Principles for Responsible Investment

PRIVATE RI REPORT
2018

Veritas Pension Insurance Company Ltd

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

OO 01	Mandatory	Gateway/Peering	General

OO 01.1	Select the type that best describes your organisation or the services you provide.

- ✔ Non-corporate pension or superannuation or retirement or provident fund or plan
- ○ Corporate pension or superannuation or retirement or provident fund or plan
- ○ Insurance company
- ○ Foundation
- ○ Endowment
- ○ Development finance institution
- ○ Reserve - sovereign or government controlled fund
- ○ Family office
- ○ Other, specify

OO 01.3	Additional information. [Optional]

Veritas Pension Insurance is one of the four private sector pension insurance companies providing statutory earnings-related pensions in Finland

OO 02	Mandatory	Peering	General

OO 02.1	Select the location of your organisation's headquarters.

Finland

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).

- ✔ 1
- ○ 2-5
- ○ 6-10
- ○ >10

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

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OO 03	Mandatory	Descriptive	General

OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ○ Yes
- ✔ No

OO 04	Mandatory	Gateway/Peering	General

OO 04.1	Indicate the year end date for your reporting year.

31/12/2017

OO 04.2	Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

Total AUM

3,175,000,000 EUR

3,767,127,233 USD

OO 05	Mandatory to Report, Voluntary to Disclose	Gateway	General

OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes:

	Internally managed (%)	**Externally managed (%)**
Listed equity	<10%	10-50%
Fixed income	<10%	10-50%
Private equity	<10%	<10%
Property	10-50%	<10%
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	10-50%
Forestry	0	0

Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06	Mandatory	Descriptive	General

OO 06.1	Select how you would like to disclose your asset class mix.

○ as percentage breakdown
✔ as broad ranges

OO 07	Mandatory to Report, Voluntary to Disclose	Gateway	General

OO 07.1	Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Internally managed	SSA	95
	Corporate (financial)	0
	Corporate (non-financial)	5
	Securitised	0
Externally managed	SSA	30
	Corporate (financial)	5
	Corporate (non-financial)	65
	Securitised	0

OO 08	Mandatory to Report, Voluntary to Disclose	Peering	General

OO 08.1	Provide a breakdown of your organisation’s externally managed assets between segregated mandates and pooled funds.

Asset class breakdown	**Segregated mandate(s)**	**Pooled fund(s)**	**Total of the asset class (each row adds up to 100%)**
[a] Listed equity	✔ 0% ○ <10% ○ 10-50% ○ >50 %	○ 0% ○ <10% ○ 10-50% ✔ >50 %	**100%**
[b] Fixed income - SSA	○ 0% ○ <10% ○ 10-50% ✔ >50 %	○ 0% ✔ <10% ○ 10-50% ○ >50 %	**100%**
[c] Fixed income – Corporate (financial)	○ 0% ○ <10% ○ 10-50% ✔ >50 %	○ 0% ✔ <10% ○ 10-50% ○ >50 %	**100%**

[d] Fixed income – Corporate (non-financial)	○ 0% ○ <10% ○ 10-50% ✔ >50 %	○ 0% ○ <10% ✔ 10-50% ○ >50 %	**100%**
[f] Private equity	✔ 0% ○ <10% ○ 10-50% ○ >50 %	○ 0% ○ <10% ○ 10-50% ✔ >50 %	**100%**
[g] Property	✔ 0% ○ <10% ○ 10-50% ○ >50 %	○ 0% ○ <10% ○ 10-50% ✔ >50 %	**100%**
[j] Hedge funds	✔ 0% ○ <10% ○ 10-50% ○ >50 %	○ 0% ○ <10% ○ 10-50% ✔ >50 %	**100%**

OO 09	Mandatory to Report, Voluntary to Disclose	Peering	General

OO 09.1	Indicate the breakdown of your organisation's AUM by market.

Developed Markets	○ 0% ○ <10% ○ 10-50% ✔ >50 %
Emerging, Frontier and Other Markets	○ 0% ○ <10% ✔ 10-50% ○ >50 %
Total100%	

OO 10	Mandatory	Gateway	General

OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- ☑ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☑ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- ☑ We cast our (proxy) votes directly or via dedicated voting providers
- ☐ We require our external managers to vote on our behalf.
- ☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- ☐ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☑ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- ☐ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☑ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- ☑ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☑ We require our external managers to engage with companies on ESG factors on our behalf.

☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Gateway	General

OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- ✔ We address ESG incorporation.
- ○ We do not do ESG incorporation.

Fixed income - SSA

- ✔ We address ESG incorporation.
- ○ We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- ✔ We address ESG incorporation.
- ○ We do not do ESG incorporation.

Private equity

- ✔ We address ESG incorporation.
- ○ We do not do ESG incorporation.

Property

- ✔ We address ESG incorporation.
- ○ We do not do ESG incorporation.

Cash

- ○ We address ESG incorporation.
- ✔ We do not do ESG incorporation.

OO 11.2 Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	**Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes** ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Fixed income - SSA	**Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes** ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Fixed income - corporate (financial)	**Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes** ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Fixed income - corporate (non-financial)	**Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes** ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation

Private equity	**Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes** ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Property	**Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes** ☑ We incorporate ESG into our external manager selection process ☑ We incorporate ESG into our external manager appointment process ☑ We incorporate ESG into our external manager monitoring process ☐ We do not do ESG incorporation
Hedge funds	**Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes** ☐ We incorporate ESG into our external manager selection process ☐ We incorporate ESG into our external manager appointment process ☐ We incorporate ESG into our external manager monitoring process ☑ We do not do ESG incorporation

OO 11.4 Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

As per our ESG policy all investment desicion processes incorporate relevant ESG factors in the fundamental analysis of prospective investments, both external and internal. Each portfolio manager is responsible for his/her own process whic is aligned with the overall ESG philosophy and policy we publish on our website. We conduct an ESG questionnaire as part of our selection DD process as well as repeat this questionnaire for all managers periodically. Based on the answers and results we conduct ongoing discussions with our asset managers. We classify the managers we are appointing in terms of their ESG ranking and if needed engage to make their ESG work more robust.

OO 12	Mandatory	Gateway	General

OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

☑ Organisational Overview

☑ Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

☑ Listed Equity incorporation

Direct - Listed Equity active ownership

☑ Engagements

☑ (Proxy) voting

Direct - Fixed Income

☐ Fixed income - SSA

☐ Fixed income - Corporate (non-financial)

Direct - Other asset classes with dedicated modules

☐ Private Equity

☑ Property

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

☑ Listed Equities

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☑ Fixed income - Corporate (non-financial)

☐ Private Equity

☐ Property

Closing module

Closing module

OO LE 01	Mandatory to Report, Voluntary to Disclose	Gateway	General

OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

10

	Passive

0

	Active - quantitative (quant)

90

	Active - fundamental and active - other

OO LE 01.2	Additional information. [Optional]

In accordance with our investment beliefs we invest mainly actively as this is the best way to integrating ESG factors in security selection. We aim to find active managers who do long term fundamental analysis and hence we feel that ESG factors are better taken into account in these types of long term strategies. Internally we manage an our equity portfolio based on similar philosophy. Passive instruments may be used for solvency risk management and short term allocation desicions.

OO FI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General

OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies

SSA	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
Corporate (non-financial)	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100

OO FI 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General

OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	Developed markets	50
	Emerging markets	50

OO SAM 01	Mandatory to Report, Voluntary to Disclose	Gateway	General

OO SAM 01.1	Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.

Listed equity (LE)	Passive	10
	Active - quantitative (quant)	9.5
	Active - fundamental and active - other	80.5

Fixed income - SSA	Passive: 0 Active - quantitative (quant): 0 Active - fundamental and active - other: 100
Fixed income - Corporate (financial)	Passive: 0 Active - quantitative (quant): 0 Active - fundamental and active - other: 100
Fixed income - Corporate (non-financial)	Passive: 0 Active - quantitative (quant): 0 Active - fundamental and active - other: 100

OO PE 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General

OO PE 01.1	Provide a breakdown of your organisation’s internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	○ >50% ○ 10-50% ✔ <10% ○ 0%
Growth capital	✔ >50% ○ 10-50% ○ <10% ○ 0%
(Leveraged) buy-out	○ >50% ✔ 10-50% ○ <10% ○ 0%
Distressed/Turnaround/Special Situations	○ >50% ○ 10-50% ○ <10% ✔ 0%
Secondaries	○ >50% ○ 10-50% ✔ <10% ○ 0%
Other investment strategy, specify	○ >50% ○ 10-50% ○ <10% ✔ 0%

Other investment strategy, specify	○ >50% ○ 10-50% ○ <10% ✔ 0%
Total100%	

OO PE 02	Mandatory to Report, Voluntary to Disclose	Descriptive	General

OO PE 02.1	Indicate the level of ownership you typically hold in your private equity investments.

