

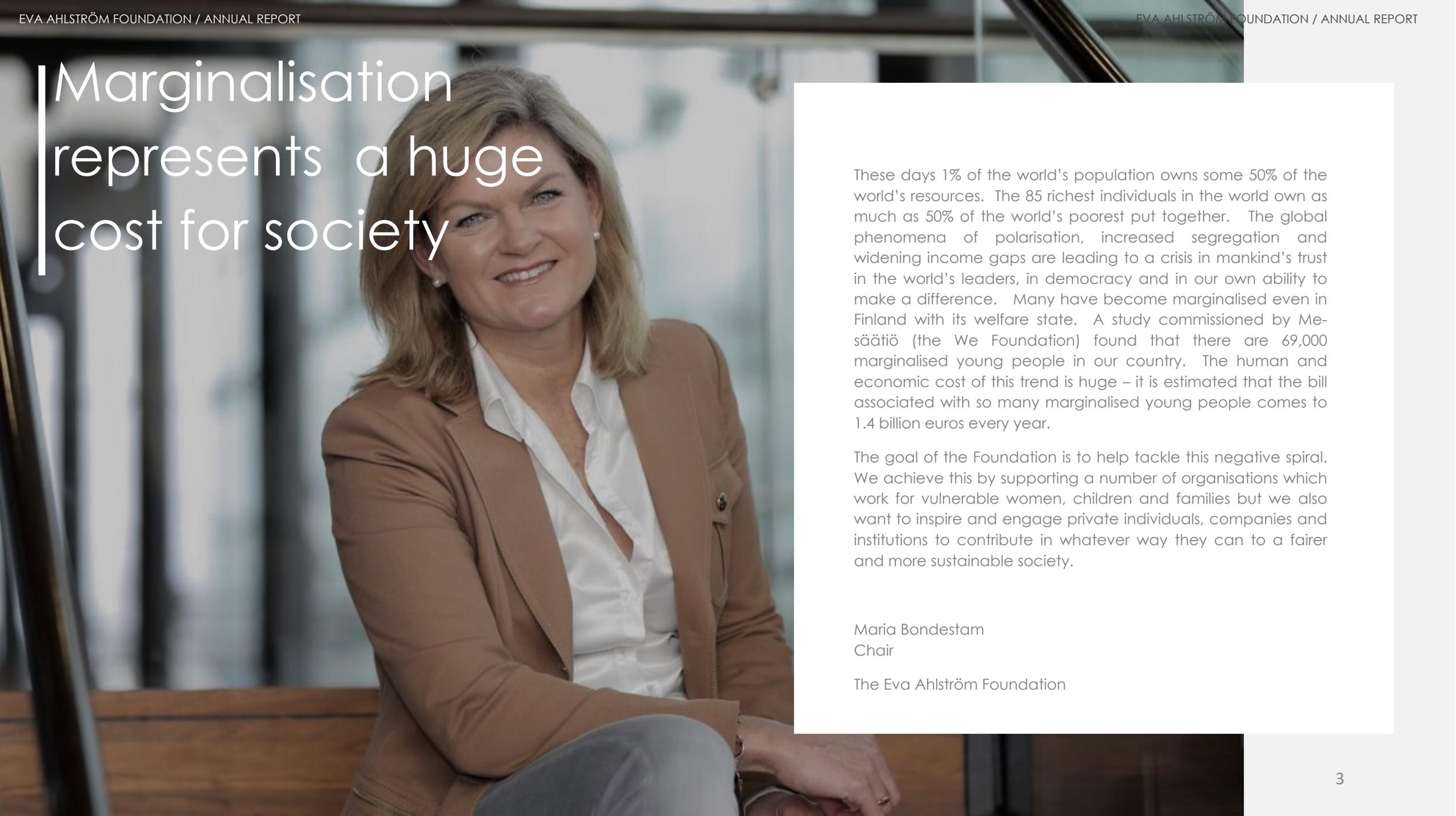
Easa Ahlström

SÄÄTIÖ STIFTELSE FOUNDATION

ANNUAL REPORT
2017

CONTENTS

Foreword from the Chair	3
The Foundation	4
Financial Report	5
Donations 2017	6
Co-operation with Foundations and Businesses	12
Other Activities	12
Important Events since the end of the year	13
Future Plans	13



