

Danish SDG Investment Fund Impact Report 2024

Contents

Letter from the CEO	3
The SDG Fund in 2024	4
Highlights	4
Impact summary	4
SDG Fund overview	5
SDG Fund background	5
Managing for impact	8
SDG Fund portfolio 2024	9
Summary of results	10
Investments in high impact sectors	13
Green Energy & Infrastructure	13
Healthcare	16
Financial Services	18
Sustainable Food Systems	20
Annex 1. Acronyms	22
Annex 2. A note on methodology	23
Annex 3. Summary of SDG Fund results	24
Annex 4: Overview of SDG targets referenced in the report	26

About this report

This Impact Report covers activities of the Danish SDG Investment Fund, managed by Impact Fund Denmark (formerly known as IFU) for the financial year 1 January to 31 December 2024. For further information on Impact Fund Denmark and the funds managed by Impact Fund Denmark, please see IFU Annual Report 2024, available on <https://impactfund.dk/publications>.

A note on how to read the report

The figures presented in this impact report draw on a number of data sources relating to the investments in the fund's portfolio.

2024 figures: Where possible, figures are drawn from Impact Fund Denmark's results frameworks agreed with investee companies at the time of investments. These are updated annually at the end of the year and used to provide an update on progress for the 2024 calendar year. These figures include reporting from all companies in the active portfolio end of 2024. The 2024 figures are indicated as such throughout the report.

2023 figures: Other figures are drawn from Impact Fund Denmark's annual sustainability reporting, which is submitted by investee companies annually for the previous financial year. These are the most recent available figures and valid typically for the 2023 calendar year only. These figures include reporting from all investments contracted before 2023. The 2023 figures are indicated as such throughout the report.

Cumulative figures: In addition, the report seeks to present figures on cumulative progress for the Danish SDG Investment Fund achieved since its first investments, and includes all investments to date – also investments which have been exited. These are indicated as 'cumulative' figures throughout the report.

Annual figures: Elsewhere, the report makes reference to annual 'snapshot' figures, which refer to the year in question only. These are indicated as such throughout the report.

Letter from the CEO

The world in 2024 saw profound geopolitical shifts and competing priorities. Global development funding is under pressure, with major reductions in donor commitments including USAID and a general decline in available resources. This makes the path to achieving the Sustainable Development Goals (SDGs) more challenging than ever with only five years to go.

Yet, even in this constrained environment, we see remarkable opportunities in frontier and emerging markets. Emerging economies are demonstrating resilience and outperforming many Western markets, with strong prospects for expansion in the years ahead. However, this growth is not without risk. Without impact and sustainability focused investments, there is a danger that progress will be uneven, exacerbate inequalities within and between countries, and negatively impact the environment and fuel climate change. That is why investments that support human development within planetary boundaries are more important than ever. That is precisely the focus of the SDG Investment Fund.

Our strategy is built on the conviction that positive impact and financial returns are mutually reinforcing. We are committed to delivering measurable development results while also achieving financial performance for our investors.

The impact figures for 2024 underscore the relevance and effectiveness of our approach.

In 2024, our investments delivered measurable progress across sustainable development goals. We enabled access to finance for over 458,000 micro, small, and medium-sized enterprises, advancing financial inclusion and poverty reduction. Our support to over 103,500 smallholder farmers promoted sustainable food systems and climate-smart agriculture in vulnerable regions.

Healthcare remained central, with 1.3 million patients receiving essential services through our portfolio companies.

SDG Fund investments supported over 48,000 jobs. We also helped generate more than DKK 1 billion in corporate tax revenues, strengthening partner countries' fiscal foundations. Notably, 77 per cent of our funds are invested in lower-middle or low-income countries, with a third of all investments in Africa, ensuring our impact reaches those who need it most.

All this development requires energy. Our commitment to the green transition is reflected in the installation of 2,532 megawatts of renewable energy, helping to avoid around 3 million tonnes of CO₂ emissions. We also continue to strive to be best-in-class when it comes to documenting our impact in the world. In 2024, we were included on BlueMark's Practice Leaderboard for the second year in a row, and the OECD recently acknowledged our impact measurement methodology.

As we look ahead, the need to mobilise private capital for impact is greater than ever.

We thank all our partners and stakeholders for their continued commitment and look forward to building on this momentum in the years to come.

This report demonstrates how world-changing capital can drive transformative impact across the globe.










Lars Bo Bertram
CEO, Impact Fund Denmark



The SDG Fund in 2024

Highlights

- DKK 3.9 billion (EUR 0.50 billion) invested in 27 private sector companies aligned with SDGs since 2018, including five exited investments in 2022 and 2023.
- DKK 14.5 billion (EUR 1.9 billion) in additional capital mobilised for the companies.
- Additional financing of DKK 137.3 million (EUR 19.2 million) for two projects in 2024.
- 39 per cent of funds have been invested in Asia and 32 per cent in Africa.
- The SDG Fund investments have demonstrated solid improvements in ESG management between 2021 and 2024.

SDG	Impact summary ¹
	Investments in microfinance investments supported more than 450,000 Micro, Small and Medium Enterprises (MSMEs) in 2024.
	Investments supported more than 103,500 smallholder farmers in 2024.
	Healthcare investments served 1.3 million patients in 2024.
	57 per cent of the investments are supporting gender-related business and social outcomes. ²
	In total, 2,532 megawatts of renewable energy capacity has been installed by the investees.
	More than 48,000 jobs supported, of which 25 per cent are occupied by women.
	77 per cent of funds are directly invested in countries classified as lower middle income or low-income countries with a third invested in African countries.
	Current investments avoided some 3 million tCO ₂ e in 2024.
	More than DKK one billion (EUR 0.2 billion) reported in corporate taxes to support national governments in investment countries.

