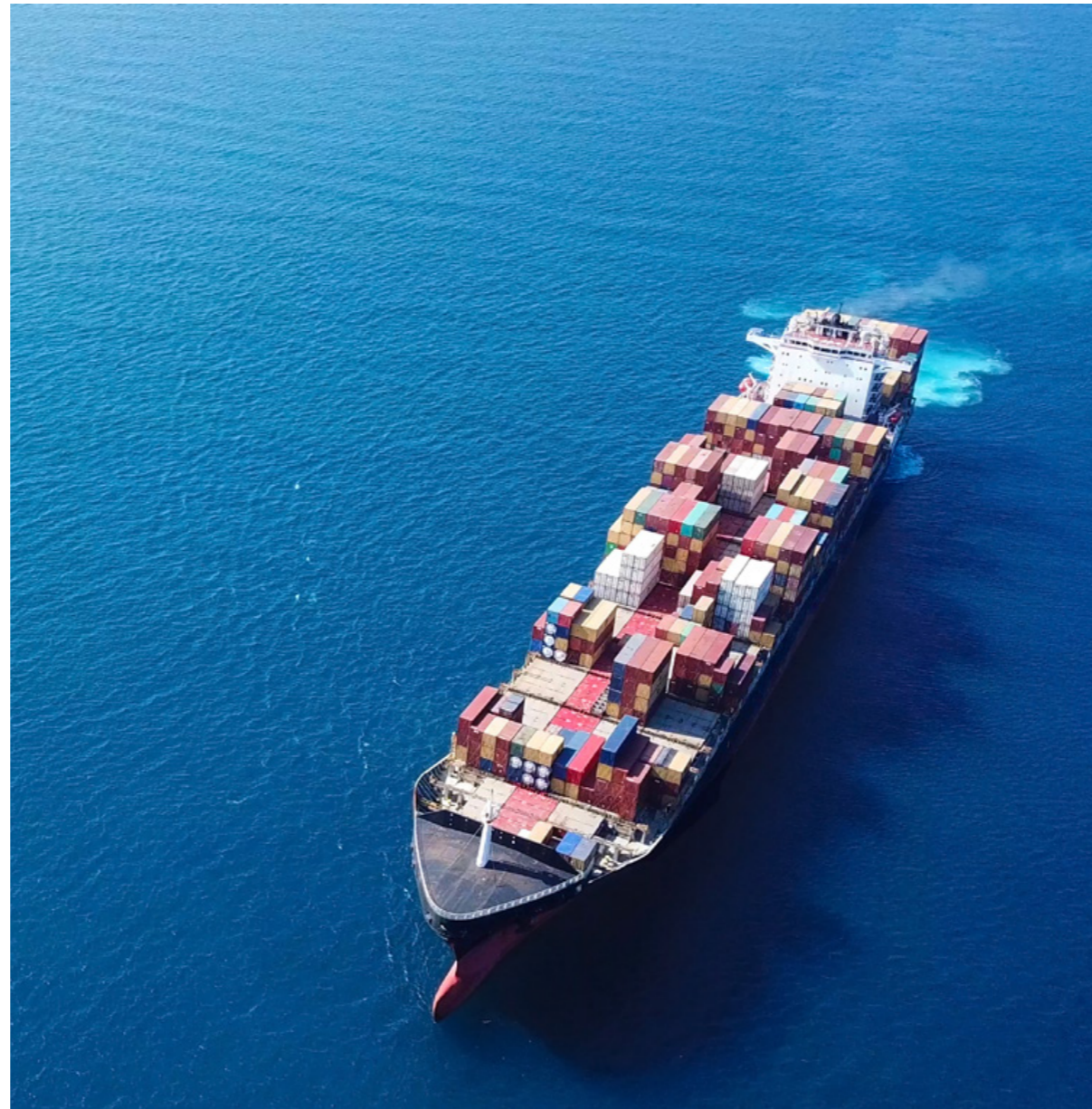
Finnvera's outstanding commitments relating to export credit guarantees and special guarantees were EUR 23.7 (22.4) billion. The largest export financing sectors are cruise shipping, forest industry and telecommunications, which accounted for a total of 80% of the total exposure. Around a half of the total exposure for export guarantees is related to cruise shipping. Finnvera's total exposure for cruise shipping reflect the length of the order book resulting largely from the shipyards' limited building capacity.

Of the total exposure, 43% comprises binding offers or commitments relating to export companies' future deliveries.