Marginalisation represents a huge cost for society

These days 1% of the world's population owns some 50% of the world's resources. The 85 richest individuals in the world own as much as 50% of the world's poorest put together. The global phenomena of polarisation, increased segregation and widening income gaps are leading to a crisis in mankind's trust in the world's leaders, in democracy and in our own ability to make a difference. Many have become marginalised even in Finland with its welfare state. A study commissioned by Me-säätö (the We Foundation) found that there are 69,000 marginalised young people in our country. The human and economic cost of this trend is huge – it is estimated that the bill associated with so many marginalised young people comes to 1.4 billion euros every year.

The goal of the Foundation is to help tackle this negative spiral. We achieve this by supporting a number of organisations which work for vulnerable women, children and families but we also want to inspire and engage private individuals, companies and institutions to contribute in whatever way they can to a fairer and more sustainable society.

Maria Bondestam
Chair

The Eva Ahlström Foundation

THE FOUNDATION

The Foundation is named after the industrialist Eva Ahlström (1848–1920) who, together with her husband industrialist Antti Ahlström (1827–1896), made significant charitable donations in areas such as education, health and culture

The idea for a Foundation was first hatched in August 2008 by some of the female members of the Ahlström family. In May 2010 the 25 individuals behind the idea got the go-ahead from the Finnish Patent and Registration Office to form the Foundation. The mission of the Foundation is to support charitable organisations, foundations or individuals in Finland or abroad. These beneficiaries shall be reputable and have a proven record of working globally or locally to give financial support principally to women and children who are victims of poverty, oppression, war, political instability, natural disasters or other difficult circumstances.

The Foundation achieves its goals by making annual donations to one or more recipients which fulfill the above conditions. The Foundation was officially registered on 27 October 2010. The Foundation's website is www.evaahlstromsstiftelse.fi

Membership: The Foundation is a member of the Council of Finnish Foundations (charitable trusts). The Council is a cooperative body whose members are all committed to following a code of conduct for charitable organisations.

BOARD OF DIRECTORS

During 2017 the Board's Directors were Johanna Ahlström, Camilla Ahlström-Taavitsainen (vice-chair), Maria Bondestam (chair), Joanna Danielsson (treasurer), Edvin Franck, Monica Koivulehto, Helena Nahi and Anna Tornivuori.

AUDITORS

Henrik Holmbom (Central Board of Trade approved). Auditing firm: KPMG Videri.

BOARD MEETINGS

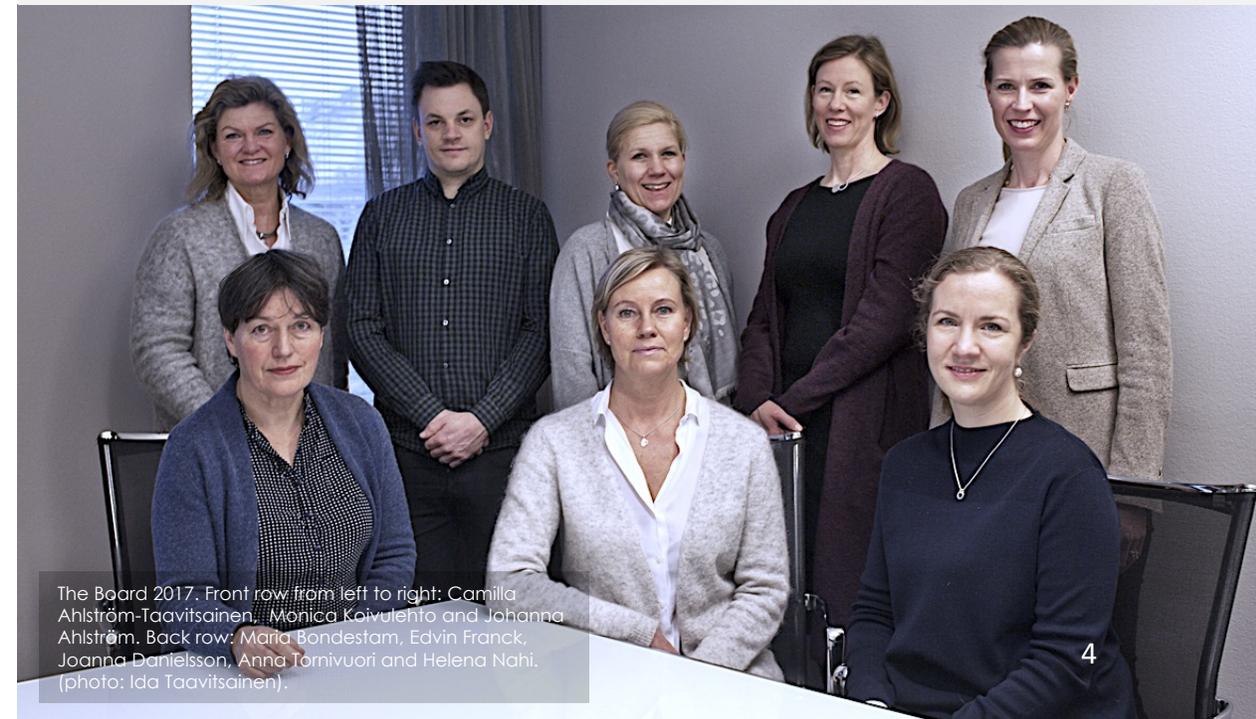
The Board met nine times for ordinary meetings in 2017: 25.1, 1.3, 7.4, 10.5, 31.5, 15.8, 5.10, 6.11, 11.12.