○ a majority stake (>50%)
○ 50% stake
○ a significant minority stake (between 10-50%)
○ a minority stake (<10%)
✔ a mix of ownership stakes

OO PR 01	Mandatory to Report, Voluntary to Disclose	Descriptive	General

OO PR 01.1	Indicate the level of ownership you typically hold in your property investments.

✔ a majority stake (>50%)
○ a 50% stake
○ a significant minority stake (between 10-50%)
○ a limited minority stake (<10%)
○ a mix of ownership stakes
○ N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

OO PR 01.2	Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar

○ >50%
○ 10 – 50%
✔ <10%
○ 0%

OO PR 01.3	Additional information. [Optional]

We do not invest in REITs but in a few RE funds where there is no major liquidity mismatch between the assets and the fund structure. As per pur responsibility guidelines we avoid investing in products with liquidity mismatches due to financial stability concerns.

OO PR 02	Mandatory to Report, Voluntary to Disclose	Gateway	General

OO PR 02.1	Provide a breakdown of your organisation’s property assets based on who manages the assets.

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	✔ >50% ○ 10-50% ○ <10% ○ 0%
Managed via third-party property managers appointed by you	○ >50% ○ 10-50% ✔ <10% ○ 0%
Managed by other investors or their property managers	○ >50% ○ 10-50% ✔ <10% ○ 0%
Managed by tenant(s) with operational control	○ > 50% ○ 10-50% ○ < 10% ✔ 0%
Total100%	

OO PR 03	Voluntary	Descriptive	General

OO PR 03.1	Indicate up to three of your largest property types by AUM.

Types	Main property types (by AUM)
Largest property type	○ Industrial ○ Retail ✔ Office ○ Residential ○ Leisure/Hotel ○ Mixed use ○ Other, specify
Second largest property type	○ Industrial ✔ Retail ○ Office ○ Residential ○ Leisure/Hotel ○ Mixed use ○ Other, specify
Third largest property type	○ Industrial ○ Retail ○ Office ✔ Residential ○ Leisure/Hotel ○ Mixed use ○ Other, specify

SG 01	Mandatory	Core Assessed	General

SG 01.1	Indicate if you have an investment policy that covers your responsible investment approach.

✔ Yes

SG 01.2	Indicate the components/types and coverage of your policy.

Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach ☑ Formalised guidelines on environmental factors ☑ Formalised guidelines on social factors ☑ Formalised guidelines on corporate governance factors ☐ Asset class-specific RI guidelines ☐ Sector specific RI guidelines ☐ Screening / exclusions policy ☐ Engagement policy ☐ (Proxy) voting policy ☐ Other, specify (1) ☐ Other, specify(2)	○ Applicable policies cover all AUM ✔ Applicable policies cover a majority of AUM ○ Applicable policies cover a minority of AUM

SG 01.3	Indicate if the investment policy covers any of the following

☑ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

☑ Your investment objectives that take ESG factors/real economy influence into account

☑ Time horizon of your investment

☑ Governance structure of organisational ESG responsibilities

☑ ESG incorporation approaches

☑ Active ownership approaches

☑ Reporting

☑ Climate change and related issues

SG 01.3a CC	Describe how your products or investment strategy might be affected by the transition to a lower-carbon economy.

The main sustainability challenge for the pension industry is the level and sustainability of growth of the global economy in the future. Any pension system is highly impacted by the amount of employed people vs retirees in an economy as well as the returns on the investment assets that can be generated over the long term. The investment returns are completely dependent on the level and quality of growth in the world. Our strategy must create minimum 3,5% real returns over the long term. We care about sustainability of the economy naturally.

The expected parameters for the sustainability of the Finnish pension system until 2085 can be found in an ETK (Finnish Centre for Pensions) long term projections document (ETK, 2017).

The most pressing challenge for now is to make sure the world and especially the emerging countries are able to grow their economies yet in a manner that does not put too large a strain on the global ecosystem already under threat of crossing critical boundaries. The Bank of England and TCFD are defining climate related risks as major sources of systemic risk for the insurance industry going forward (Bank of England, 2015; Carney, 2016 and TCFD, 2017). Risks for our balance sheet always warrant consideration, hence we are taking these into account where relevant.

To avoid these systemic climate related risks the developed countries should quickly transition to renewable energy and minimize resource use (Rockström et al., 2017). Major investments for new solutions of renewable energy, carbon capture, circular economy and resource use efficiency are critical for reaching growth targets sustainably (EU HLEG on sustainable finance, 2018). Transitioning to a low carbon economy may create creative destruction hence opportunities as well as risks in the form of stranded assets or cash flow risks. These need to be factored in to our fundamental analysis when making investments.

At the same time keeping up the level of growth in the near future is extremely important for financial stability as the global economy has accrued more debt than ever (Reuters, 2017). Creative disruption, if this leads to growth shocks, may be detrimental for asset returns, especially where there is excessive leverage.

A pension company cannot impact these global big challenges alone. The financial sector is one of the least emitting and resource consuming sectors. The financial sector can try to have an impact as well as try to benefit of the opportunities on these sustainability challenges through its capital allocation activities so these factors need to be included in investment strategy.

Veritas can engage with companies to make them first understand and then act on these challenges and also try to allocate capital to activities that both create solutions to these issues as well as create the returns our stakeholders need for their old age safety. Creating impact in this indirect way is difficult due to many structural constraints. The greatest challenge for now is the lack of analyzable data and information (Carney, 2016). One big challenge is teh level of competence of our investment staff. We are trying to educate ourselves as much as possible in order to have teh competence to do proper analysis on climate related issues where relevant.

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ETK Finnish Centre for pensions (2017) Statutory pensions in Finland: long term projections 2016. Helsinki: ETK

Reuters Staff, (2018) Global debt level hits $233 trillion record high in Q3 2017:IIF. Avaliable at: https://www.reuters.com/article/debt-iif-emerging/global-debt-level-hits-233-trillion-record-high-in-q3-2017iif-idUSL8N1OZ46E (Accessed March 5 2018)

Rockström et al. (2017) 'A roadmap for rapid decarbonization' Science, 355(6331): pp 1269-1271.

Task Force on Climate Related Financial Disclosures (2017) Final Report: recommendations of the Task Force on Climate-related Financial Disclosures. TCFD

SG 01.3b CC	Describe how climate-related risks and opportunities are factored into your investment strategies or products.

✔ We factor climate-related risks and strategies into our investment strategies or products.

Climate related risks and opportunities, where relevant and as defined in TCFD and where there is information available, are naturally taken into account in our fundamental long term value creation analysis. As most of our asset managers manage money based on the same long term philosophy, they are already thinking about any and all risks and opportunities that might affect the cash flows of the companies and assets they invest in.

We ask, in our ESG DD questionnaire, climate related questions from our managers and encourage managers to incorporate even more of this analysis as competence levels and information availability is growing. We engage with our directly held companies on climate related risks where those are deemed relevant.

We are actively trying to find investments in renewable energy although this is not easy.

We are, according to our climate strategy, educating ourselves actively in climate related matters so as to be able to ask the right questions from our assets and managers.

○ We do not factor climate-related risks and strategies into our investment strategies or products.

☐ Other RI considerations, specify (1)

☐ Other RI considerations, specify (2)

SG 01.4	Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

I will refer to our ESG investment policy published on our website. Our climate policy for investments will be published on our website during Q2 2018.

We refer to the Cambridge Institute for Sustainability Leadership, Investment Leaders Group report "Taking the long view - A toolkit for long-term sustainable investment mandates" (2016) as this is the way we are defining our investment beliefs and the investment strategy for the major part of our portfolio.

SG 01.5	Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Do not understand the question.