1) See annex 2 page 23 for explanatory notes on methodology and presentation of results in the report.
 2) Impact Fund Denmark is a signatory to the 2X Challenge for gender lens investing. See 2xglobal.org

SDG Fund overview

SDG Fund background

The SDGs constitute an ambitious global agenda to address challenges such as poverty, sustainable economic growth, as well as climate change, and require substantial financial resources for their achievement by 2030. Since the SDGs were launched in 2015, the private sector has played an increasingly pivotal role in this global effort by mobilizing private sector funds – tapping into resources beyond those available through traditional development assistance. The private sector also contributes to the SDG agenda by integrating sustainable business practices and driving innovation in technology and business models.

Much progress has been made in advancing the SDGs. However, in 2024, the UN reported that global efforts remain far behind schedule. With six years remaining, only 17 per cent of targets are on track, while nearly half show moderate or serious deviations, and over one-third has stalled or regressed. The lingering effects of COVID-19, rising conflicts, geopolitical instability and climate disruption have severely hindered progress. The UN warns that without scaled-up investment and decisive action the SDGs will remain unfulfilled³. The 2024 World Investment Report estimated that closing the SDG and climate financing gap will require USD 500 billion annually in international public finance and USD 500 billion in international private finance⁴.

The SDG Fund was established in 2018 by the Investment Fund for Developing Countries (now Impact Fund Denmark) in partnership with six Danish pension funds, including PKA, PensionDanmark, PFA, ATP, P+ and PenSam, and other investors, the SDG Fund was able to mobilise a commitment of DKK 4.86 billion (EUR 0.65 billion) for investment in commercial businesses aligned with the SDG agenda. Of the DKK 4.86 billion (EUR 0.65 billion) committed to the SDG Fund, DKK 2.9 billion (EUR 0.39 billion) was committed by the pension funds and private investors. The remaining DKK 1.9 billion (EUR 0.25 billion) was committed by Impact Fund Denmark, including DKK 100 million (EUR 13.4 million) from the state development aid and a DKK 800 million

SDG Fund background (EUR 107.3 million) loan from Danmarks Nationalbank, guaranteed by the Danish state.

In 2023, the SDG Fund became fully invested with total contracted investments of DKK 3.7 billion (EUR 0.5 billion), almost exclusively in private equity transactions. The remainder of the fund has been set aside for possible follow-up investments and management costs.

As an impact investment fund, the SDG Fund was designed to generate impact through socio-economic benefits aligned with the SDGs, whilst also delivering financial returns for investment partners. Impact Fund Denmark as fund manager has made investments according to its strategy of investing in green energy & infrastructure, financial services, sustainable food systems and healthcare. To create positive impact, while avoiding the risk of distorting local economies, Impact Fund Denmark has sought to ensure that funds invested are financially additional – and not crowding out private investors. Thereafter, Impact Fund Denmark's facilitating role has allowed it to scale funding for the investment by mobilising additional private sector finance from its partners.

During the investment period, the SDG Fund placed particular emphasis on mobilising private sector funds towards four priority SDGs at portfolio level: Gender Equality (SDG 5); Decent Work and Economic Growth (SDG 8); Reduced Inequality (SDG 10) and Climate Action (SDG 13), while other SDGs were targeted as relevant by specific investments (see figure 1). They were prioritised based on Impact Fund Denmark's expertise and know-how in developing the potential of investee companies, making the SDG Fund well placed to contribute to sustainable outcomes. This aligned with Impact Fund Denmark's overall impact priorities of building green, just and inclusive societies, as summarised in Impact Fund Denmark's investment and impact model presented below (see figure 2).

³) The Sustainable Development Goals Report 2024 (UN; 2024)

⁴) 2024 World Investment Report (UNCTAD; 2024)

Figure 1: The SDG Fund portfolio contributes towards four specific SDGs. Additional SDGs are supported and depend on the investment sector.



The SDG Fund focusses on specific SDGs at portfolio level.



Investment projects contribute to additional SDGs linked to sector focus areas.

Figure 2: Impact Fund Denmark’s investment and impact model. Investing risk capital in private companies in developing countries with the purpose of creating impact and return to investors.

Investees

Input

- Impact Fund Denmark invests ...
- Capital
 - Knowledge and competencies
 - Experience

in private companies in developing countries

Sector

- ... into focus sectors
- Green energy & infrastructure
 - Sustainable food systems
 - Financial services
 - Healthcare

that are reinvested



having impact creation plans with specific targets

Return of investment

- and commercial returns ...
- Interest
 - Dividends
 - Capital gains

and value creation plans for generating profits

Output

- ... to achieve measurable results
- Circular business model
 - Climate mitigation and adaptation
 - Improved access to (basic) goods and services
 - Quality jobs
 - Women empowerment

The theory of change

By providing risk capital to private companies operating within well-defined sectors and having individual impact creation plans, the investments generate measurable outputs. These for example include climate mitigation and adaptation, improved access to basic goods and services, as well as quality jobs and women empowerment.

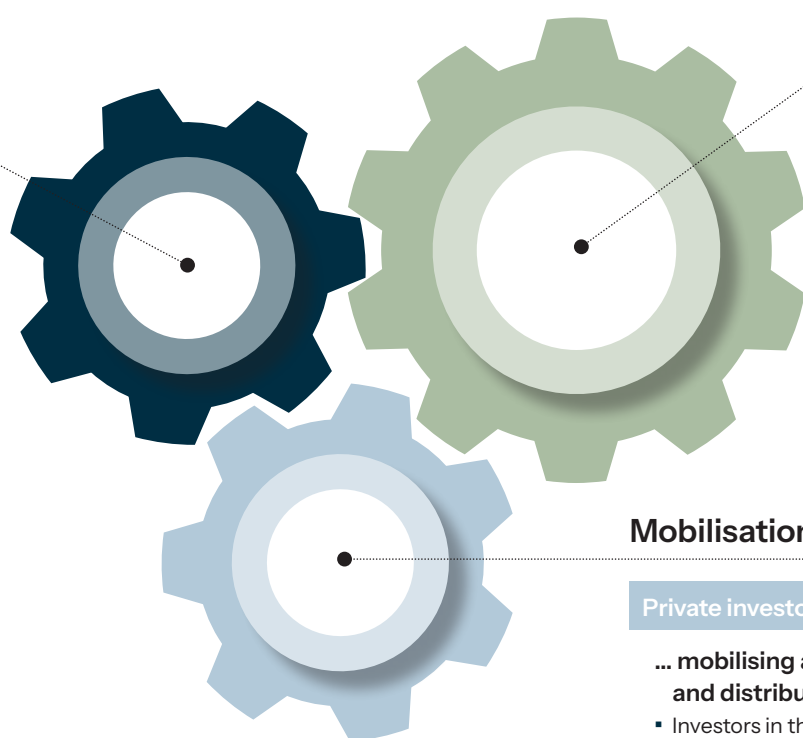
All investments must also have value creation plans for improving ESG performance and generating profit. This ensures that the business is viable in the long term, and can provide a return on investments to the investors in the SDG Fund, which corresponds to the risks involved in the investment.