DECLARATION ON THE ECONOMIC INTERESTS OF THOSE CONNECTED TO THE FOUNDATION

No one connected to the Foundation has any economic interests as described in the Foundation Law chapter 5, article 2, nor receives any wholly or partially subsidised benefits.

DECLARATION ON FEES PAID TO THE BOARD OF DIRECTORS

No fees have been paid to the members of the Board of Directors



The Board 2017. Front row from left to right: Camilla Ahlström-Taavitsainen, Monica Koivulehto and Johanna Ahlström. Back row: Maria Bondestam, Edvin Franck, Joanna Danielsson, Anna Tornivuori and Helena Nahi. (photo: Ida Taavitsainen).

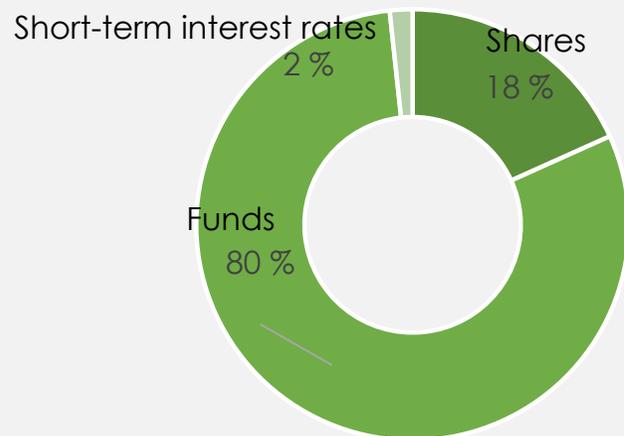
FINANCIAL REPORT

The Foundation follows a structured long-term investment strategy investing funds in a way that is safe but which still gives a return. It invests only in products which the Board understands and considers to be ethical

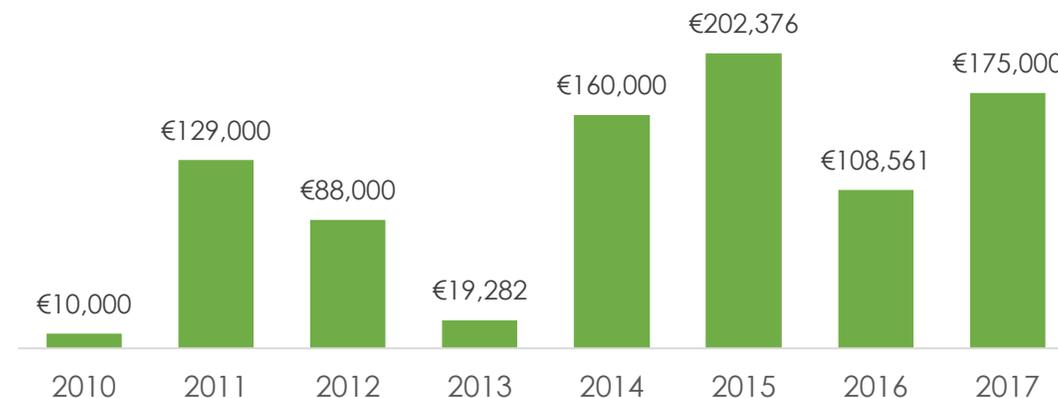
The Board of Directors reviews the investment strategy together with professional advisors at two meetings per year, or more often if needed, as well as having regular meetings with the Board's asset manager. The portfolio is globally diversified in various asset classes with medium-high risk.