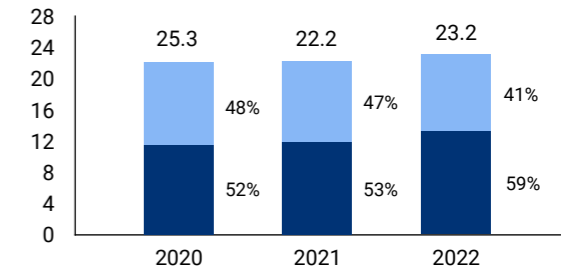
Altogether, 30% of the outstanding commitments relating to export credit guarantee and special guarantee operations were in risk category BBB-, which reflects investment grade, or in better risk categories. Finnvera has continuously developed its risk management as the total exposure has grown. The special features and industry concentrations of the Finnish exports have been taken into account.

**Reinsurance for risk hedging**

For several years, Finnvera has actively developed the hedging of the risks it carries. The maximum indemnity amount of Finnvera's reinsurance arrangements at the end of 2022 was EUR 1.4 (1.2) billion, or around 6% of the drawn guarantees. The value of new reinsurance cover was around EUR 600 million. Due to the coronavirus pandemic, some of the planned reinsurance was not needed.

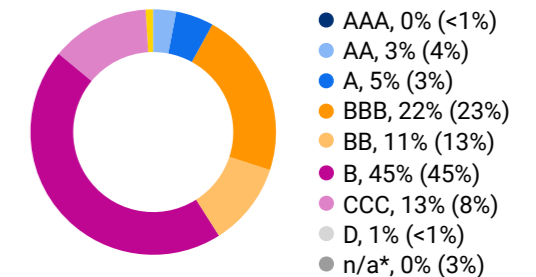


**Export credit guarantee and special guarantee exposure, EUR billion**



- Drawn guarantees, 2022: 59%
- Undrawn guarantees and binding offers, 2022: 41%

**Export credit guarantees and special guarantees, exposure by risk category 31 Dec 2022, %, in total 23,697 MEUR (31 Dec 2021: 22,405 MEUR)**



\* Including other risks such as state and bank risks.



**Jussi Haarasilta**  
Executive Vice President,  
Large Corporates

Executive Vice President's review

## A year marked by contrasts, a changing operating environment and new projects

As uncertainty increases, export credit agencies typically assume a larger role in export financing. The demand for financing remained stable in 2022, and we were able to back Finnish companies' exports. Exports are highly important for the Finnish economy.

### What was 2022 like from the perspective of export financing?

The year was marked by major contrasts. The demand for financing was stable, the post-cyclical nature of Finnish industry was clearly visible, and long-term projects sustained the operations through the economic cycle. On the other hand, the coronavirus pandemic and Russia's attack on Ukraine had an impact on Finnvera's outstanding commitments. We stopped granting export credit guarantees to Russia in February and the Russian export market, which previously had been quite important for Finland, practically ceased to exist. This had concrete impacts on Finnish exporters. Companies have been quite successful in finding substitute

markets, however, and in our experience Russia's invasion has not made it necessary to cancel major projects.

### Which were the biggest successes and challenges of the year?

The challenges and successes were strongly linked. The pandemic was not yet completely over, and its aftermath was manifested differently in various sectors. The impacts of the war launched by Russia, especially on companies operating in the Russian market, emerged as a new challenge. On a positive note, companies managed to find new markets to replace trade with Russia.

What I regard as our greatest success is the fact that we continued to operate steadily in challenging circumstances: we provided guarantees for a considerable amount of financing for new export projects, and we were able to significantly reduce our outstanding commitments relating to trade with Russia. We also made use of the European Investment Bank's EGF facility to finance large corporates' working capital needs.



What I regard as our greatest success is the fact that we continued to operate steadily in challenging circumstances, and we managed to secure our claims and significantly reduce our outstanding commitments relating to trade with Russia.

### What is the outlook for 2023 like?

We expect overall demand to remain at similar levels as in 2022. The financial market is likely to remain rather challenging, and the general forecast is that we are slipping towards a recession. In the financing situation, this will be manifested in different ways in various sectors. We hope that the green transition will create demand for Finnish technology expertise and that we will have opportunities to get involved in those projects. Geographically,

a tougher financial situation will typically have an impact especially on emerging markets. An export credit agency traditionally plays an important role in financing projects in emerging markets.

### How is corporate responsibility visible in Finnvera's business?

Corporate responsibility is becoming increasingly visible as transparency. For the second time, Finnvera reports on carbon dioxide emissions from financial liabilities related to ships in keeping with the Poseidon Principles initiative. Considering the scale of ship financing, this calculation provides us with valuable information on the climate impacts of our financing, as well as the impacts of shipping as an industry. It also supports Finnvera in monitoring the impacts of our operations.