For the societies, companies' outputs are transformed into more general outcomes and impacts that support sustainable development, the SDGs and contribute to the overall impact priorities.

Moreover, Impact Fund Denmark investments mobilise additional capital from local as well as international investors thereby increasing the value and output of the companies, and the overall impact.



CBI, cement production in Ghana.



Society

Outcome

... contributing to

- Decent work and economic growth
- Reduced inequality
- Climate action
- Gender equality

Impact

... ultimately contributing to impact priorities

- Building green societies
- Building just and inclusive societies

Mobilisation

Private investors

... mobilising additional capital from and distributing earnings to

- Investors in the individual investments
- Pension funds and private investors in Impact Fund Denmark public-private funds

Managing for impact

Impact Fund Denmark undertakes investments with a view to optimising socio-economic and environmental impacts aligned with the SDGs, while at the same time seeking to ensure that the risks of potential negative impacts are managed, mitigated or avoided.

To ensure positive impact, Impact Fund Denmark screens its investments for alignment with strategic impact priorities, develops theories of change to clearly demonstrate how investments contribute to change, and it has agreed an impact results framework for each SDG Fund investment to monitor and manage performance related to development impact creation. This forms part of the investment agreement and is used to track the project’s impact performance until exit.

To reduce, manage, mitigate and avoid negative impacts, comprehensive due diligence processes are in place. Impact Fund Denmark screens and assesses potential investment projects, including SDG Fund projects, against its exclusion list during the initial stages of the investment process.⁵ Before contracting, each investment is then assessed in more detail during due diligence against the IFC Environmental and Social Performance Standards – an internationally recognised framework for managing sustainability risks and impacts based on a number of international core conventions, declarations and agreements, including the ILO conventions and the UN Guiding Principles on Business and Human Rights. The IFC Performance Standards cover issues relating to labour and working conditions, resource efficiency and pollution prevention, community health, safety and security, land acquisition and involuntary resettlement, biodiversity conservation and sustainable management of natural resources, protection of

In 2024, Impact Fund Denmark was appointed a global leader in impact investing by BlueMark, a leading global rating agency for impact investments. Based on an independent verification of Impact Fund Denmark’s policies, working methods and performance measurement,

BlueMark included Impact Fund Denmark in its leaderboard, where only 15 investment companies worldwide were represented at the time of Impact Fund Denmark’s appointment.



indigenous peoples and cultural heritage. Human rights issues are thus an integral part of the standards. However, if risks of severe adverse human rights impacts are identified, Impact Fund Denmark will conduct a more thorough human rights impact assessment to identify the need for additional mitigation measures, thereby complying with the IFC Performance Standards.⁶

At contracting phase, each investee company commits to a written environmental social action plan describing the specific mitigation measures to be implemented to respond to identified gaps in relation to the requirements in Impact Fund Denmark’s sustainability policy and the relevant IFC Performance Standards. All projects are also required to adopt a written sustainability policy and a written stand against corruption as well as establish an environmental and social management system and a grievance mechanism for receiving, processing and settling complaints by individuals and communities (see table 1). The requirements must be met within a reasonable timeframe and are thus not an entry condition for funding. Impact Fund Denmark’s active ownership throughout the investment period includes monitoring project performance and ensuring implementation of the measures in the action plan.

Table 1: Minimum requirements for ESG management cumulative and active portfolio

Cumulative portfolio - End 2023				
Indicators showing % projects with:	Status in 2024	Status in 2023	Status in 2022	% Companies showing improvement since 2019
Written sustainability policy	100%	100%	95%	24%
Written stand against corruption	100%	100%	100%	19%
Environmental and Social Management System	90%	90%	86%	33%
Grievance mechanism for external stakeholders	95%	95%	95%	38%
Dedicated person responsible for sustainability	100%	100%	100%	19%
# of investments reporting	22	22	21	21

5) Impact Fund Denmark’s exclusion list is aligned with EDFI’s exclusion list, which prohibits funding of listed activities that have a detrimental environmental and social effect, including the destruction of high conservation areas, forced and/or child labour and fossil-fuel related activities, amongst others. The list was updated in April 2022 to include more stringent requirements relating to its climate policy.

6) See Impact Fund Denmark’s human rights policy.

SDG Fund portfolio 2024

By the end of 2024, the SDG Fund had invested close to DKK 3.9 billion (EUR 0.5 billion) in 27 companies, almost exclusively as equity. In 2024, this included additional financing of DKK 137.1 million (EUR 19.2 million) to Vinte, Mexico (sustainable housing) and DKK 0.2 million (EUR 0.03 million) to Augment Origo, Brazil (solar PV). During 2022 and 2023, the SDG Fund exited five investments,

leaving contracted investments at approximately DKK 3.5 billion (EUR 0.49 billion) at year-end 2024. Table 2 lists the active investments in the portfolio by year-end 2024, with details on the year of investment, country, sector and amount invested into each project⁷. Table 3 lists portfolio investments which have been exited.