As at 31.12.2017 the Foundations portfolio was valued at a total of €1,888,684 (2016: €2,022,149). The administrative costs in 2017 rose to €20,531.40 (2016: €9,117.56). This increase can be attributed mainly to costs associated with the planned merger (see p 13).

Breakdown of Portfolio 31.12.2017



Donations made by the Foundation 2010 - 2017



The Foundation's total capital 2010-2017



DONATIONS 2017

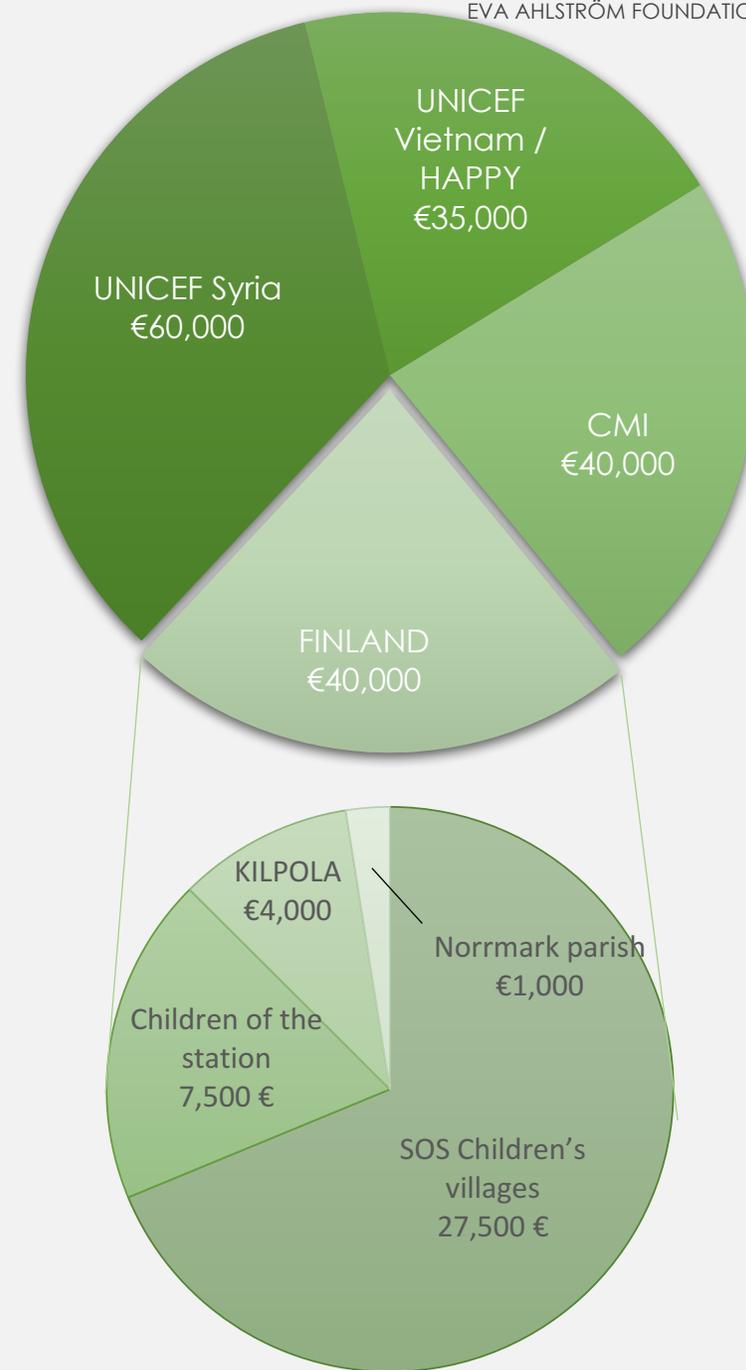
In 2017 the Foundation made donations of a total of €75,000 to support various projects in Finland and abroad.