Finnvera is party to many international commitments, and we also wish to influence sustainable development policies, not only as a company but also through international forums. Finland is committed to the E3F Coalition, and as part of it we limited the granting of export credit guarantees to oil and gas projects. In 2021 we already reviewed our sectoral policies, and will no longer participate in financing new coal-fired power plants or the infrastructure related to them or peat power plant projects abroad.

Sector policies are one way to allocate financing sustainably. I find it also important to encourage companies to engage in projects that promote the green transition.

As a State-owned export credit agency Finnvera has good opportunities to promote climate change mitigation: we finance new investments and technologies. We believe that through financing we will promote the transition to better and lower-emission solutions.

Finnvera's exposure in Russia at year end 2022:

**422 MEUR**

(2021: 977)

**ESG risk management in financing operations**

## Finnvera invests in managing environmental and social risks

Since 2021, Finnvera has screened all export financing applications for environmental and social risks. A total of 371 export credit guarantee applications were received in 2022, one third of which were scrutinised by the environmental and social risk management team after screening. Careful project assessment is part of Finnvera's risk management and financing process from the application stage on.

On our application forms for export credit guarantees, export companies are asked about how and where the export product will be used, as well as about its potential environmental and social impacts and risks. Among other things, the purpose of these questions is to find out about the ecological values of the project site and determine if the investment could have impacts on the people living in the area, especially any vulnerable groups.

### Updated process for managing environmental and social risks now in regular use

Finnvera identifies projects which may have major environmental and social impacts and high risks based on export credit guarantee applications and other potential information sources. The themes of the risk assessment include the reputation of the export product's end user, human rights and political situation in the country, environmental and social risks inherent in the combination of the country and sector, and environmental factors of the site, including the proximity of nature conservation areas and the status of indigenous peoples.

Indicators have been defined for different thematic areas, on the basis of which the application is assigned a risk cate-

gory (A/B/C) as defined by Finnvera. An application related to an investment that may involve significant, permanent and extensive negative environmental and social impacts, including human rights risks, is placed in risk category A. In risk category B, the impacts are smaller and easier to manage, local and largely reversible. Even in risk category B, projects involving a higher risk are assessed more thoroughly. Applications in risk category C are not associated with negative environmental and social impacts, or these impacts are minor. Consequently, no environmental and social assessment is needed for an application placed in risk category C.

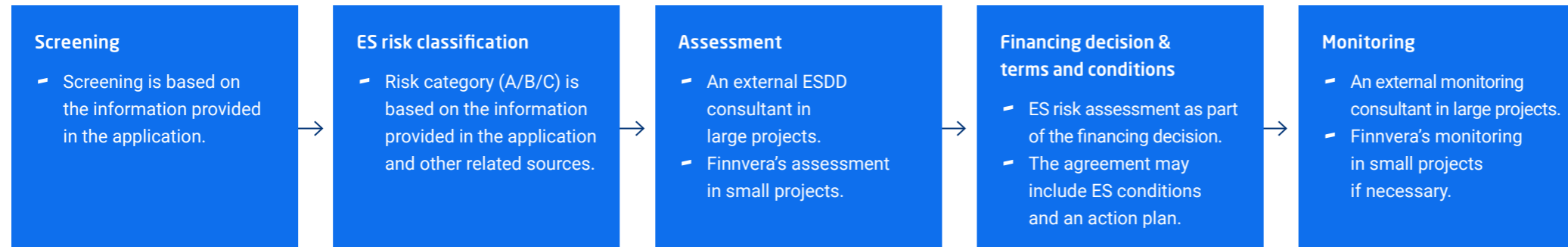
The risk classification is based on internationally recognised and reliable sources of objective information on such issues as the target state's human rights situation. If the risks associated with the sector are high and the target country's legislation related to environmental and social risks is weak or its enforcement is lacking, Finnvera has a more stringent obligation to ensure that national and international requirements are met.

Finnvera's possibilities of influencing the environmental and social factors of the project also play a role in risk management and the financing decision. The UN Guiding Principles on Business and Human Rights (UNGPR) are taken into account

Environmental and social risks are highlighted in all proposals for Finnvera's export financing decisions. If the project meets Finnvera's requirements, including environmental and social risk management, the financing proposal can be approved. For a more detailed description of the ES risk management process, see Finnvera's Export guarantee operations page.

[Read more >](#)

### Environmental and social risk management process



when assessing financing projects. Finnvera participated in a central government actors' development project that sought practices for incorporating human rights considerations in the work of Finnish providers of financing in the public sector. The final report of this project led by the international expert organisation Shift was published in December 2022.