Table 2: SDG Fund investments 2018–2024









No.	Investment	Year	Country	Sector	2024	
					Amount (DKKm)	Amount (EURm)
1	Better Energy Ganska	2018	Ukraine	Green Energy & Infrastructure	37.3	5.0
2	Hospital Holdings Inv	2019	Africa (regional)	Healthcare	62.5	8.4
3	Frontiir Myanmar	2019	Myanmar	Information & communications	73.1	9.8
4	Pakistan Clean Energy	2019	Pakistan	Green Energy & Infrastructure	86.9	11.6
5	JCM Power Corporation	2019	Global	Green Energy & Infrastructure	170.1	22.8
6	DC-Viaduto	2020	Brazil	Other services	39.2	5.3
7	Humania North Africa	2020	Egypt	Healthcare	303.3	42.5
8	Bancosol	2020	Bolivia	Financial services	195.3	26.2
9	Vinte	2020	Mexico	Housing	264.4	37.0
10	DCDC Health Services	2020	India	Healthcare	75.4	10.1
11	Eranove	2020	Cote D'Ivoire	Green Energy & Infrastructure & Other	186.6	25.0
12	Global Tea Limited	2021	Africa (regional)	Sustainable Food Systems	69.6	9.3
13	SASAI	2021	South Africa	Student housing	91.0	12.2
14	Cleanmax	2021	India	Green Energy & Infrastructure	222.4	31.3
15	CBI Ghana	2022	Ghana	Low carbon cement	107.3	14.4
16	Augment Origo DG	2022	Brazil	Green Energy & Infrastructure	303.3	40.7
17	Suminter Organics	2022	India	Sustainable Food Systems	204.1	27.4
18	Bright	2023	Mexico	Green Energy & Infrastructure	209.2	28.0
19	Ugro Capital	2023	India	Financial services	199.9	26.8
20	Arohan	2023	India	Financial services	166.0	22.3
21	Blue Planet	2023	Asia (regional)	Green Energy & Infrastructure	246.4	33.0
22	ODM	2023	Morocco	Healthcare	156.8	21.0

Table 3: Exited SDG Fund investments

No.	Investment	Year	Country	Sector	Amount (DKKm)	Amount (EURm)	Exit
1	United Exports	2018	South Africa	Sustainable Food Systems	74.6	10.0	2022
2	Daystar Power Group	2020	Nigeria	Green Energy & Infrastructure	124.2	16.7	2022
3	Acme Aklera	2021	India	Green Energy & Infrastructure	102.1	13.7	2023
4	Africa Education Holdings	2019	Africa (regional)	Education - tertiary	45.9	6.2	2023
5	Leap India	2019	India	Sustainable Food Systems	94.9	12.7	2023

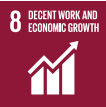






⁷) The table does not include an investment in Radisson Telegraph Hotel, Georgia, which was reported in the 2021 report. The investment did not proceed and was cancelled in 2022 before funds were disbursed.

Summary of results

Table 4: Portfolio allocations contributing to SDG 5, 10 and 13						
SDG	Indicator	Unit	Status in 2024	Status in 2023	Status in 2022	Status in 2021
	Proportion of portfolio classified as gender lens investments (cumulative)	%	55%	56%	41%	30%
	Volume of gender lens investments (cumulative)	%	57%	50%	30%	43%
	SDG volume invested in LMICs or LICs (cumulative)	%	77%	78%	78%	86%
	SDG volume invested in Africa	%	35%	32%	38%	44%
	Proportion of portfolio classified as climate finance investments (cumulative)	%	45%	41%	41%	32%
	Volume of climate finance investments (cumulative)	%	53%	49%	50%	36%
	SDG volume invested in Green Energy & Infrastructure	%	47%	44%	44%	42%
	Total avoided GHG emissions annually	Million tCO ₂ e	3.0	2.3	1.6	1.2

Status for 2024 is based on 22 active investments. For proportion of portfolio, the indicator is calculated based on the total number of investments. For volume of portfolio, the indicator is calculated based on total DKKm invested.

Table 5: Summary portfolio contributions to SDG 8 and 12

SDG	Indicator	Unit	Status in 2024	Status in 2023	Status in 2022	Status in 2021
	Total direct employment*	No.	48,250	40,725	29,909	25,536
	Women employed*	No.	12,116	n/a	9,900	8,472
	Youth employed*	No.	13,541	n/a	5,092	4,588
	Total wages paid to employees annually	DKKbn	3.1	n/a	1.2 (EUR 0.16bn)	1.8
	Absolute emissions for SDG portfolio (Annual)	Million tCO ₂ e	9.2	6.8	7.6	4.1
	Attributed GHG emissions for SDG portfolio	Million tCO ₂ e	0.28	0.15	0.22	0.07
	SDG portfolio emission intensity	tCO ₂ e/ DKKm	85	47	121	131

* Employment and wages paid contain proxy data for newer investments in the fund: Ugro Capital, Arohan, Bright, Blue Planet and ODM

This year, absolute emissions (see table 5) have increased, primarily due to Blue Planet, a waste management company involved in activities such as producing alternative fuels from materials recovered in landfills. Another contributing factor is the heightened activity of Eranove, an electricity and water provider operating natural gas and hydropower plants across Africa.

At the same time, the investment in Blue Planet also contributed to the increase in avoided GHG emissions (see table 4). This is largely attributable to one of its subsidiaries, which replaces coal use in cement plants with Refuse Derived Fuel (RDF), an alternative fuel produced from the combustible fraction of waste recovered from landfills.



Investment in high impact sectors

In the following sections, each of the four prioritised sectors are presented, including the specific sector strategy, impact priorities, as well as some of the expected and achieved impact results. Close to 90 per cent of the invested volume is within these sectors,

and consequently they also reflect the main part of impact. The figures included for the different sectors are selected to give the most essential insight into what kind of impact these sectors provide.

Green Energy & Infrastructure

7 AFFORDABLE AND CLEAN ENERGY



SDG Target 7.3 promotes increasing share of renewable energy in the global energy mix.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



SDG Target 9.4 promotes increased efficiency and use of environmentally-sound technologies.