In January 2017 the Board decided to make a one-off donation to the crisis in Syria. The Foundation donated €50,000 to UNICEF's work for Syrian children within Syria as well as in neighbouring areas. The Foundation also encouraged other organisations to participate. Five other organisations rose to the challenge: *Otto A. Malms donations fond*, *Tiina ja Antti Herlinin Säätiö*, *Stiftelsen Christina och Torsten Ahlströms minne*, *August Ludvig Hartwalls stiftelse* and *Päivikki och Sakari Sohlbergs stiftelse*. Together the donation came to €135,000.

At their meeting on 7.4.2017 the board decided to disburse a total of €40,000 as ordinary donations for various projects in Finland.

The board made a further donation of €40,000 to CMI on the occasion of president Martti Ahtisaari's 80th birthday. This sum represents the basic cost of a peace negotiation. We also paid out the second instalment of the ongoing HAPPY-project in Vietnam as planned (see below). The third instalment will be paid in 2018.

The last donation of the year €10,000, went to the YHDESSÄ (*Together*) project. This project was launched in November at the annual meeting of the Finnish Family Firms Association. You can find more information on page 12 under the heading Co-operation with Businesses and Charities.



The largest donation in Finland, 27,500 euros, went to SOS Children's Villages. The money was shared between three special projects, the first of which is involved with sponsorship for unaccompanied minors.

SOS Children's Villages now has 30 unaccompanied minors living in their group and family homes in Espoo, Haapajärvi and Jyväskylä. These young people have now reached the integration stage, having already been granted asylum. The number of young people in similar situations is growing all the time but the likelihood that they will be reunited with their families is growing more and more distant because of ever stricter refugee policies. Instead these young people are compelled to grow up without their own families.

Living with others in similar circumstances, it is not easy for them to integrate into Finnish society. Therefore SOS Children's Villages has launched a project to provide "friend families" where the children will for example be able to experience ordinary Finnish family life, learn the language, understand cultural norms and gradually integrate into Finnish society. The aim is to recruit 25 friend families during 2017-2018.

The second project involves a camp where children with challenging backgrounds can learn to identify and handle their feelings with the help of various activities such as painting, drama and writing. Children who have been abused and have experienced insecurity in their childhood carry those experiences with them throughout their whole life. They often have difficulty expressing their emotions especially if the traumatic events took place before they could express themselves in speech. The camp is intended for the staff and children of the Children's Villages, foster parents, fostered children, biological parents and families receiving social services.

The third project involves family rehabilitation for families where the adults are struggling to cope with children's basic needs and to understand, for example, the importance of play in a child's development. These families are clients of the child protection agency and both the adults and children often have deep emotional problems. The families lack recreational activities and perspective; financial difficulties often mean that they cannot afford to take holidays away from home or create a balanced rhythm between weekdays and weekends. SOS Children's Villages has arranged weekend camps for them with a range of activities such as riding, swimming and outings in the countryside.



CHILDREN OF THE STATION RECEIVED 7,500 EUROS.

This organisation was founded in 1990 and now has a nationwide presence. The aim is to provide safe adult contacts for children who have gone astray and who do not have reliable adults to discuss their problems with. Children of the Station has 26 employees and a network of 350 adult volunteers, 100 of whom are situated in and around the greater Helsinki area.

The budget is €1.7m, 65% of which is public funding and 35% private. Their premises Walkers House (the old bus station in Helsinki) belongs to the City and is open every day. The target group is young people aged between 13 and 17 years. They can always find a group of adults on hand to welcome them, look after them and if necessary, arrange appointments with welfare officers etc. Nationwide there are eleven cafés which operate in the same way.

The organisation also runs the "Walkers Bus" which is used for accessing places where problems are starting to appear such as drug use, vandalism and violence. In other words they maintain a presence in the areas where young people tend to hang out.

The Children of the Station works in cooperation with a range of other interested parties such as security guard firms, businesses, local police, child protection agencies, local parishes, school welfare officers and security police. Together they try to identify and deal with worrying behaviour on the streets such as radicalisation, new drugs and gang culture.