○ No

SG 02	Mandatory	Core Assessed	PRI 6

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

☑ Policy setting out your overall approach

	URL/Attachment

☑ URL

https://www.veritas.fi/tietoa-veritaksesta/sijoitustoiminta/vastuullinen-sijoitustoiminta

☐ Attachment (will be made public)

☐ Formalised guidelines on environmental factors

☐ Formalised guidelines on social factors

☑ Formalised guidelines on corporate governance factors

	URL/Attachment

☑ URL

https://www.veritas.fi/tietoa-veritaksesta/sijoitustoiminta/vastuullinen-sijoitustoiminta

☐ Attachment (will be made public)

☐ We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

☑ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

	URL/Attachment

☑ URL

https://www.veritas.fi/tietoa-veritaksesta/sijoitustoiminta/vastuullinen-sijoitustoiminta

☐ Attachment

☑ Your investment objectives that take ESG factors/real economy influence into account

	URL/Attachment

☑ URL

https://www.veritas.fi/tietoa-veritaksesta/sijoitustoiminta/vastuullinen-sijoitustoiminta

☐ Attachment

☑ Time horizon of your investment

	URL/Attachment

☑ URL

https://www.veritas.fi/tietoa-veritaksesta/sijoitustoiminta/vastuullinen-sijoitustoiminta

☐ Attachment

☑ Governance structure of organisational ESG responsibilities

	URL/Attachment

☑ URL

https://www.veritas.fi/tietoa-veritaksesta/sijoitustoiminta/vastuullinen-sijoitustoiminta

☐ Attachment

☑ ESG incorporation approaches

	URL/Attachment

☑ URL

https://www.veritas.fi/tietoa-veritaksesta/sijoitustoiminta/vastuullinen-sijoitustoiminta

☐ Attachment

☑ Active ownership approaches

	URL/Attachment

☑ URL

https://www.veritas.fi/tietoa-veritaksesta/sijoitustoiminta/vastuullinen-sijoitustoiminta

☐ Attachment

☐ Reporting

☐ Climate-related issues

☐ Climate change and related issues

☐ We do not publicly disclose any investment policy components

SG 02.3	Indicate if your organisation's investment principles, and overall investment strategy is publicly available

○ Yes

✔ No

SG 02.4	Additional information [Optional].

See the PDF links on the website provided above. Unfortunately we only communicate in Finnish and Swedish as our beneficiaries are purely Finnish companies and workers.

SG 03	Mandatory	Core Assessed	General

SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

✔ Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.

Anything we do must be as conflict free as possible. As a guardian of the pension assets of many individuals and doing our part in the sustainability of the whole pensionsystem, in the capacity of having a statutory mandate and a role in the social security system of the nation, we must guard the interest of our beneficiaries in the best possible way. This philosophy is integrated in all desicionmaking we do, both in direct and indirect investments. (And in anything we do on corporate level actually, our entire strategy). Our regulator is reviewing our policies on a periodical basis.

We must be extremely cost concious, we must know that the companies and managers we invest in are acting in the best interests of our beneficiaries. We care deeply about the culture of our asset managers, the way they manage conflicts of interest, we must have long term focused managers who share our investment beliefs for large extent.

In some strategies ESG is not a relevant consideration for the asset manager in choosing assets to own (Beta products). In these cases we analyse the culture of the firm, the people executing the strategy and the costs involved. (governance)

○ No

SG 04	Voluntary	Descriptive	General

SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.

○ Yes

✔ No

SG 05	Mandatory	Gateway/Core Assessed	General

SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- ○ Quarterly or more frequently
- ○ Biannually
- ✔ Annually
- ○ Less frequently than annually
- ○ Ad-hoc basis
- ○ It is not set/reviewed

SG 05.2	Additional information. [Optional]

The aim of responsible investments is to make sure the risk/return relationship is understood as comprehensively as possible by the organization. During year 2017 we are starting an active phase of development of our processes and indicators as well as our ways of working. During 2018 we will publish our climate policy and relevant metrics. The board reviews ESG and climate policy on an annual basis.

SG 06	Voluntary	Descriptive	General

SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- ☑ Provide training on ESG incorporation

Key performance indicator

Competence development by courses/seminars attended as well as internal workshops attended

Progress achieved

We have increased the amount and intensity of education activities.

- ☐ Provide training on ESG engagement
- ☑ Improved communication of ESG activities within the organisation

Key performance indicator

Blogs written or participations in process development with own inputs

Progress achieved

Activity levels have increased

- ☐ Improved engagement to encourage change with regards to management of ESG issues
- ☑ Improved ESG incorporation into investment decision making processes

Key performance indicator

Processes in place and actively developed by the indivisual portfolio managers

Progress achieved

Processes have been developed and will be reviewd again as we gain new knowledge and as teh market evolvs in terms of data availability

- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)

ESG characteristics of investments

- ☐ Over or underweight companies based on ESG characteristics
- ☑ Improve ESG ratings of portfolio

Key performance indicator

ESG rating of our external managers to increase (our own criteria and classifications)

Progress achieved

In 2017 introduced our own rating of external managers. Conducted a DD questionnaire and are now engaging in order to increase the ratings of existing managers in terms of ESG integration.

- ☑ Setting carbon reduction targets for portfolio

Key performance indicator

The carbon emissions of our directly held RE portfolio is to go down

Progress achieved

Between 2012 and 2016 a reduction of 22% in carbon emissions in the RE assets held for the total period. Continuing teh work to effectivise the portfolio as much as technology and permitting allows.

- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)

Other activities

- ☑ Joining and/or participation in RI initiatives

Key performance indicator

Taking part in initiatives where we can have an impact in for us relevant matters

Progress achieved

Signed Climate100+, Participated in teh letter for G20 desicion makers, participated in EU consultation, participated in a working group of the Finnish financial sector working group aiming to create common metrics fr climate reporting according to TCFD, became a CDP member

- ☐ Encouraging others to join a RI initiative
- ☐ Documentation of best practice case studies
- ☐ Using case studies to demonstrate engagement and ESG incorporation to clients
- ☐ Other, specify (1)
- ☐ Other, specify (2)
- ☐ Other, specify (3)

SG 07	Mandatory	Core Assessed	General

SG 07.1 Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- ☑ Board members or trustees
  - ☑ Oversight/accountability for responsible investment
  - ☐ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - ☑ Oversight/accountability for responsible investment
  - ☑ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☑ Portfolio managers
  - ☑ Oversight/accountability for responsible investment
  - ☑ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ ESG portfolio manager
- ☑ Investment analysts
  - ☑ Oversight/accountability for responsible investment
  - ☑ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Dedicated responsible investment staff
- ☑ External managers or service providers
  - ☑ Oversight/accountability for responsible investment
  - ☑ Implementation of responsible investment
  - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Investor relations
- ☐ Other role, specify (1)
- ☐ Other role, specify (2)

SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Participating in annual meetings; participating in quarterly company meetings; preparing, discussing and deciding on the relevant policies; In internal meetings discussing these aspects in any new investments; when analysing new and current investments, integrating ESG factors each time into the analysis work. We care deeply about the quality aspects of our investments and we are a very asset based/focused investor. Hence ESG integration in investment analysis comes naturally to us and is integrated in all processes.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

0

SG 07.4	Additional information. [Optional]

We are a tiny resource constrained organization which forces us to integrate ESG fully into all work we do. Cannot have dedicated staff. CIO is the specialist in ESG and also responsible for competence development in the whole team. This ensures full integration and accountability.

SG 07 CC	Voluntary	Descriptive	General

SG 07.1 CC	Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for climate-related issues.

	Roles present in your organisation

- ☑ Board members or trustees
  - ☑ Oversight/accountability for climate-related issues
  - ☐ Assessment and management of climate-related issues
  - ☐ No responsibility for climate-related issues
- ☑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - ☑ Oversight/accountability for climate-related issues
  - ☑ Assessment and management of climate-related issues
  - ☐ No responsibility for climate-related issues
- ☐ Other Chief-level staff or head of department, specify
- ☑ Portfolio managers
  - ☑ Oversight/accountability for climate-related issues
  - ☑ Assessment and management of climate-related issues
  - ☐ No responsibility for climate-related issues
- ☐ ESG portfolio manager
- ☐ Investment analysts
- ☐ Dedicated responsible investment staff
- ☑ External managers or service providers
  - ☑ Oversight/accountability for climate-related issues
  - ☑ Assessment and management of climate-related issues
  - ☐ No responsibility for climate-related issues
- ☐ Investor relations
- ☐ Other role, specify (1)
- ☐ Other role, specify (2)

SG 07.1a CC	For the board level roles or for which you have climate-related issues oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The board reviews, comments and decides on the climate policy for investment activities that is prepared by the whole investment team led by the CIO. The policy is reviewd annually.

SG 07.1b CC	For the management-level roles which assess and manage climate-related issues, provide further information on the structure and process involved.

The CIO is the competence center (ESG specialist) as well as the person responsible for both making sure climate related competences and processes are developed in the investment organization. Sustainability issues are integrated in incentive structures for the CIO as well as for the portfolio managers.

SG 08	Voluntary	Additional Assessed	General

SG 08.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

- ☑ Responsible investment included in personal development and/or training plan

SG 08.2	Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

A seminar related to Investment processes including investment beliefs and basis for responsible investment policy. New principles for integrating responsible investment policy.