To support sustainable development that is in line with the Paris Agreement, a priority for the SDG Fund is to invest in increasing access to clean and affordable renewable energy from large-scale utility projects to residential home solar systems and off-grid solutions. Indirectly, this will lead to growing business activities and job creation as well as mitigating climate change.

Moreover, the SDG Fund gives priority to waste recycling and management to address growing urban challenges such as sanitation, congestion and rising air pollution. Circular business models supporting the green transition and creating new local jobs are also promoted. Across all areas the SDG Fund also focuses on energy efficiency as the most affordable way to decarbonise the economy and ensure reliable and renewable energy for all.

The SDG Fund's support to investment in renewable energy and infrastructure in emerging economies amounts to more than 40 per cent of the invested SDG volume, and seeks to support two objectives: firstly increasing the share of renewable energy in the global energy mix; and secondly increasing the use of environmentally sound technologies.

Overall, the SDG Fund has made ten investments in this sector. Two of these were exited in 2022 (Acme Aklera and Daystar Nigeria).



Eranove, energy and water in West Africa.

In 2024, additional financing of DKK 137.1 million (EUR 19.2 million) was provided to Vinte, a sustainable housing project in Mexico, and DKK 0.2 million (EUR 0.03 million) was provided to Augment Origo, a solar PV project in Brazil.

Overall, the SDG Fund has supported generating capacity of more than 2,500 megawatts. By the time of exit, the investments are expected to have almost tripled renewable energy capacity across the invested companies.

Case **Blue Planet**

FACTS

Investment year:
2023
Sector:
Green Energy & Infrastructure
SDG Fund investment:
DKK 246.4m (EUR 34.5m)



SDG

Primary:



India produces approximately 65 million tonnes of waste annually, of which only around 12 million tonnes are treated before disposal. Blue Planet has successfully recovered over 700 acres from old landfills and treated more than 17 million tonnes of waste in its lifetime, replacing the need for new materials and thus reducing CO₂ emissions.

This investment boosts Blue Planet’s operation of one of the largest e-waste recycling centres in India and expands their ongoing activities in mining existing landfills, clearing the sites, thereby improving health in the local community.

Actual impacts

Secondary:



2,600
direct jobs supported

386,000
tCO₂e avoided

2.3 million
tonnes of waste treated

Table 6: Energy generation capacity installed (MW)

Investment	Country	2024	2023	2022	2021
Active portfolio					
Pakistan Clean Energy	Pakistan	50	50	50	50
JCM Power	Global	130	130	130	130
Better Energy Ganska	Ukraine	19	19	19	19
Eranove	Cote d'Ivoire	604	604	604	604
Cleanmax Solar	India	1,337	726	543	472
Augment Origo	Brazil	351	238	138	
Bright	Mexico	41	25		
Exited portfolio					
Acme Aklera	India	n/a	n/a	n/a	n/a
Daystar Power Group	Nigeria	n/a	15	15	12
Total installed energy generation capacity		2,532	1,807	1,499	1,287

Table 7: Renewable energy generated (GWh)

Investment	Country	2024	2023	2022	2021
Current portfolio					
Pakistan Clean Energy*	Pakistan	93	121	163	163
JCM Power	Global	348	264	177	177
Better Energy Ganska	Ukraine	20,73	19	20	22
Eranove	Cote d'Ivoire	1,691	1,495	1,470	1,897
Cleanmax Solar	India	2,553	1,237	787	
Augment Origo	Brazil	634	466		
Bright	Mexico	25	37		
Annual production by 2024 portfolio		5,364,73	3,639	2,618	2,259

* The decrease in reported renewable energy generated for Pakistan, Clean Energy, is primarily the result of a change in reporting methodology. In previous years, figures were based on billable energy generated, which reflected the total electricity produced before accounting for transmission and distribution losses. However, in 2024, the reporting shifted to net delivered energy (NDE). This measure captures only the energy that is actually delivered to end-users after such losses are deducted. As a result, the reported renewable energy output appears lower, even though the underlying generation capacity may not have significantly declined.

Healthcare



SDG Target 3.4 prioritises reduction of premature mortality from non-communicable diseases.

SDG Target 3.8 promotes universal health coverage for all.

Healthcare services are often out of pocket expenses that have significant negative impact on accessibility and lead to increased poverty for low-income groups.

On this backdrop, the SDG Fund invests in healthcare to increase access to affordable and high-quality healthcare services, especially for middle and low-income people. Consequently, focus is on business models supported by universal healthcare programmes or insurance schemes, including primary healthcare and hospitals.

Moreover, the SDG Fund focuses on investments within diagnostic technologies and pharmaceutical companies to improve prevention and treatment as well as provide better access to medicine.

One of the impact priorities when investing in private healthcare is to secure that it complements public healthcare strategies. This can be achieved by introducing new technologies, educating staff, and engaging in outreach activities targeting low-income groups, maternal and child health and people living in rural areas. Upgrading the healthcare system will also make it more attractive for doctors and nurses to stay at home or return from abroad, thereby reducing brain drain.

The SDG Fund’s investments in healthcare play a critical role in emerging markets, especially low and middle-income countries (LMICs), where healthcare systems are often stretched and under-resourced. Boosting healthcare provision is also essential to support economic development. A healthy population is a productive one, and by addressing health

challenges, such as infectious diseases and maternal and child mortality, countries can unlock the full economic potential of their citizens, while minimizing healthcare costs in the long run. Investing in healthcare also creates jobs, stimulates innovation, and attracts foreign investment. In essence, investing in healthcare in LMICs is not just a health intervention but a catalyst for economic prosperity and resilience.

Investing in LMICs is also increasingly crucial due to the rising prevalence of noncommunicable diseases (NCDs) in these regions. The growing burden of NCDs, such as cardiovascular diseases, diabetes, and cancer, not only poses a significant threat to public health but also places substantial strain on healthcare systems and economies. Addressing NCDs requires comprehensive healthcare interventions, including preventive measures, early detection and effective treatment.