**Screening of applications in 2022**

Finnvera received a total of 371 (455) export credit guarantee applications in 2022, of which 47% concerned short-term documentary credits and bank risk guarantees, for which a retrospective assessment of environmental and social risks is carried out annually. 15% of the applications concerned guarantees for consumer products and raw materials in transactions where no significant risks associated with either of the parties were found. These guarantees were directly placed in the low risk category C.

The remaining 118 applications (32%) mainly concerning capital goods were assessed by Finnvera's team of environmental and social risk advisers. 36% of them were initially placed in risk category A, 29% in risk category B, and 19% in risk category C. Of the 295 guarantees granted in 2022, 98% were handled in accordance to the new process.

Large high-risk projects for which an extensive risk assessment must be conducted accounted for 9 (2%) of the export credit guarantee applications received in 2022. Requirements aimed at reducing and preventing negative environmental and social impacts and risks are included in financing agreements of large projects. A project monitoring plan is also agreed upon as part of the financing agreement. In projects whose risks were assessed to be particularly high, an independent consultant monitors the activities throughout the loan repayment period.

When conducting its assessments, Finnvera works closely together with various stakeholders, including other export credit agencies, export companies, buyers, and banks.

The prerequisites for going ahead with the project are discussed with the parties to an export transaction. The aim is to be proactive and provide guidance, enabling the transaction to meet the financing decision requirements. No financing applications were rejected by Finnvera due to environmental and social risks in 2022.

**Site visits resumed**

In major projects, an independent consultant visits the site to be financed and prepares an Environmental and Social Due Diligence (ESDD) report. The report assesses if the project meets the requirements of the World Bank Group's Environmental, Health, and Safety Guidelines and the IFC Environmental and Social Performance Standards as well as other possible preconditions set by Finnvera. In addition, it sets out the measures that must be taken to meet these requirements. In some cases, a Finnvera expert pays a visit to the site.

While site visits could not be organised for two years during the coronavirus pandemic, they were resumed in 2022. A Finnvera ES adviser visited two sites to be financed. On such visits, the adviser assesses the operator's attitude, ability and practices related to risk management. The adviser also listens to the opinions of various stakeholders in the area affected by the project, including NGOs, authorities and people, to get a comprehensive overview of the project and to understand local circumstances.

**Finnvera integrated measures to prevent money laundering and terrorist financing into its new operational risk management policy**

Finnvera's operating policies are reviewed and updated annually. In 2022, Finnvera's measures to prevent money laundering and terrorist financing were integrated into a new policy

for managing operational risks. In particular, the policy measures cover the Know Your Customer (KYC) principles and basic premises of compliance with sanctions in finance.

The KYC process based on money laundering regulation is an essential part of processing financing applications at Finnvera. It includes registering the clients' identifying data and information on the company's ownership structure, the nature of its business and the object of financing. Finnvera also requires applicants to provide information in their applications on who the actual beneficiaries are and whether a beneficiary in the customer company is a politically exposed person. The background screening also extends to the export company's buyer customer and, if necessary, to other parties in the project to be financed in most export financing products.

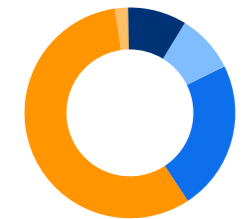
**The corporate responsibility policies guiding Finnvera's financing are**

- Code of conduct
- Anti-bribery policy in export financing
- Tax haven and tax avoidance prevention policy
- Environmental and social risk management policy for Finnvera's financing operations.

The goal in 2023 will be overall development of environmental and social risk monitoring and reporting in projects financed by Finnvera.

In large category A projects, which include pulp mills, mines or power plants, the processing time of applications is typically months or even years. The largest projects assessed in 2022 were located in Brazil.

**Export credit guarantees granted by Finnvera's ES risk categories in 2022, total number 295**



- Risk category A, 9%
- Risk category B, 9%
- Risk category C, 23%
- Retrospective evaluation, 57%
- Old classification\*, 2%

\* Application arrived before 1 January 2021.