The organisation also runs a conciliation program and focuses on teaching problem-solving skills within the Friends programme which deals with mental health problems amongst young people.

THE EMERGENCY ACCOMMODATION UNIT IN THE HELSINKI REGION, KILPOLA, RECEIVED 4,000 EUROS

Kilpola provides a safe place to live as the next stage for people who have had to stay in emergency accommodation. The Foundation's donation was used for services for traumatised children.

NORRMARK PARISH RECEIVED 1,000 EUROS

for activities which build social cohesion such as arranging weekly soup lunches for those in need. The donation will be paid during 2018.



THE FOUNDATION HAS SUPPORTED A WATER AND SANITATION PROJECT (WASH) IN RAJASTHAN, INDIA 2014 – 2017

The WASH project was piloted in 750 schools in two regions, Udaipur and Dungarpur. 93,000 children from 30,000 families benefited including tens of thousands of teachers. The model has also been copied by other regional authorities with a further 28,000 children being reached.

The WASH project and its positive results have convinced the local authorities so far to contribute over \$4m (2015) to rolling out the results to other schools in the region. The project is now finished but the final report has not yet been published at the time of writing.

Prime Minister Narendra Modi's campaign "Clean India - Clean Schools" has similar aims and it is hoped that around 60,000 schools in Rajasthan will be able to benefit from the WASH-package, consisting of hygiene education, toilets, clean water and water racks.

The pupils are then given the task of spreading their knowledge to their families and their local communities. This has been proven to be the most effective way to disseminate knowledge.

The Eva Ahlström Foundation has been able to contribute to the project thanks to an earmarked donation of a total of €200,000 from Ahlström-Munksjö Abp over 2013-2015



The aim of the UNICEF WASH-project was to spread knowledge of the importance of hygiene for health and consequently for school, work and the development and future of local communities.

THE HAPPY-PROJECT FOR DISABLED CHILDREN IN VIETNAM 2016-2019

The August Ludvig Hartwall Foundation, the Eva Ahlström Foundation and the Paulig family support UNICEF's work for disabled children in Vietnam through "Inclusive education for handicapped children in Vietnam". This project will run for three years and will cost €35,000 per year per contributor, making a total of €105,000 per year.

UNICEF's main aim in its work on behalf of disabled children is to secure the earliest possible diagnosis for children with physical and mental disabilities.

Early years and school education should be of high quality, support should be made available to all and as many children as possible should have access to inclusive education in order to develop into productive members of society.

An important objective is to tackle the stigma attached to physical and mental disabilities. Many Vietnamese believe disabilities to be a punishment and a sign that the person has done wrong in a previous life, with disabled people consequently being the subject of great stigma.

As a result, disabled people are often excluded from society, do not attend school and are not welcome at family gatherings.

Through better information and improvements in the laws, it is hoped that society in Vietnam as a whole will become more inclusive.

The official measurement of disability in Vietnam is narrow and does not include a number of learning disabilities or delayed development. Only children under 16 are included in the statistics for children.

In spite of the narrow definition, the number of disabled people in Vietnam is above average. One contributing factor is the poison Agent Orange which the USA used during the Vietnam war. The poison causes health problems for many generations.

The August Ludvig Hartwall Foundation, the Eva Ahlström Foundation and the Paulig family support UNICEF's work for handicapped children in Vietnam

HAPPY
HARTWALL AHLSTRÖM PAULIG PERHEET YHDESSÄ

unicef 

The Hand in Hand project in Odisha, India 2015-2017

This project has focused on the village of Bhasma in the district of Sundargarh, Odisha region. The overall goal of the project has been to improve the lives of the village's nearly 5,000 inhabitants through a so-called Village Uplift Program

The program aims to abolish child labour through persuading parents of the importance of sending their children to school to ensure a better future.

The project also provides villagers with training in business, finance and marketing as well as giving them access to microloans.

It is mostly women who receive this kind of help for starting small family businesses. Other activities included in the Village Uplift Program are health checks, training in basic hygiene and information on citizens' rights

Local residents have been recruited and trained as volunteers to drive the development forward when the project has come to a close.

The project was realised thanks to an earmarked donation of c. €25,000 from Ahlström- Munksjö Abp.