The SDG Fund has undertaken four investments in the healthcare sector with a total commitment of DKK 586 million (EUR 78.6 million), representing the fund’s second largest area of investment:

- DCDC Health Services provides dialysis treatment to patients in a number of states in India. DCDC takes part in a public-private partnership where treatments to disadvantaged patients are funded by the Indian federal government.
- Humania North Africa builds and operates new hospitals in Morocco and Egypt, and an expansion of an existing hospital in Cairo.
- Hospital Holdings owns hospitals and clinics in Kenya, Tanzania and Uganda.

Table 8: Patients treated annually by Healthcare sector investments

Investment	Year	Country	Target at expected exit	2024	2023	2022	2021
DCDC Health Services*	2020	India	15,000	33,602	10,202	7,946	6,946
Humania North Africa	2020	Egypt/ Morocco	827,000	371,970	416,319	325,477	345,523
Hospital Holdings	2019	Africa (regional)	1,923,263	823,124	773,931	816,245	806,407
ODM**	2023	Morocco	141,000	115,000	98,000		
Total			2,906,263	1,343,696	1,298,452	1,149,668	1,158,876

* For year 2022 and before that, unique patients only included Outpatient Department (OPD) patients. From year 2023 onwards, DCDC Health Services has started including Inpatient Department (IPD) patients.

** Data for patients treated annually by ODM has been incorporated for the year 2023, increasing the total reported for 2023 from 1,190,271 to 1,298,452.

- Oncologie et Diagnostic du Maroc (ODM) was added to the portfolio in 2023, and is a network of diagnostic clinics and centers located in Morocco, specialized in the diagnostic and various treatments of cancer.

Currently, the four investments are annually serving more than 1.3 million people with primary healthcare and treatment for specific diseases. When the projects are fully implemented the number of patients

served annually is expected to increase to more than 2.9 million. Broadly, the four investments demonstrate progress.

The investments are made in countries that rank between 43 (lowest; Tanzania) and 70 (highest; Egypt) on the World Health Organisation Universal Health Coverage Index, which shows that investments are being made in countries where there is a high need for developing healthcare.



CASE DCDC

FACTS

Investment year:
2020
Sector:
Healthcare
SDG Fund investment:
DKK 75.4m
(EUR 10.6m)

SDG:

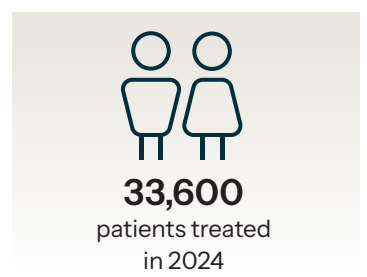
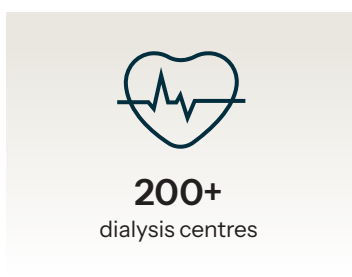


DCDC Kidney Care is India’s leading chain of dialysis centres. The company supports India’s National Dialysis Program – an initiative aimed at increasing access to affordable dialysis treatment – by offering affordable, high-quality dialysis treatment and setting up clinics.

Kidney disease is a public health concern in India, with more than 16 per cent of the population suffering from severe kidney disease.

Most of DCDC Kidney Care’s more than 200 centres are operated as shop-in-shop units within public hospitals, providing dialysis treatment primarily to the economically weaker sections of the Indian population. The business operates under a public-private partnership (PPP) with local state governments.

Actual impacts



Financial Services



SDG Target 1.4 promotes equal access to economic resources, including through access to microfinance.

Eradicating poverty everywhere is one of the principal SDGs. This includes a commitment to promote equal access to financial services. Microfinance is a well-established approach to provide financial lending services through small loans to people who would not usually be able to borrow from more formal banking institutions. This helps improve living conditions, while also providing access to savings that help improve resilience.

Targeted client groups and the rationale for this varies widely from context to context, but often include micro-enterprises, women and other groups living under the poverty line. Micro, small and medium-sized enterprises (MSME) in particular are the growth engines for emerging economies, as well as the backbone for employment. They are providing billions of people with a livelihood and are critical to achieving the SDGs and climate goals.

By investing in financial services, the ambition is to increase financial inclusion, drive economic growth and job creation, as well as reduce inequality. Moreover, the ambition is to work with financial institutions to promote their contribution to the green transition, and work towards increased adoption of digital technologies increasing resilience and outreach simultaneously.

By end 2024, 15 per cent of the SDG Fund portfolio was invested in commercial microfinance compa-

nies, comprising two investments, Ugro Capital and Arohan, in India and one, Bancosol, in Bolivia.

The three MFI investments target slightly different client groups in their respective contexts. Bancosol and Ugro Capital are engaged in providing loans to MSMEs, which are typically smaller businesses without access to financing through formal banking institutions. Arohan is a microfinance institution, primarily lending to microfinance clients and not MSMEs - hence no data is reported for this indicator in 2024 (see table 9).

In 2024, the investments supported 458,000 MSMEs with Bancosol and Ugro Capital demonstrating consistent performance in line with objectives.

Table 9: MSMEs supported through SDG Fund investments

# of MSME's		
	2024	2023
Bancosol	374,572	278,505
Ugro Capital	83,740	32,000
Arohan	n/a	20,000
Total	458,312	330,505

Table 10: Financial inclusion performance of Bancosol

Indicator	Unit	Target at expected exit	2024	2023	2022	2021
Loan portfolio	DKKbn	16.2	18.5	15.9	14.5	12.6
Individual credit clients	#	396,985	373,337	365,446	329,193	296,372
MSME clients	#	303,000	374,572	278,505	251,536	229,503
No of female credit clients	#	180,000	169,019	164,179	147,535	133,093
Depositors	#	1,193,482	1,640,617	1,350,638	1,153,909	1,073,698
% of clients below the national poverty line	%	25	N/A	N/A	21	26
Loan portfolio MSMEs	DKKbn	14	18.6	12.8	11.7	10.2
# of clients borrowing less than 5,000 USD	#	67,487	38,603	41,569	47,144	39,536
Clients trained	#	64,000	221,824	75,230	47,957	89,007

Case Bancosol

FACTS

Investment year:
2020
Sector:
Financial Services
SDG Investment fund:
DKK 195.3m
(EUR 27.3 m)



SDG:



In Bolivia, around 30 per cent of the population lacks access to a bank account or a mobile-money service provider. This hampers economic growth and makes it difficult for people to invest in their businesses and improve their livelihood.