## Key figures

Finnvera Group	2022	2021	2020	2019	2018
<b>Key P&amp;L figures</b>					
Net interest income, MEUR	69	55	51	41	42
Net fee and commission income, MEUR	204	167	143	141	135
Other operating income, MEUR	0	4	349	0	4
- of which fund payment from The State Guarantee Fund, MEUR	-	-	349	-	-
Operational expenses, MEUR	-49	-46	-44	-42	-46
- of which salaries including social security costs, MEUR	-30	-30	-29	-29	-28
Realised credit losses and change in expected credit losses, MEUR	-176	-46	-1,269	-60	-45
Credit loss compensation from the State, MEUR	29	35	36	17	24
Operating profit/loss MEUR	64	164	-740	100	100
Profit/loss for the period MEUR	55	153	-748	94	98
<b>Key balance sheet figures</b>					
Loans to and receivables from customers, MEUR	6,979	7,404	7,088	8,083	6,876
Investments, MEUR	3,165	3,323	3,474	3,231	2,665
Liabilities, MEUR	11,726	11,356	11,946	11,202	9,681
- of which debt securities in issue, MEUR	9,663	10,285	10,379	10,138	8,783
Shareholders' equity, MEUR	909	863	727	1,463	1,358
- of which non-restricted equity, MEUR	682	626	473	1,221	1,126
Balance sheet total, MEUR	12,635	12,220	12,673	12,665	11,039
<b>Key ratios</b>					
Return on equity, ROE, %	6.3	19.2	-68.3	6.7	7.4
Return on assets, ROA, %	0.4	1.2	-5.9	0.8	0.9
Equity ratio, %	7.2	7.1	5.7	11.6	12.3
Capital adequacy ratio, Tier 1, Domestic operations, %	25.7	23.9	25.1	29.4	27.2
Capital adequacy ratio, Tier 1, Export credit guarantee and special guarantee operations, % 1)	3.2	3.4	1.3	6.9	6.8
Expense-income ratio, %	20.7	23.5	26.4	25.4	29.3
Average number of employees	368	366	360	364	372
<b>Finnvera plc, domestic financing</b>					
Loans, guarantees and export credit guarantees offered, Billion EUR	1.3	1.7	1.7	1.0	0.9
Outstanding commitments, Billion EUR	2.6	3.1	2.9	2.3	2.3
Number of start-up enterprises financed	1,900	2,400	2,700	2,400	2,600
Number of new jobs created with the help of financing	6,000	8,600	9,100	8,400	7,900
<b>Finnvera plc, export financing</b>					
Export credit guarantees and special guarantees offered, Billion EUR	5.7	4.3	2.9	5.2	3.0
Outstanding commitments, Billion EUR	23.7	22.2	22.0	25.2	23.3
<b>Finnvera plc, clients</b>					
Number of clients, domestic financing and export financing together	24,400	25,800	26,500	24,500	25,700

### Formulas for the key indicators

<b>Return on equity % (ROE)</b>	$\frac{\text{profit/loss for the period}}{\text{equity (as the average of the value at the beginning and the end of the period)}} \times 100$
<b>Return on assets % (ROA)</b>	$\frac{\text{operating profit/loss} - \text{income taxes}}{\text{balance sheet total on average (as the average of the value at the beginning and the end of the period)}} \times 100$
<b>Equity ratio, %</b>	$\frac{\text{equity} + \text{minority share} + \text{accumulated appropriations} - \text{deducted by the deferred tax liability}}{\text{balance sheet total}} \times 100$
<b>Capital adequacy, Tier 1</b>	calculated according to Basel III standard method
<b>Expense-income ratio, %</b>	$\frac{\text{administrative expenses} + \text{depreciation, amortisation and impairment from tangible and intangible assets} + \text{other operating expenses}}{\text{net interest income} + \text{net fee and commission income} + \text{gains/losses from financial instruments carried at fair value and foreign exchange gains and losses} + \text{net income from investments} + \text{other operating income excl. fund payment from The State Guarantee Fund}} \times 100$
<b>Average number of employees</b>	based on monthly average for the whole period

1 No specific requirement has been set for the capital adequacy ratio, Tier 1, for export credit guarantee and special guarantee operations because ultimately it is the State that is responsible for any major export credit guarantee losses if the equities accumulated from operations and the assets of the State Guarantee Fund were not sufficient for covering these losses. Consequently, calculating capital adequacy in a manner similar to that applied to banking is not a suitable option for Finnvera, considering its special industrial policy purpose as a promoter of exports.

**Treasury operations**

## A year of development in sustainable asset management

Finnvera had a strong focus on building a framework of sustainable financing and commissioned an ESG assessment of its operations from investors' perspective. The assessment found that Finnvera's ESG risks are relatively low. Finnvera issued its first euro-denominated bond since 2020.

The funding amount for 2022 estimated in Finnvera's funding plan was between EUR 1.0 billion and EUR 1.5 billion. In September 2022, Finnvera issued a EUR 1 billion bond that will mature in March 2028. The bond attracted more than 115 investors and was oversubscribed four times. The investor base was well diversified with a strong participation of central European and Nordic institutional investors. This great interest indicates investors' strong trust in Finnvera's creditworthiness and the State of Finland's guarantee despite a challenging market situation.