- ☐ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☑ Responsible investment KPIs and/or goals included in objectives
- ☑ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☑ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Portfolio managers

- ☑ Responsible investment KPIs and/or goals included in objectives
- ☑ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☑ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Investment analysts

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☑ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☑ Responsible investment included in personal development and/or training plan
- ☐ None of the above

SG 09	Mandatory	Core Assessed	PRI 4,5

SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

☑ Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)

Basic

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Due to our lack of dedicated staff we are unable to actively participate in PRI arranged activities.

- ☐ Asian Corporate Governance Association
- ☐ Australian Council of Superannuation Investors
- ☐ AFIC – La Commission ESG
- ☐ BVCA – Responsible Investment Advisory Board
- ☑ CDP Climate Change

	Your organisation's role in the initiative during the reporting period (see definitions)

Moderate

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

A signatory and use the data/information available

☑ CDP Forests

	Your organisation's role in the initiative during the reporting period (see definitions)

Basic

☑ CDP Water

	Your organisation's role in the initiative during the reporting period (see definitions)

Basic

- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Code for Responsible Finance in the 21st Century
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ ESG Research Australia
- ☐ EVCA – Responsible Investment Roundtable
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Impact Investing Network (GIIN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Green Bond Principles
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ International Integrated Reporting Council (IIRC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum

☐ Principles for Sustainable Insurance
☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
☐ Responsible Finance Principles in Inclusive Finance
☐ Shareholder Association for Research and Education (Share)
☐ United Nations Environmental Program Finance Initiative (UNEP FI)
☐ United Nations Global Compact
☐ Other collaborative organisation/initiative, specify
☑ Other collaborative organisation/initiative, specify

Fiduciary Duty in the 21st century

	Your organisation's role in the initiative during the reporting year (see definitions)

Basic

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Signed the initiative as it is wholly in line with our beliefs

☐ Other collaborative organisation/initiative, specify
☐ Other collaborative organisation/initiative, specify

SG 09.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1

	Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.

90%

SG 10	Mandatory	Core Assessed	PRI 4

SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

✔ Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

☐ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
☐ Provided financial support for academic or industry research on responsible investment
☐ Provided input and/or collaborated with academia on RI related work
☑ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

	Description

Encourage our managers work more on ESG issues and specifically have asked them to communicate more about thegood work that is being done based on the responses to our ESG questionnaire conducteed in autumn 2017

	Frequency of contribution

○ Quarterly or more frequently
○ Biannually
✔ Annually
○ Less frequently than annually
○ Ad hoc
○ Other

☑ Spoke publicly at events and conferences to promote responsible investment

	Description

Speak in panels and seminars about ESG and SDG investing

	Frequency of contribution

○ Quarterly or more frequently
✔ Biannually
○ Annually
○ Less frequently than annually
○ Ad hoc
○ Other

☑ Wrote and published in-house research papers on responsible investment

	Description

Writing blogs on external website and research pieces for our internal workshops.

	Frequency of contribution

- ✔ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

- ☐ Encouraged the adoption of the PRI
- ☐ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- ☑ Wrote and published articles on responsible investment in the media

	Description

Actively promote interesting pieces on LinkedIn as well as write ESG related blogs on our public website

	Frequency of contribution

- ✔ Quarterly or more frequently
- ○ Biannually
- ○ Annually
- ○ Less frequently than annually
- ○ Ad hoc
- ○ Other

- ☐ A member of PRI advisory committees/ working groups, specify
- ☐ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- ☐ Other, specify

○ No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

We have participated as interviewees on a few research projects studying responsible investments during 2017.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6

SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

✔ Yes

- ☐ Yes, individually
- ☑ Yes, in collaboration with others

SG 11.2	Select the methods you have used.

- ☑ Endorsed written submissions to governments, regulators or public policy-makers developed by others
- ☐ Drafted your own written submissions to governments, regulators or public-policy markers
- ☐ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

✔ Yes, publicly available

http://investorsonclimatechange.org/200-global-investors-managing-15-trillion-assets-urge-g7-stand-paris-agreement-drive-swift-implementation/

○ No

○ No

SG 12	Mandatory	Core Assessed	PRI 4

SG 12.1	Indicate whether your organisation uses investment consultants.

- ☐ Yes, we use investment consultants
- ☑ No, we do not use investment consultants.

SG 13	Mandatory	Descriptive	PRI 1

SG 13.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

☐ We execute scenario analysis which includes factors representing the investment impacts of future environmental trends

- ☐ We execute scenario analysis which includes factors representing the investment impacts of future social trends
- ☐ We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- ☐ We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- ☑ We execute other scenario analysis, specify

  We participated in the SEIM assesment Paris Agreement Alignment test for our global equity portfolio which analyzes whether the companies we hold are aligned

- ☐ We do not execute such scenario analysis and/or modelling

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

	We do the following

- ☐ Allocation between asset classes
- ☐ Determining fixed income duration
- ☐ Allocation of assets between geographic markets
- ☐ Sector weightings
- ☑ Other, specify

  We aim to increase our allocation to investments that are benefitting from transition to a low carbon economy. This would include investments in renewable energy

- ☐ We do not consider ESG issues in strategic asset allocation

SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1

SG 14.1	Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.

We follow a fundamental bottom up research process in most of our investment desicions. Hence, it is a natural part of our work to think long term and analyze holistically quantitative and qualitative factors that may affect our investments in the future. This analysis is always tailored to the investment in question and it is impossible to go through all details here. A good reference material, which nicely outlines the process we believe in can be found in https://www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group/investment-mandates

We conduct an ORSA (Own risk and solvency analysis) that must include all relevant risks for our operations in the short, medium and long term. ORSA is a tool for the board as well as the organization for identifying and managing risks. ORSA is also required by the regulator. ORSA is a continuous process which is part of our governance and operational processes.

We obviously always try to identify investment opportunities in our daily investment activities. It is a part of our daily work. We always contrast opportunity with the accompanying risks, short and long term.

In our fundamental work we also engage with asset managers and companies to analyze and disclose any and all relevant climate related risks.

SG 14.1 CC	Describe the processes used to determine which climate-related short, medium and long-term risks and opportunities could have a material impact on your organisation and its activities.

We do not have material climate related risks for our own operations as our emissions are low as is. We do not either have physical risks due to climate change, in our own operations.

Climate related risks are coming from the investment portfolio and are analyzed as part of the long term fundamental value creation analysis we conduct ourselves and we are also engage with our managers to act similarily. Lack of detailed and analyzable data is a challenge for being able to analyze the portfolio on the total portfolio level. We conducted a questionnaire for our assest managers where we asked for these questions. We are developing the questionnaire further as we are constantly learning and as data is getting better.

We have conducted the 2 degrees investing initiative (SEIM assessment) analysis for our global listed equity portfolio which showed that our portfolio was in line with the Paris Agreement targets. This is due to our very low weight in carbon heavy sectors. Hence we assume that carbon pricing risk in our portfolio is relatively low.

We are constantly trying to learn new competences which will help us in this identificatoin work in the future.

SG 14.2	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- ☑ Changing demographics
- ☑ Climate change and related issues

SG 14.2a cc	Please describe how you define “short”, “medium” and “long term”, and describe your material climate-related issues over these time horizons.

	Definition	Description of material climate-related issues
Short term	1 - 3 yr	Physical risks like extreme weather events for the assets of our underlying investments. cannot value materiality but we ask our companies to disclose.
Medium term	5-10 yr	Price or tax on carbon or any other new regulation in order to mitigate climate change that will affect our companies cash flow or assets negatively. Again asking companies to start disclosing so that we can analyze our portfolio after we have information and data.
Long term	10 yr beyond	Stranded assets if we hold assets that lose their business due to structural LT change either through physical or transition reasons.