The overall goal of the project has been to improve the lives of the village's nearly 5,000 inhabitants.

CO-OPERATION WITH FOUNDATIONS AND BUSINESSES

Partnership agreement with CMI and Ahlström Capital

The partnership agreement which the Foundation entered into with CMI and Ahlström Capital in 2016 finished in May 2017. It provided for events such as talks by prominent CMI employees as well as meetings with president Ahtisaari.

In March the Foundation and Ahlström Capital arranged a well-attended lecture evening at Ahlström Capital's offices entitled *"The International Community at a Turning Point – Where is the Power?"* The speaker was CMI's Africa and Middle East advisor George Charpentier, senior diplomat and UN spokesman. He covered areas such as the world after Brexit, the American presidential election and the UN's position in a changing world where power shifts are not reflected in the make-up of the permanent Security Council. The discussions were lively and there were around 60 participants.



The HAPPY-project was presented to a wider audience

The theme for the autumn seminar of the Finnish Family Firms Association (2.11.2017) was "Responsibility – Obligation or Privilege?" The seminar was an excellent opportunity to present the HAPPY-project in Vietnam to a wider audience.

In conjunction with the autumn seminar a new co-operation project called YHDESSÄ ("Together") was launched with the aim of getting family businesses to join forces and support UNICEF's work on behalf of the 1.5 million children who have been affected by the war in the Middle East, especially in Syria and Iraq.

YHDESSÄ as its mission wants to achieve a more equal and more sustainable world.

unicef 

HAPPY
HARTWALL AHLSTRÖM PAULIG PERHEET YHDESSÄ

OTHER ACTIVITIES

Nordic Philanthropy - "Creating Impact through Philanthropy"

The Foundation contributed to research on philanthropy in the Nordic region by taking part in a series of interviews carried out by Swedish Entrepreneurship Forum and financed by UBS Wealth management. The Foundation's chair Maria Bondestam participated in a panel discussion on the results of the research that was held in Stockholm 23–24.3. A total of 41 respondents took part in the study *"Creating Impact through philanthropy – a Nordic perspective"* including six from Finland.

The Finnish Family Firms Association's charity gala

The Foundation's board took part in the Finnish Family Firms Association's charity gala in the Old Student House on 24.3.2017. The Foundation contributed to the event partly by recommending recipients for the funds raised and partly by arranging the musical entertainment.

Artists Sam Huber, Ronya and Anni Saikku together with students from Helsinki Circus School performed pro bono. The profits made at the gala were donated to Tukikummit-säätiö, which was founded by president Sauli Niinistö and Hjallis Harkimo. The money will be used for school books for upper-high school students who cannot afford them.

The Foundation's chair invited to philanthropy seminar in Luxemburg 29–30.11.2017

At the annual meeting of United Bank of Switzerland's 100 largest customers a lecture entitled *"Philanthropy as a glue between generations was given"*. The chair of the Eva Ahlström Foundation presented her views on the subject together with UBS philanthropy specialist Christoph Court, and shared her experience of how philanthropy and other social work can contribute to keeping families together over several generations.

IMPORTANT EVENTS SINCE THE END OF THE YEAR

Merger of Foundations and changes to Articles of Association

On 13.2.2018 the Foundation's board made the decision to go ahead with a merger where the Christina and Torsten Ahlström Memorial Foundation sr will be taken over by the Eva Ahlström Foundation. The board also approved changing the Articles of Association in accordance with the merger plans.

At the same time the Articles of Association have been adapted to comply with the current law on foundations. The two foundations have almost identical missions and the Eva Ahlström Foundation's goals will therefore remain unchanged. The merger means that the Foundation's portfolio will almost double to a sum of almost €4 million.

The merger of the foundations is expected to be completed in August 2018.

FUTURE PLANS

In addition to the above merger, we are expecting a donation from Antti Ahlström Perilliset Oy somewhere in the region of €1 - €1.5m

In the best case this means that the Foundation will reach a capital of around €5m. We must therefore ensure during 2018 that we safeguard this growing portfolio in a way that gives returns. At the same time we will follow guidelines for ethical investments and take into account climate-related investment risks such as material and technological risks as well as risks related to legislature and society.

The future is looking very bright for the Foundation.