Finnvera uses the acquired funds for financing export credits. The goal of the funding is making competitive financing available for the customers of Finnish export companies. The arrangement of buyer financing for foreign buyers is often a prerequisite for closing an export deal. Consequently, funding increases the impact of Finnvera's



financing operations and makes transactions possible for Finnish export companies. In 2022, Finnvera prepared to launch direct export credits to Finnish export companies' buyers for transactions worth less than EUR 20 million as a new financing product.

Finnvera issues long-term debts, mainly under the EUR 15 billion EMTN programme. From the beginning of 2022, short-term funding has been obtained under the EUR 3 billion ECP programme. Both funding programmes are guaranteed by the State of Finland. The ECP programme provides Finnvera with additional tools for liquidity management.

At the end of 2022, the amount of outstanding bonds issued under the EMTN programme was EUR 10.1 (10.0) billion.

### A sustainable finance framework was adopted

Finnvera's goal is to create a framework for sustainable financing for its funding and investments. On the one hand, this framework meets investors' information needs relating to sustainability requirements and ESG indicators and, on the other hand, it defines the criteria for sustainable investing as part of Finnvera's

investment plan. This framework will determine the criteria for sustainable and responsible investments and systematically allocate capital to investments that meet these criteria.

These policies were adopted by Finnvera's Board of Directors in December 2022.

### Responding to investors' expectations regarding ESG information

Finnvera operates actively in international capital markets and has recognised the growing expectations of institutional investors regarding ESG information. Finnvera analysed the views of important investor contacts and capital market participants on central topics of corporate responsibility in late 2020 as part of a larger materiality analysis. The responses confirmed the view that Finnvera's investors and other stakeholders increasingly expect ESG themes to be clearly incorporated in the company's operations.

A comprehensive assessment of Finnvera's operations carried out in 2022 by Sustainalytics, an ESG risk analyst belonging to the Morningstar group, found that the corporate responsibility risks associated with the company's financing and operations are low and distributed in a way that is typical for financial sector actors. Finnvera's ESG key figure was 12.2, which indicates a low risk level. Development areas brought up by the assessment included integrating corporate responsibility into financing operations. Finnvera's ESG risk management was found to be of average level.

The perspective of sustainable financing will be increasingly emphasised in Finnvera's investor communications in the future. When developing communications addressed to investors, reporting frameworks related to corporate responsibility and sustainable development will be taken into account in order to provide a better response to investors' growing requirements.

A guarantee from the State of Finland is a sign of a low-risk bond for investors. The oversubscription of Finnvera's bonds signals a growing demand and shows that previous issues and active work on investor relations have increased Finnvera's recognisability on international capital markets.



## Reporting principles

This report was prepared in compliance with the updated Universal Standards of the GRI reporting framework. The report covers the economic, social, and environmental impacts of the Finnvera Group in the financial period 1 January–31 December 2022.

For the 2022 report on corporate responsibility in financing, see the sections Financing operations in 2022 and Corporate responsibility at Finnvera. More information on social responsibility is provided in the section Personnel and competence, and human rights monitoring as part of financing projects is described in the section ESG risk management in financing. The section Corporate responsibility management describes responsibility management practices in more detail, and the Environmental impacts section provides information on the direct and indirect impacts of Finnvera's operation. In 2022, Finnvera reported for the first time on its emission impacts.

In other respects, no significant changes have taken place in the data, scope, or calculation limits of the report compared to previous years. Finnvera reports on corporate responsibility each calendar year; the previous report was released on 16 February 2022.

The report has not been subject to external assurance.

**Further information:**

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## GRI Standards Content Index