Bancosol is one of the leading microfinance institutions in the country. The company has a clear social mission of providing financial services to low-income groups and women. Its client base has consistently included approximately 75 per cent MSME clients. Typically, around 20 - 25 per cent of Bancosol clients have incomes below the national poverty line, and Bancosol has a sizable effect on income generation and poverty reduction. Almost half of the clients are women, who are provided with better opportunities for engaging in business and increasing their economic independence.

Actual impacts



Sustainable Food Systems



SDG Target 2.3 promotes the doubling of agricultural productivity and incomes of small-scale food producers.

SDG Target 2.4 promotes sustainable food, production and practices.

SDG 2 focuses on the broader aspiration of eradicating hunger and ensuring food security. Producing enough food to feed the world population is a major challenge. Today, around 800 million people in the world do not have enough food to live a healthy, active life, and with a growing population food waste must be reduced, and food production needs to increase. The latter will put further pressure on global warming, as 30 per cent of global GHG emissions stems from agriculture and food processing activities.

Consequently, a priority for the SDG Fund is climate-smart farming that can increase access to healthy and affordable food products with high nutrition. In all investments, there is a strong focus on supporting cultivation and production methods that reduce GHG emissions and increase yield.

As developing countries are the most vulnerable and less prepared for climate change, the SDG Fund also has focus on adaptation, including drought resilient crops and irrigation.

Smallholder farmers are normally the main producers of food in developing countries. But the output per hectare is low, and often the farmers lack access to value adding processing, as well as distribution systems, leading to low-income levels. Therefore, investments that improve living conditions by supporting fair trade and increased productivity are prioritised.

Annually, one third of all global food production is wasted. In developing countries most waste is due to inadequate and insufficient storage and distribution systems. Consequently, the fund has also

invested in food waste management to reduce pressure on land resources and GHG emissions, for example.

Since 2018, the SDG Fund has made four investments, of which two were exited in 2022 and 2023 (United Exports; LEAP India), leaving two remaining investments in the active portfolio:

- Global Tea is a tea sourcing and packing company located in Kenya, producing tea for both local consumption and for international export. The company also has large agricultural plantations in Malawi where they grow macadamia nuts and coffee. The company is supporting 3,000 smallholder farmers in Malawi, having a positive impact on the local economy in this least developed country (LDC).
- Suminter Organics produces high quality natural organic ingredients and materials in socially responsible and environmentally sustainable conditions. The company works closely with over 100,000 smallholder farmers to grow, harvest and process organic goods using fair and ethical practices.

Table 11: Farmers supported

Investment	Country	Farmers supported	
		2024	2023
Global Tea	Kenya/Malawi	3,000	3,000
Suminter Organics	India/Uganda	100,531	93,000
Total		103,531	96,000



Global Tea packing facility.

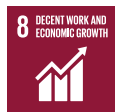
Case Suminter Organics

FACTS

Investment year:
2022
Sector:
Sustainable Food
Systems:
**SDG Fund
investment:**
DKK 204.1m
(EUR 28.6m)



SDG:



The Indian based company, Suminter Organics, assists smallholder farmers in India, Uganda and the Philippines in becoming organic producers by sponsoring their certification, as well as creating market access, better yield and pricing, thereby improving living conditions.

Suminter sources the crops produced by smallholder farmers, processes them in own factories and exports organic, GMO-free products like soybean, cotton, coconut, spices, oilseeds and sugar to more than 250 food brands across Western countries.

The company currently works with 100,000 farmers and aims to almost double their farmer base to 180,000 farmers.

Actual impacts

100,000
farmers supported

697
people employed by
the company

190,000+
farmers to be certified
organic by 2027

Annexes

ANNEX 1: Acronyms

ATP	ATP Livslang Pension
DKK	Danish kroner
ESG	Environmental, social and governance
GHG	Greenhouse gas
GWh	Gigawatt hours
IFC	International Finance Corporation
IFU	Investment Fund for Developing Countries
LDC	Least developed country
LMIC	Low and middle income country
MSME	Micro, small and medium enterprises
MW	Megawatts
OECD	Organisation for Economic Co-operation and Development
P+	P Plus
PenSam	PenSam Pension
PFA	PFA Pension Forsikringsaktieselskab
PKA	Pensionskassernes Administration A/S
SDG	Sustainable Development Goal
UN	United Nations

ANNEX 2: A note on methodology

- The SDG Fund has made 27 investments to date, including five investments exited during 2022 and 2023. Where possible, the report presents the cumulative results of the fund since its launch, including investments exited during 2022 – and these results are indicated as cumulative. Where this is not possible, results are described as annual, and relate only to the active portfolio in 2024.
- Except in a few cases, results are calculated based on results received from SDG Fund investments, which were contracted prior to 2023, and therefore do not reflect five new investments contracted during 2023. However, as appropriate, targets for exit have been revised to reflect anticipated achievements of the new investments finalised in 2023.
- Results presented represent the achievements of the SDG Fund in each sector. Where multiple investments have reported against the same indicator, results have been aggregated to the extent possible.
- Results are drawn primarily from results framework reporting, which was received from investee companies in Q1 2024, such that results are representative of the full calendar year in 2023.
- Throughout the report financial figures have been provided in DKK with the equivalent amount in EUR in brackets. The EUR equivalent has been calculated using the DKK:EUR exchange rate valid on 31 December 2023, and are approximate.