SG 14.3	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- ☐ Established a climate change sensitive or climate change integrated asset allocation strategy
- ☑ Targeted low carbon or climate resilient investments

- ☑ Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- ☑ Used emissions data or analysis to inform investment decision making
- ☐ Sought climate change integration by companies
- ☐ Sought climate supportive policy from governments
- ☐ Other, specify
- ☐ None of the above

SG 14.4	Indicate which of the following tools you use to manage emissions risks and opportunities

- ☐ Scenario analysis
- ☐ Disclosure on emissions risk to clients/trustees/management/beneficiaries
- ☐ Climate-related targets
- ☑ Encourage internal and/or external portfolio managers to monitor emissions risk
- ☐ Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- ☐ Weighted average carbon intensity
- ☑ Carbon footprint (scope 1 and 2)
- ☐ Portfolio carbon footprint
- ☐ Total carbon emissions
- ☐ Carbon intensity
- ☑ Exposure to carbon-related assets
- ☐ Other emissions metrics
- ☐ Other, specify
- ☐ None of the above

- ☐ Resource scarcity
- ☑ Technology developments
- ☐ Other, specify(1)
- ☐ Other, specify(2)
- ☐ None of the above

SG 14.4a CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology	Metric Trend	Limitations / Weaknesses
Carbon footprint (scope 1 and 2)	CDP companies	To understand companies better	CDP methodology	We are now only starting to monitor	So few report to CDP	
Exposure to carbon-related assets	Global eq portfolio	Paris agreement alignment	SEIM assessment	We have for a long time been underweight. We do not follow the exact change/trend		

SG 14.7 CC	Describe your risk management processes for identifying, assessing, and managing climate-related risks.

- ☑ Our process for climate-related risks is integrated into overall risk management

Please describe

As part of the fundamental analysis process our portfolio managers are expected to integrate all relevant matters, also the long term risks and opportunities in their analysis work. So this is part of our analysis for identifying the risk/return profile of each asset.

- ☐ Our process for climate-related risks is not integrated into our overall risk management

SG 14.8 CC	Describe your processes for prioritising climate-related risks.

We clearly want to be very underweight in carbon intensive sectors in equities and credits.

We focus on effectivising our real estate investments where we have control of the assets ourselves and can impact the return/risk profile ourselves.

We engage with our asset managers, first the fundamental managers to incorporate ESG analysis and TCFD and them to ask companies to report to CDP.

SG 14.9 CC	Do you conduct engagement activity with investee companies to encourage better disclosure and practices around climate-related risks?

- ☑ Yes

Please describe

We can meet with our directly held companies quarterly for a discussion. We ask them to report to CDP.

- ☐ No, we do not engage

SG 14.10 CC	Describe how you use data from climate-related disclosures.

We use all the information that a company discloses as well as CDP data once conducting fundamental company analysis in order to have a good and holistic understanding on the company in question, both risks and opportunities. We are very much dependent on the companies disclosing relevant information clearly as we have small resources ourselves.

SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1

SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

✔ Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.

6%

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

	Area

☑ Clean technology (including renewable energy)

	Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☑ Private equity

5% of AUM

☐ Property

☐ Hedge funds

☐ Cash

☑ Other (1)

	other description (1)

Clean energy infrastructure in EM countries

100% of AUM

	Brief description and measures of investment

A commitment in an emerging market Clean energy fund (Infra) and a commitment in a PE fund investing in energy efficiency technologies

☑ Green buildings

	Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☐ Private equity

☑ Property

20% of AUM

☐ Hedge funds

☐ Cash

☐ Other (1)

	Brief description and measures of investment

We work a lot with increasing efficiency of our direct real estate. We are certifying all new buildings and some old as well. We are continuously effectivising the energy efficiency of our buildings. CO2 emissions from our buildings held for the whole period between 2012-2016 went down by 22% (Like for like comparison). We are currently in the process of setting new targets for 2020 and 2030.

☑ Sustainable forestry

	Asset class invested

☐ Listed equity

☐ Fixed income - SSA

☐ Fixed income - Corporate (financial)

☐ Fixed income - Corporate (non-financial)

☐ Fixed income - Securitised

☑ Private equity

5% of AUM

☐ Property

☐ Hedge funds

- [ ] Cash
- [ ] Other (1)

	Brief description and measures of investment

An investment in Finnish forests that are managed sustainably.

- [ ] Sustainable agriculture
- [ ] Microfinance
- [ ] SME financing
- [ ] Social enterprise / community investing
- [ ] Affordable housing
- [x] Education

	Asset class invested

- [ ] Listed equity
- [ ] Fixed income - SSA
- [ ] Fixed income - Corporate (financial)
- [ ] Fixed income - Corporate (non-financial)
- [ ] Fixed income - Securitised
- [ ] Private equity
- [x] Property

5% of AUM

- [ ] Hedge funds
- [ ] Cash
- [ ] Other (1)

	Brief description and measures of investment

We are building a campus for an arts university in Helsinki. We are planning the buiding to be a LEED Gold building.

- [ ] Global health
- [ ] Water
- [ ] Other area, specify

○ No

SG 16	Mandatory	Descriptive	General

SG 16.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - SSA	We care about the quality of rule of law, government, the inclusiveness of organizations and human rights as well as level of corruption in our SSA investments. We only invest in reasonably responsible governments.We are also looking at the initiatives the governments are taking in terms of global agreements like Paris Agreement.
Fixed income - Corporate (non-financial)	In our direct lending for customers we analyze the companies based on a holistic long term fundamental credit analysisi process which includes relevant ESG considerations.
Private equity	In direct private equity we are in an active dialogue with the companies in which we are owners. We participate in nomination of the boards of directors and also in monitoring the actions of the companies in order to understand also the ESG side of risk and return.

SG 17	Mandatory	Descriptive	General

SG 17.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - SSA	Our asset manager for EMD mandate has a very good ESG framework and process for managing EM government bonds. We discuss these issues with them periodically as we meet every other week.
Fixed income - Corporate (financial)	Our asset manager for corporate IG credit (mandate) has a very good ESG framework and process. They are trying to find good Green bonds to invest in as well. We discuss these issues with them periodically as we meet every other week. Our credit managers (funds) are conducting very diligent, fundamental holistic credit analysis which take into account relevant ESG criteria and issues as part of the credit analysis. Anything that can impact cash flows in the short and long term negatively is being analyzed. Our managers have quite concenbtrated portfolios. We are naturally underweight highly emitting sectors as our managers do not like tehse sectors for various reasons. We conducted a questionnaire and asked for responses in various ESG matters. Most managers believe that their fundamental focus naturally includes ESG issues in analysis work.

Private equity	We are in discussions with our managers and will if need be participate in discussion on specific investments. In the search process ESG factors are taken into account as part of the evaluation process of potential managers. We do not invest in funds that focus on highly emitting sectors. We try to find managers that are trying to harvest opportunities on clean tech or other technologies that will benefit from climate change mitigation.
Property	When analysing external managers we discuss the ESG policies of the managers and evaluate the track record of past investments also including resource efficiency. We like to see our managers take into account the potential future climate related risks.

SG 18	Voluntary	Descriptive	General

SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.

- ○ Yes
- ✔ No

SG 19	Mandatory	Core Assessed	PRI 6

SG 19.1	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Listed equity - Engagement

Do you disclose?

- ✔ We do not disclose to either clients/beneficiaries or the public.
- ○ We disclose to clients/beneficiaries only.
- ○ We disclose to the public

Listed equity – (Proxy) Voting

Do you disclose?

- ✔ We do not disclose to either clients/beneficiaries or the public.
- ○ We disclose to clients/beneficiaries only.
- ○ We disclose to the public

Listed equity - Incorporation

Do you disclose?

- ✔ We do not proactively disclose it to the public and/or clients/beneficiaries
- ○ We disclose to clients/beneficiaries only.
- ○ We disclose it publicly

Property

Do you disclose?

- ✔ We do not disclose to either clients/beneficiaries or the public.
- ○ We disclose to clients/beneficiaries only.
- ○ We disclose to the public

Selection, Appointment and Monitoring

Do you disclose?

- ✔ We do not disclose to either clients/beneficiaries or the public.
- ○ We disclose to clients/beneficiaries only.
- ○ We disclose to the public

SG 19.2	Additional information [Optional]

We do disclose our strategy and actions in informal meetings and always if asked. We participate in seminars where we describe how we work. We do not have resources to conduct a lot of reporting systematically to the public as of yet. We are trying to develop our communication and reporting.

New regulation and self regulation of the finance sector is developing towards more reporting and we will increase reporting in teh future as our systems are developed to support more reporting.

SAM 01	Mandatory	Gateway	PRI 1

SAM 01.1	Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity	FI - Corporate (non-financial)
Screening	☑	☑
Thematic	☐	☐
Integration	☑	☑
None of the above	☐	☐

Passive investment strategies

Passive investment strategies	Listed Equity
Screening	☐
Thematic	☐
Integration	☐
None of the above	☑

SAM 01.2	Additional information. [Optional]

Please refer to our policy found on the website which explains our underlying philosophy in significantly more detail.