Disclosure	Location	Additional information
<b>GRI 2: General Disclosures (2021)</b>		
<b>Organizational profile</b>		
2-1	Organizational details	Operating environment, pp. 6–8; How Finnvera creates value, p. 14; Corporate governance, pp. 17–19 GRI content index; Statement on the Corporate Governance and Steering System 2022, pp. 2–4
		Location of headquarters: Porkkalankatu 1, P.O. Box 1010, FI-00101 Helsinki, Finland + Kallanranta 11, P.O. Box, FI-70111 Kuopio, Finland
2-2	Entities included in the organization's sustainability reporting	Reporting principles, p. 48
2-3	Reporting period, frequency and contact point	Reporting principles, p. 48
2-4	Restatements of information	GRI content index
2-5	External assurance	Reporting principles, p. 48
		No changes
		The report has not been subject to external assurance.
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	Operating environment, pp. 6–8; How Finnvera creates value, p. 14; Finnvera's role and impacts in society, p. 21; Corporate responsibility management, p. 24
2-7	Employees	Personnel, p. 29
2-8	Workers who are not employees	GRI content index
		Finnvera used an estimated 3 person-years of outsourced resources in 2022.
<b>Governance</b>		
2-9	Governance structure and composition	Corporate governance, pp. 17–18; Statement on the Corporate Governance and Steering System 2022, pp. 6–7; <a href="https://www.finnvera.fi/eng/finnvera/about-finnvera/organisation">https://www.finnvera.fi/eng/finnvera/about-finnvera/organisation</a>
2-10	Nomination and selection of the highest governance body	Statement on the Corporate Governance and Steering System 2022, p. 5
2-11	Chair of the highest governance body	Statement on the Corporate Governance and Steering System 2022, p. 6

Disclosure	Location	Additional information
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate responsibility management, pp. 24; Statement on the Corporate Governance and Steering System 2022, p. 5
2-13	Delegation of responsibility for managing impacts	Corporate responsibility management, p. 24
2-14	Role of the highest governance body in sustainability reporting	Corporate responsibility management, p. 23; GRI content index
		Finnvera's corporate responsibility report is included in the Annual Report, which is distributed to the Board of Directors' Audit Committee and the Board of Directors for financial statements meetings. The Board of Directors processes the corporate responsibility report as part of the Annual Report documentation.
2-15	Conflicts of interest	Statement on the Corporate Governance and Steering System 2022, p. 11; Code of Conduct
2-16	Communication of critical concerns	GRI content index
		The Board of Directors is informed about critical concerns through the CEO's regular reviews, which may include customer and stakeholder feedback, for example. In 2022, one concern raised by international environmental organisations was reported, and Finnvera responded to it. Finnvera has a whistleblowing channel through which no reports were submitted in 2022.
2-17	Collective knowledge of the highest governance body	GRI content index
		Finnvera's Statement on the Corporate Governance and Steering System also defines the experience and expertise expected of the Board of Directors as regards sustainable development and corporate responsibility. The Board of Directors also provides mandatory training for Finnvera's personnel on matters such as corporate responsibility.

Disclosure	Location	Additional information
2-18	Evaluation of the performance of the highest governance body GRI content index	The Board of Directors carries out an annual self-assessment, assessing matters such as the activities and management of the Board and any development needs. The Board of Directors sets annual targets related to corporate responsibility and monitors them systematically. The implementation of the strategy, including corporate responsibility, is discussed annually by the Board of Directors. The Board of Directors reports annually to the State owner at the Annual General Meeting on the realisation and indicators of corporate responsibility.
2-19	Remuneration policies Corporate responsibility management, p. 24; Statement on the Corporate Governance and Steering System 2022, pp. 8–9	
2-20	Process to determine remuneration Statement on the Corporate Governance and Steering System 2022, pp. 8–9	
2-21	Annual total compensation ratio GRI content index	Total compensation ratio 3.58 (highest-paid individual compared to median pay) Ratio of the percentage increase 2.23 (annual percentage increase in the compensation for the highest-paid individual compared to the annual median percentage increase)
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy CEO's review, pp. 4–5	
2-23	Policy commitments Corporate governance, pp. 17–19; Corporate responsibility management, pp. 22–25; Personnel, p. 29; ESG risks management in financing, p. 45; Statement on the Corporate Governance and Steering System 2022, p. 4	
2-24	Embedding policy commitments Corporate governance pp. 17–19; Corporate responsibility management, pp. 23; Personnel, pp. 27–29; Environmental impacts, pp. 30–32	