ANNEX 3: Summary of SDG Fund results

SDG	Indicator	Unit
1	Number of clients borrowing less than 5,000 USD	No.
1	Number of MSME clients	No.
1	Total volume of loans to MSMEs (2022 DKK FEX)	DKKbn
1	Total volume of outstanding loans (2022 DKK FEX)	DKKbn
3	Number of patients served annually	Million no.
5	Number of gender lens investments	%
5	Volume of gender lens investments	%
5	Number of female clients in financial institutions	No.
7	Renewable energy capacity installed (Cumulative)	MW
7	Renewable energy generated annually (Cumulated)	GWh
7	Number of new connections to energy	No.
8	Total direct employment	No.
8	Women employed	No.
8	Youth employed	No.
8	Total wages paid to employees annually	DKKbn
10	SDG volume invested in LMICs or LDCs	%
10	SDG volume invested in Africa	%
12	Absolute emissions for SDG portfolio (Annual)	Million tCO ₂ e
12	Attributed GHG emissions for SDG portfolio (Annual)	Million tCO ₂ e
12	SDG portfolio emission intensity (Annual)	tCO ₂ e/DKKm
12	Companies reporting written sustainability policy in place	%
12	Companies reporting Environmental and Social Management System in place	%
12	Companies reporting dedicated person responsible for sustainability in place	%
13	Proportion of portfolio classified as climate finance investments (cumulative)	%
13	Volume of climate finance investments (cumulative)	%
13	SDG volume invested in Green Energy & Infrastructure	%
13	Total avoided GHG emissions annually through renewable energy (cumulated, no attribution)	Million tCO ₂ e
13	Attributed avoided GHG emissions annually (Cumulated)	Million tCO ₂ e
16	Companies reporting Written stand against corruption in place	%
16	Companies reporting Grievance mechanism for external stakeholders in place	%
17	Annual taxes reported	DKKbn

Status in 2024	Status in 2023	Status in 2022	Status in 2021	Baseline	Expected results at exit	% target achieved in 2024
38,603	41,569	43,166	39,536	33,091	67,487	57%
458,312	278,505	246,820	229,503	209,671	303,000	151%
18.6 (EUR 2.49)	12.8 (EUR 1.7bn)	11.5 (EUR 1.5bn)	10.2 (EUR 1.4bn)	8.4 (EUR 1.1bn)	13.6 (EUR 1.8bn)	137%
18.5 (EUR 2.48)	15.9 (EUR 2.1bn)	14.3 (EUR 1.9bn)	12.6 (EUR 1.7bn)	10.6 (EUR 1.4bn)	16.2 (EUR 2.2bn)	114%
1.3	1.2	1.17	1.11	1.19	2.91	37%
55%	56%	41%	30%	n/a	40%	138%
57%	50%	30%	43%	n/a	40%	143%
169,019	164,179	144,424	133,093	122,487	180,000	94%
2,532	1,807	1,499	1,287	1,315	5,494	46%
5,365	3,655	2,634	2,271	2,718	10,599	51%
2,157,047	1,720,000	1,480,583	1,230,000	564,843	2,000,000	108%
48,250	40,725	30,014	25,536	n/a	n/a	n/a
12,116	n/a	9,900	8,472	n/a	n/a	n/a
13,541	n/a	5,092	4,588	n/a	n/a	n/a
2.3 (EUR 0.30bn)	n/a	1.2 (EUR 0.2nbn)	1.8 (EUR 0.2bn)	n/a	n/a	n/a
77%	78%	78%	86%	n/a	n/a	n/a
35%	32%	38%	44%	n/a	n/a	n/a
9.2	6.8	7.6	9.1	n/a	n/a	n/a
0.28	0.15	0.24	0.16	n/a	n/a	n/a
85	47	131	110	n/a	n/a	n/a
n/a	100%	95%	100%	62%	100%	n/a
n/a	90%	84%	84%	38%	100%	n/a
n/a	100%	100%	95%	69%	100%	n/a
45%	41%	41%	32%	n/a	n/a	n/a
53%	49%	50%	36%	n/a	50%	106%
47%	44%	44%	42%	n/a	n/a	n/a
3.0	2.3	1.6	1.2	n/a	5.3	57%
0.11	0.06	0.09	0.06	n/a	0.07	157%
n/a	90%	100%	95%	62%	100%	n/a
n/a	95%	95%	84%	38%	100%	n/a
0.59	0.67	0.03	0.02	n/a	n/a	n/a

ANNEX 4: overview of SDG targets referenced in the report

SDG	SDG sub-target*
 <p>Goal 1: End poverty in all its forms everywhere.</p>	<p>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.</p>
 <p>Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</p>	<p>2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.</p> <p>2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.</p>
 <p>Goal 3: Ensure healthy lives and promote well-being for all at all ages.</p>	<p>3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.</p> <p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p>
 <p>Goal 5. Achieve gender equality and empower all women and girls.</p>	<p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>
 <p>Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p>
 <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.</p> <p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>

*) Summary taken from "Final list of proposed Sustainable Development Goal indicators".

SDG	SDG sub-target*	
	<p>Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	<p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p>
	<p>Goal 10. Reduce inequality within and among countries.</p>	<p>10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p> <p>10.b Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes.</p>
	<p>Goal 12. Ensure sustainable consumption and production patterns.</p>	<p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p>
	<p>Goal 13. Take urgent action to combat climate change and its impacts.</p>	<p>13.a Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible.</p>
	<p>Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p>	<p>16.5 Substantially reduce corruption and bribery in all their forms.</p> <p>16.6 Develop effective, accountable and transparent institutions at all levels.</p>
	<p>Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable development.</p>	<p>17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.</p> <p>17.3 Mobilize additional financial resources for developing countries from multiple sources.</p>



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Cover photo: Global Tea, tea production and services in Africa. Other photos by Ernst Tobisch, Impact Fund Denmark, project companies and staff.