SAM 02	Mandatory	Core Assessed	PRI 1

SAM 02.1	Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE	FI - Corporate (non-financial)
Investment strategy and how ESG objectives relate to it	☑	☑
ESG incorporation requirements	☑	☑
ESG reporting requirements	☑	☑
Other	☑	☑
No RI information covered in the RFPs	☐	☐

If you select any 'Other' option(s), specify

We usually use manager's standard RFPs and DDQs, but compensate that information with our own proprietary questionnaires, including our ESG questionnaire. We also base lot of the investment DD to comprehensive onsite time with the whole team of the counterparty.

SAM 02.2	Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

	LE	FI - Corporate (non-financial)
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	☑	☑
Assess the quality of investment policy and its reference to ESG	☑	☑
Assess the investment approach and how ESG objectives are implemented in the investment process	☑	☑
Review the manager's firm-level vs. product-level approach to RI	☐	☐
Assess the ESG definitions to be used	☑	☑
Other	☐	☐
None of the above	☐	☐

ESG people/oversight

	LE	FI - Corporate (non-financial)?
Assess ESG expertise of investment teams	☑	☑
Review the oversight and responsibilities of ESG implementation	☑	☑

Review how is ESG implementation enforced /ensured	☐	☐
Review the manager's RI-promotion efforts and engagement with the industry	☐	☐
Other	☐	☐
None of the above	☐	☐

Process/portfolio construction/investment valuation

	LE	FI - Corporate (non-financial)?
Review the process for ensuring the quality of the ESG data used	☐	☐
Review and agree the use of ESG data in the investment decision making process	☐	☐
Review and agree the impact of ESG analysis on investment decisions	☑	☑
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	☑	☑
Review and agree manager's ESG risk framework	☑	☑
Review and agree ESG risk limits at athe portfolio level (portfolio construction) and other ESG objectives	☐	☐
Review how ESG materiality is evaluated by the manager	☐	☐
Review process for defining and communicating on ESG incidents	☑	☑
Review and agree ESG reporting frequency and detail	☑	☑
Other, specify	☐	☐
None of the above	☐	☐

SAM 02.3 | Indicate the selection process and its ESG/RI components

- ☑ Review ESG/RI responses to RfP, RfI, DDQ etc.
- ☐ Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- ☑ Review publicly available information on ESG/RI
- ☐ Review assurance process on ESG/RI data and processes
- ☐ Review PRI Transparency Reports
- ☐ Request and discuss PRI Assessment Reports
- ☑ Meetings with the potential shortlisted managers covering ESG/RI themes
- ☑ Site visits to potential managers offices
- ☑ Other, specify

Our own customized ESG questionnaire

SAM 02.4 | When selecting external managers does your organisation set any of the following:

	LE	FI - Corporate (non-financial)?
ESG performance development targets	☑	☑
ESG score	☑	☑
ESG weight	☐	☐
Real world economy targets	☐	☐
Other RI considerations	☐	☐
None of the above	☐	☐

SAM 03 | Mandatory | Additional Assessed | PRI 2

SAM 03.1 | Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager selection process.

Engagement

	LE	FI - Corporate (non-financial)
Review the manager's engagement policy	☑	☑
Review the manager's engagement process (with examples and outcomes)	☑	☑
Ensure that engagement outcomes feed back into the investment decision-making process	☑	☑

Other engagement issues in your selection process specify	☐	☐
None of the above	☐	☐

SAM 03.2	Describe how you assess if the manager's engagement approach is effective.

- ☑ Impact on investment decisions
- ☑ Financial impact on target company or asset class
- ☐ Impact on ESG profile of company or the portfolio
- ☑ Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- ☐ Other, specify
- ☐ None of the above

SAM 04	Mandatory	Core Assessed	PRI 1

SAM 04.1	Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- ☐ Sets standard benchmarks or ESG benchmarks
- ☐ Defines ESG objectives
- ☐ Sets incentives and controls linked to the ESG objectives
- ☐ Requires reporting on ESG objectives
- ☐ Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- ☐ None of the above
- ☑ None of the above, we invest only in pooled funds and have a thorough selection process

SAM 04.3	If none of the above, describe any other mechanisms in place to set expectations as part of the appointment or commitment process.

We put a lot of effort in analyzing the ESG criteria, policies and processes in the actual selection part. For small operator like us there is huge number of potential managers to choose from, but often only limited amount of leverage in changing policies, at least on the short term. Thus we aim to appoint only ones which are relatively well compatible with our policies and aspirations. The typical contractual side of pooled fund subscription offers limited tools on ensuring adherence to policies. However this is less of an issue in many of our invetments since the funds are (very often) open ended and liquid. Adverse development or other failure to meet expectations would lead to engagement with manager and in ultimate case termination of the relationship. These are further dicussed in later sections.

Our website contains further information regarding the high level principles we utilize.

SAM 04.4	Indicate which of these actions your organisation might take if any of the requirements are not met

- ☑ Discuss requirements not met and set project plan to rectify
- ☑ Place investment manager on a "watch list"
- ☑ Track and investigate reason for non-compliance
- ☐ Re-negotiate fees
- ☑ Failing all actions, terminate contract with the manager
- ☐ Other, specify
- ☐ No actions are taken if any of the ESG requirements are not met

SAM 05	Mandatory	Core Assessed	PRI 1

SAM 05.1	When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE	FI - Corporate (non-financial)
ESG objectives linked to investment strategy	☑	☐
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	☑	☑
Compliance with investment restrictions and any controversial investment decisions	☑	☑
ESG portfolio characteristics	☑	☑
How ESG materiality has been evaluated by the manager in the monitored period	☐	☐
Information on any ESG incidents	☑	☑
Metrics on the real economy influence of the investments	☐	☐
PRI Transparency Reports	☐	☐
PRI Assessment Reports	☐	☐
RI-promotion and engagement with the industry to enhance RI implementation	☐	☐

Other general RI considerations in investment management agreements; specify	☐	☐
None of the above	☐	☐

SAM 05.2	When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE	FI - Corporate (non-financial)
ESG score	☑	☑
ESG weight	☐	☐
ESG performance minimum threshold	☐	☐
Real world economy targets	☐	☐
Other RI considerations	☐	☐
None of the above	☐	☐

SAM 06	Mandatory	Additional Assessed	PRI 1

SAM 06.1	When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

Engagement

	LE	FI - Corporate (non-financial)
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	☑	☑
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	☐	☐
Information on any escalation strategy taken after initial unsuccessful dialogue	☑	☑
Alignment with any eventual engagement programme done internally	☐	☐
Information on the engagement activities' impact on investment decisions	☑	☑
Other RI considerations relating to engagement in investment management agreements; specify	☐	☐
None of the above	☐	☐

SAM 07	Mandatory	Core Assessed	PRI 2

SAM 07.2	For the listed equities for which you have given your external managers a mandate to engage on your behalf, indicate the approximate percentage (+/- 5%) of companies that were engaged with during the reporting year.

20
5Proportion (to the nearest 5%)

SAM 08	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1

SAM 08.1	Describe how you ensure that best RI practice is applied to managing your assets

☑ Encourage improved RI practices with existing investment managers

Measures

Discussing the theme in our follow up meetings with the manager. Assessing and discussing the ESG policies and when there are shortfalls or for example no policy in place, we strongly encourage creation of one. Our annual ESG questionnaire and following conversations also deliver a strong message that they should try to continuously improve their policies.

☐ Move assets over to investment managers with better RI practices

☐ Other, specify

☐ None of the above

SAM 09	Mandatory	Additional Assessed	PRI 1,6

SAM 09.1	Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

☑ Add Example 1

Topic or issue	Non existing unified ESG policy
Conducted by	Internal staff

Asset class	Listed Equity
Scope and process	One of the most promising managers in a search process completed last year was equity manager who in their day to day process had integrated many aspects of a well thought out ESG criteria in their stock selection (being responsible in all investments and categorizing sustainable in fair share as well). However they did not have any formal process or ESG policy in place to ensure repeatability and quality. Given our confidence on the quality of the underlying work and the good philosophical alignment between the teams' thinking and what we are aspiring to do we initiated very active dialoque to formalize some of the policies.
Outcomes	By working with us and our ESG questionnaire team fomalized their stance to many ESG issues. From our point of view this already forms quite a respectable de facto policy for the team. They have communicated that they are continuing the work around the topic. We are closely following the process and encouraging formal ESG process and policy creation as a next step.

- ☐ Add Example 2
- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5
- ☐ We are not able to provide examples

LEI 01	Mandatory	Core Assessed	PRI 1

LEI 01.1 Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☑ Screening and integration strategies

Percentage of active listed equity to which the strategy is applied	100%

- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☐ All three strategies combined
- ☐ We do not apply incorporation strategies

LEI 01.2 Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

As a small resource constrained investor and due to our investment beliefs we believe this is the only way for us to take care of being a responsible investor in terms of ESG.