Disclosure	Location	Additional information
2-25	Processes to remediate negative impacts Corporate responsibility management, p. 23; ESG risks management in financing, pp. 44–45; Statement on the Corporate Governance and Steering System 2022, pp. 9–11: <a href="https://www.finnvera.fi/whistleblowing">https://www.finnvera.fi/whistleblowing</a>	
2-26	Mechanisms for seeking advice and raising concerns Corporate responsibility management, p.23; <a href="https://www.finnvera.fi/whistleblowing">https://www.finnvera.fi/whistleblowing</a>	
2-27	Compliance with laws and regulations GRI content index	No cases of non-compliance in 2022.
2-28	Membership associations Stakeholder cooperation, pp. 15–16	
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement Stakeholder cooperation, pp. 15–16	
2-30	Collective bargaining agreements GRI content index	94 (94) per cent of Finnvera's personnel are covered by a collective labour agreement.
<b>GRI 3: Material Topics (2021)</b>		
3-1	Process to determine material topics Corporate responsibility management, p. 23	
3-2	List of material topics Corporate responsibility management, p. 23	
3-3	Management of material topics Corporate governance, pp. 17–19; Corporate responsibility management, p. 25; Personnel, pp. 27–29; Environmental impacts, pp. 30–32	
<b>Economic Standards</b>		
<b>GRI 201: Economic Performance (2016)</b>		
201-1	Direct economic value generated and distributed How Finnvera creates value, p. 14; Finnvera's role and impacts in society, p. 21; Key figures, p. 46; Finnvera Group's Report of the Board of Directors and Financial Statements, pp. 2–4	
201-4	Financial assistance received from government Finnvera Group's Report of the Board of Directors and Financial Statements, pp. 2; 8; 13; 20; 36–38	

Disclosure	Location	Additional information
<b>GRI 203: Indirect economic impacts (2016)</b>		
203-2	Significant indirect economic impacts	Finnvera's year 2022, p. 3; Strategy and role in society, p. 9; How Finnvera creates value, p. 14; Strategy, pp. 10–13; Finnvera's role and impacts in society, p. 21; Domestic financing, pp. 34–38; Export financing, pp. 39–43
<b>GRI 205: Anti-corruption (2016)</b>		
205-2	Communication and training about anti-corruption policies and procedures	Corporate responsibility management, pp. 22–25; ESG risk management in financing operations, pp. 44–45 Training and communications on guidelines regarding gifts and hospitality have been provided to the entire Finnvera personnel (100%) in connection with the Code of Conduct online training. In 2022, Finnvera employees were provided online training on corporate responsibility, which also included communication about anti-corruption measures and KYC obligations. Finnvera's operating policies are reviewed and updated annually.
<b>GRI 206: Anti-competitive behavior (2016)</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI content index No cases in 2022.
<b>Environmental Standards</b>		
<b>Own disclosure</b>		
	Number of export projects categorised according to their environmental and social risks	Corporate responsibility management, pp. 22–25; ESG risk management in financing operations, pp. 44–45
	Reduction of domestic flights	Corporate responsibility management, pp. 22–25; Environmental impacts, p. 31 In accordance with the travel policy, the aim is to replace domestic flights with virtual meetings and train journeys.
<b>Social Standards</b>		
<b>GRI 401: Employment (2016)</b>		
401-1	New employee hires and employee turnover	Personnel, p. 29

Disclosure	Location	Additional information
<b>GRI 403: Occupational health and safety (2018)</b>		
403-1	Occupational health and safety management system	Personnel, pp. 28–29; GRI content index Occupational health care, including occupational safety and health activities, is managed by the HR_x0002 function, and a full-time Security Manager is responsible for overall safety. The occupational health system covers Finnvera's own personnel, and when it comes to safety, the system covers everyone working at Finnvera.
403-2	Hazard identification, risk assessment, and incident investigation	Personnel, pp. 28–29 Reported in part
403-3	Occupational health services	Personnel, pp. 28–29
403-4	Worker participation, consultation, and communication on occupational health and safety	Personnel, pp. 28–29
403-5	Worker training on occupational health and safety	Personnel, pp. 28–29; GRI content index Finnvera's operations do not entail tasks categorised as hazardous.
403-6	Promotion of worker health	Personnel, pp. 28–29 Reported in part.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Personnel, pp. 28–29 Reported in part
403-9	Work-related injuries	Personnel, pp. 28–29; GRI content index One accident took place in 2022.
<b>GRI 404: Training and education (2016)</b>		
404-1	Average hours of training per year per employee	Personnel, pp. 27–28 We do not specify the number of training hours by employee type.
404-2	Programs for upgrading employee skills and transition assistance programs	Personnel, pp. 27–28
404-3	Percentage of employees receiving regular performance and career development reviews	Corporate responsibility management, p. 26
<b>G4 Financial Services Sector Disclosures, Product Responsibility</b>		
G4-FS6	Percentage of the portfolio for business lines by specific region, size, and by sector	Operating environment, pp. 6–8; Finnvera's role and impact in society, p. 21; Financing operations in 2022, pp. 33–47 Reported in part



Finnvera improves and diversifies financing opportunities available for Finnish enterprises by offering loans, guarantees and export credit financing. As a State-owned company, Finnvera supplements the financial market and with its operations, promotes the development of enterprises and exports.

[finnvera.fi](https://finnvera.fi)

 **FINNVERA**