

Environmental and social risk management policy for Finnvera's financing operations

General

Finnvera's task is to promote and develop business operations, internationalisation and exports, especially among SMEs, by offering financing services. Finnvera adheres to the principles governing its business operations, called the Code of Conduct, that consist of the key regulations applicable to Finnvera's operations and other corporate responsibility principles that are in line with Finnvera's guidelines and exceed the minimum statutory requirements. The environmental and social risk management policy for Finnvera's financing operations specifies Finnvera's Code of Conduct.

Principles and foundation

Finnvera

- complies with international treaties that bind Finland as well as with Finnish legislation
- implements the industrial and ownership policy goals set by the State and the decision-in-principle regarding ownership policy set by the Government
- promotes action against climate change
- respects internationally recognised human rights
- takes into account the principle of sustainable development and observes the internationally accepted environmental and social impact assessment principles and procedures.

Finnvera's environmental and social risk management is based on the following documents:

- the UN Guiding Principles on Business and Human Rights; they form the foundation for Finnvera's obligation to respect human rights. Finnvera supports the capability of its employees and partners to adhere to these guiding principles.
- the Recommendation of the OECD Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence ("Common Approaches"); Finnvera is committed to compliance with them in its export credit guarantee and export credit operations.

Risk-based approach

When implementing the environmental and social risk management policy, Finnvera applies a risk-based approach. In impact assessment and risk management, the guiding principle is to identify harmful impacts and risks Finnvera's operations, including the impacts of climate change and climate risks to the environment, people and communities. Impacts and risks that affect vulnerable groups or environmentally fragile areas are assessed with particular care. Applying the risk-based approach, Finnvera has determined that the most serious environmental and social impacts and risks relate to Finnvera's financing operations and especially to transactions in such countries where the government does not ensure the implementation of principles presented in the policy. Due to its business relations, Finnvera is most likely directly linked to harmful impacts and risks in the situations described above.

Procedure in financing operations

Finnvera assesses harmful environmental and social impacts and risks as part of financing-related decision-making and risk management. Finnvera identifies the risks and opportunities of climate change related to its financing operations and measures the climate impacts of its operations. The harmful impacts and risks of financing transactions are assessed and managed according to the environmental and social risk management guidelines. In Finnvera's financing operations, the seriousness of impacts and the scale of risks are assessed and the measures for avoiding and mitigating harmful impacts and for managing risks are evaluated. Finnvera monitors the effectiveness of its actions to ensure that harmful impacts and risks have been addressed.

Stakeholder cooperation and openness

The effectiveness of the management of environmental and social impacts and risks is improved through cooperation with clients, financing provider partners and other stakeholders. Through stakeholder cooperation, Finnvera also tries to understand the significance of impacts and risks as well as the expectations of stakeholders and aims at increasing Finnvera's leverage so that harmful impacts and risks can be more effectively addressed. Finnvera also uses the experience gained from stakeholder cooperation to improve its environmental and social risk management.

Finnvera openly communicates about its environmental and social risk management, the climate impacts of its operations, the harmful impacts and risks that it has identified in its financing operations and the measures it takes to avoid, reduce and mitigate all harmful impacts and risks. Parties involved in transactions are required to have capability for appropriate interaction with their stakeholders. The parties that have, independently or together with other parties, caused or contributed to the emergence of a harmful impact must have appropriate means to repair the damage caused and to terminate the operations causing this damage.

In accordance with the ownership policy, Finnvera reports annually on the implementation of corporate responsibility.

Policy compliance and development

Finnvera is committed to implementing and developing this policy and the related specifying guidelines on the basis of changing legal sources and recommendations as well as experiences gained and feedback received. The Board of Directors re-assesses the appropriateness of this policy at regular intervals.