LEI 02	Voluntary	Additional Assessed	PRI 1

LEI 02.1 Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

- ☑ Raw ESG company data
  - ☑ ESG research provider
  - ☑ Sell-side
  - ☐ In-house – specialised ESG analyst or team
  - ☐ In-house – analyst or portfolio manager
- ☑ Company-related analysis or ratings
  - ☑ ESG research provider
  - ☑ Sell-side
  - ☐ In-house – specialised ESG analyst or team
  - ☑ In-house – analyst or portfolio manager
- ☑ Sector-related analysis or ratings
  - ☑ ESG research provider
  - ☑ Sell-side
  - ☐ In-house – specialised ESG analyst or team
  - ☑ In-house – analyst or portfolio manager
- ☑ Country-related analysis or ratings
  - ☐ ESG research provider
  - ☑ Sell-side
  - ☐ In-house – specialised ESG analyst or team
  - ☑ In-house – analyst or portfolio manager
- ☐ Screened stock list
- ☑ ESG issue-specific analysis or ratings
  - ☑ ESG research provider
  - ☑ Sell-side
  - ☐ In-house – specialised ESG analyst or team
  - ☑ In-house – analyst or portfolio manager
- ☐ Other, specify

LEI 02.2 Provide a brief description of the ESG information used, highlighting any different sources of information across your ESG incorporation strategies.

External company based ESG reports are used by Veritas to identify specific company based ESG-issues. Portfolio manager analyzes companies with a wide view incorporating also relevant ESG factors in own analysis. Country-related ESG analysis is done in-house as a part of the cooperation with external managers.

LEI 02.3 Indicate if you incentivise brokers to provide ESG research.

✔ Yes

LEI 02.4 Describe how you incentivise brokers.

Brokers are incentivised by addressing the importance of ESG as an important factor in our integrated ESG-process. This is considered in the valuation of the service provided by the broker.

○ No

LEI 03	Voluntary	Additional Assessed	PRI 1

LEI 03.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.

☑ Engagement

- ○ We have a systematic process to ensure the information is made available.
- ✔ We occasionally make this information available.
- ○ We do not make this information available.

☐ (Proxy) voting

LEI 04	Mandatory	Descriptive	PRI 1

LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.

☐ Negative/exclusionary screening

☑ Positive/best-in-class screening

- ☐ Product
- ☐ Activity
- ☑ Sector
- ☐ Country/geographic region
- ☐ Environmental and social practices and performance
- ☐ Corporate governance

Description

We compare the ESG performance of our domestic portfolio companies to a broader sector peer group.

☑ Norms-based screening

- ☑ UN Global Compact Principles
- ☐ The UN Guiding Principles on Business and Human Rights
- ☐ International Labour Organization Conventions
- ☐ United Nations Convention Against Corruption
- ☐ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

Description

Our service provider screened our portfolio.

LEI 04.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Screening our portfolio companies vs the sector peers is done as part of our fundamental company analysis process. We screen to evalue and understand our companies in relation to the sector best practise. There is no specific criteria as all sectors are different. This is a dynamic part of our investment process which we are not communicating in public in detail.

LEI 05	Mandatory	Core Assessed	PRI 1

LEI 05.1	Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- ☑ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☐ Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- ☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☑ Review and evaluation of external research providers
- ☐ Other, specify
- ☐ None of the above

LEI 05.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- ○ <10%
- ○ 10-50%
- ✔ 51-90%

○ >90%

LEI 06	Voluntary	Additional Assessed	PRI 1

LEI 06.1	Indicate which processes your organisation uses to ensure fund criteria are not breached

☐ Systematic checks are performed to ensure that stocks meet the funds' screening criteria.

☐ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.

☐ Audits of fund holdings are undertaken regularly by internal audit function

☐ Periodic auditing/checking of the organisations RI funds by external party

☑ Other, specify

In our fundamental holistic analysis and as we have very few holdings, our PM constantly analyzes all of the companies in the portfolio.

☐ None of the above

LEI 06.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

In case we are unhappy with some aspects of a company we may engage with the company and in some cases reduce or sell holding. Please see our example on Fortum in LEI 14.

LEI 08	Mandatory	Core Assessed	PRI 1

LEI 08.1	Indicate which ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis
Environmental	**Environmental** ○ <10% ○ 10-50% ✔ 51-90% ○ >90%
Social	**Social** ○ <10% ✔ 10-50% ○ 51-90% ○ >90%
Corporate Governance	**Corporate Governance** ○ <10% ✔ 10-50% ○ 51-90% ○ >90%

LEI 09	Voluntary	Additional Assessed	PRI 1

LEI 09.1	Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

☑ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products

LEI 09.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

○ <10%

✔ 10-50%

○ 51-90%

○ >90%

☑ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies

☑ Third-party ESG ratings are updated regularly.

LEI 09.3	Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

○ Quarterly or more frequently

○ Bi-Annually

✔ Annually

○ Less frequently than annually

☐ A periodic review of the internal research is carried out

☐ Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team

- ☐ ESG risk profile of a portfolio against benchmark
- ☑ Other, specify

  We can meet with our directly held companies quarterly for an ESG related discussion.
- ☐ None of the above

LEI 09.5	Describe how ESG information is held and used by your portfolio managers.

- ☐ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☐ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☑ Other, specify

  ESG information is integrated to the daily work of the portfolio manager.
- ☐ None of the above

LEI 10	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1

LEI 10.1	Indicate which aspects of investment analysis you integrate material ESG information into.

- ☑ Economic analysis

	Proportion of actively managed listed equity exposed to investment analysis

  - ○ <10%
  - ○ 11-50%
  - ✔ 51-90%
  - ○ 90%
- ☑ Industry analysis

	Proportion of actively managed listed equity exposed to investment analysis

  - ○ <10%
  - ○ 11-50%
  - ✔ 51-90%
  - ○ 90%
- ☑ Quality of management

	Proportion of actively managed listed equity exposed to investment analysis

  - ○ <10%
  - ○ 11-50%
  - ✔ 51-90%
  - ○ 90%
- ☑ Analysis of company strategy

	Proportion of actively managed listed equity exposed to investment analysis

  - ○ <10%
  - ○ 11-50%
  - ✔ 51-90%
  - ○ 90%
- ☐ Portfolio weighting
- ☐ Fair value/fundamental analysis
- ☑ Other, specify

  ESG is a part of our scenario analysis of geographical and sector exposure.

	Proportion of actively managed listed equity exposed to investment analysis

  - ○ <10%
  - ○ 11-50%
  - ✔ 51-90%
  - ○ 90%

LEI 11	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1

LEI 11.1	Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.

- ○ Yes
- ✔ No

LEI 12	Voluntary	Descriptive	PRI 1

LEI 12.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

- ☐ Screening
- ☑ Integration of ESG issues

	Select which of these effects followed your ESG integration:

- ☐ Reduce or prioritise the investment universe
- ☐ Overweight/underweight at sector level
- ☐ Overweight/underweight at stock level
- ☐ Buy/sell decisions
- ☑ Other, specify

As an active fundamental stock picker the relevant ESG analysis is integrated into the fundamental work of the PM and the portfolio holdings.

- ☐ None of the above

LEI 13	Voluntary	Additional Assessed	PRI 1

LEI 13.1	Indicate whether your organisation measures how your approach to responsible investment in Listed Equity has affected your portfolio's financial and/or ESG performance.

- ☐ We measure whether our approach to ESG issues impacts funds' reputation
- ☐ We measure whether our approach to ESG issues impacts funds' financial performance: return
- ☐ We measure whether our approach to ESG issues impacts funds' financial performance: risk
- ☐ We measure whether our approach to ESG issues impacts funds' ESG performance
- ☑ None of the above

LEI 14	Voluntary	Descriptive	PRI 1

LEI 14.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

- ☑ ESG issue 1

	ESG issue and explanation

Fortum is in the process of aquiring significant coal assets in Germany (Uniper)

Previously we have held Fortum as an example in terms of best i nclass ESG performance on its sector and we have had a large holding in the company.

We have questioned the aquisition logic and whether carbon pricing risk was analyzed thoroughly when agreeing the merger. Company has not been able to answer completely satisfactorily and we have sold part of our holding in the company due to this.

Integration

	Impact on investment decision or performance

Lowered weight in teh company. Performance attribution not analyzed.

- ☐ ESG issue 2
- ☐ ESG issue 3
- ☐ ESG issue 4
- ☐ ESG issue 5

LEA 01	Mandatory	Core Assessed	PRI 2

LEA 01.1 Indicate whether your organisation has a formal engagement policy.

- ○ Yes
- ✔ No

LEA 02	Mandatory	Gateway	PRI 1,2,3

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved/increased ESG disclosure ☐ Other, specify ☐ We do not engage via internal staff
Collaborative engagements	☐ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved/inreased ESG disclosure ☐ Other, specify ☐ We do not engage via collaborative engagements
Service provider engagements	☐ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved/increased ESG disclosure ☐ Other, specify ☑ We do not engage via service providers **Please specify why your organisation does not engage via service providers.** We hold a concentrated direct equity portfolio consisting of domestic companies. We thereby have the possibility to interact directly with the company.

LEA 03	Mandatory	Core Assessed	PRI 2

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

- ✔ Yes

  LEA 03.2 Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

  - ☑ Geography / market of the companies
  - ☐ Materiality of ESG factors
  - ☐ Systemic risks to global portfolios
  - ☑ Exposure (holdings)
  - ☑ In response to ESG impacts that have already occurred.
  - ☐ As a response to divestment pressure
  - ☐ Consultation with clients/beneficiaries
  - ☐ Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
  - ☐ As a follow-up from a voting decision
  - ☐ Client request
  - ☐ Other, describe
- ○ No

LEA 04	Mandatory	Core Assessed	PRI 2

LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- ✔ Yes
  - ○ Yes, for all engagement activities
  - ○ Yes, for the majority of engagement activities
  - ✔ Yes, for a minority of engagement activities
- ○ We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2 Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.

- ✔ Yes
  - ○ Yes, in all cases

- ○ Yes, in the majority of cases
- ✔ Yes, in the minority of cases

○ We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3	Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- ☐ Define timelines for your objectives
- ☐ Tracking and/or monitoring progress against defined objectives
- ☐ Tracking and or monitoring progress of actions taken when original objectives are not met
- ☑ Revisit and, if necessary, revise objectives on continuous basis
- ☐ Other, please specify
- ☐ We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 05	Mandatory	Core Assessed	PRI 2

LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

✔ Yes

LEA 05.2	Describe the criteria used to identify and prioritise collaborative engagements.

- ☐ Potential to learn from other investors
- ☑ Ability to add value to the collaboration
- ☑ Geography / market of the companies targeted by the collaboration
- ☐ Materiality of ESG factors addressed by the collaboration
- ☐ Systemic risks to global portfolios addressed by the collaboration
- ☐ Exposure (holdings) to companies targeted by the collaboration
- ☐ In reaction to ESG impacts addressed by the collaboration that have already occurred.
- ☐ As a response to divestment pressure
- ☐ As a follow-up from a voting decision
- ☐ Consultation with clients/beneficiaries
- ☐ Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- ☐ Other, describe

○ No

LEA 05.3	Additional information [Optional]

LEA 06	Mandatory	Core Assessed	PRI 2

LEA 06.1	Indicate if you define specific objectives for your engagement activities carried out collaboratively.

✔ Yes

- ○ Yes, for all engagement activities
- ○ Yes, for the majority of engagement activities
- ✔ Yes, for a minority of engagement activities

○ We do not define specific objectives for engagement activities carried out collaboratively.

LEA 06.2	Indicate if you monitor the actions companies take during and following your collaborative engagements.

✔ Yes

- ○ Yes, in all cases
- ○ Yes, in the majority of cases
- ✔ Yes, in the minority of cases

○ We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3	Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- ☐ Define timelines for your objectives
- ☐ Tracking and/or monitoring progress against defined objectives
- ☐ Tracking and or monitoring progress of actions taken when original objectives are not met
- ☑ Revisit and, if necessary, revise objectives on continuous basis
- ☐ Other, please specify
- ☐ We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 09	Voluntary	Additional Assessed	PRI 1,2

LEA 09.1	Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
Individual/Internal staff engagements	○ Yes, systematically ✔ Yes, occasionally ○ No
Collaborative engagements	○ Yes, systematically ✔ Yes, occasionally ○ No

LEA 09.2	Additional information. [Optional]

We manage a very consentrated portfolio of domestic holdings and have a frequent dialog with the companies. We continually share the insights of our engagements internaly among the investment managers team.

LEA 10	Mandatory	Gateway	PRI 2

LEA 10.1	Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	○ Yes, we track the number of our engagements in full ✔ Yes, we partially track the number of our engagements ○ We do not track
Collaborative engagements	○ Yes, we track the number of our engagements in full ✔ Yes, we partially track the number of our engagements ○ We do not track and cannot estimate our engagements

LEA 10.2	Additional information. [OPTIONAL]

We do not have a formal process of tracking the number of engagements.

LEA 11	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2

LEA 11.1	Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)	**Proportion (to the nearest 5%)**	**Specify the basis on which this percentage is calculated**
Individual / Internal staff engagements	5	10Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated ○ of the total number of companies you hold ✔ of the total value of your listed equity holdings
Collaborative engagements	0	0Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated ○ of the total number of companies you hold ✔ of the total value of your listed equity holdings

LEA 11.2	Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	✔ > 50% ○ 10-50% ○ <10% ○ None
Collaborative engagements	○ >50% ○ 10-50% ○ <10% ✔ None

LEA 11.3	Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	○ >50% ○ 10-50% ○ <10% ✔ None

LEA 12	Voluntary	Additional Assessed	PRI 2

LEA 12.1	Indicate which of the following your engagement involved.

- ☐ Letters and emails to companies
- ☑ Meetings and/or calls with the appropriate team
  - ○ In some cases
  - ✔ In majority cases
  - ○ In all cases
- ☑ Visits to operations
  - ✔ In some cases
  - ○ In majority cases
  - ○ In all cases
- ☑ Participation in roadshows
  - ✔ In some cases
  - ○ In majority cases
  - ○ In all cases
- ☐ Other, specify

LEA 13	Voluntary	Descriptive	PRI 2

LEA 13.1	Indicate whether you track the number of cases during the reporting year in which a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.

- ○ Yes
- ✔ No

LEA 15	Mandatory	Core Assessed	PRI 1,2,3

LEA 15.1	Indicate whether your organisation has a formal voting policy.

- ○ Yes
- ✔ No

LEA 16	Mandatory	Descriptive	PRI 2

LEA 16.1	Indicate how you typically make your (proxy) voting decisions.

	Approach

- ✔ We use our own research or voting team and make voting decisions without the use of service providers.

	Based on

  - ✔ our own voting policy
  - ○ our clients' requests or policy
  - ○ other, explain
- ○ We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.
- ○ We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ○ We hire service provider(s) that make voting decisions on our behalf.

LEA 16.2	Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

Due to a concentrated direct equity portfolio with less than 40 holdings the voting decisions are done case by case. Our aim is to attend all the annual general meetings of our portfolio companies. In 2017 we attended 85% of the meetings.

LEA 20	Mandatory	Core Assessed	PRI 2

LEA 20.1	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- ○ Yes, in most cases

○ Sometimes, in the following cases:

✔ Neither we nor our service provider raise concerns with companies ahead of voting

LEA 20.2	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

○ Yes, in most cases

○ Sometimes, in the following cases.

○ We do not communicate the rationale to companies

✔ Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 21	Mandatory	Core Assessed	PRI 2

LEA 21.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

○ We do track or collect this information

✔ We do not track or collect this information

LEA 22	Mandatory	Additional Assessed	PRI 2

LEA 22.1	Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

○ Yes, we track this information

✔ No, we do not track this information

LEA 23	Voluntary	Descriptive	PRI 2

LEA 23.1	Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

○ Yes

✔ No

PR 01	Mandatory	Core Assessed	PRI 1-6

PR 01.1	Indicate if your organisation has a Responsible Property Investment (RPI) policy.

✔ Yes

PR 01.2	Provide a URL or attach the document

☑ URL

https://www.veritas.fi/sites/veritas.fi/files/vastuullinen_sijoittaminen_fi_0.pdf

☐ Attach Document

○ No

PR 01.3	Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy.

By applying LEED or BREEAM environmental certififates for the most important properties. The carbon foot print for the direct properties has been defined from 2012-. It shows that due to our active work we have had a strong positive trend during this period.

PR 04	Mandatory	Gateway/Core Assessed	PRI 1

PR 04.1	Indicate if your organisation typically incorporates ESG issues when selecting property investments.

✔ Yes

PR 04.2	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

We are investigating thoroughly environmental matters in direct property. Analysis of the ESG approach of a potential fund manager is integrated in our fund selection process.

PR 04.3	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

☑ Environmental

Contamination
Energy efficiency
Indoor environmental quality

☑ Social

Building safety and materials
Occupier Satisfaction
Accessibility

☑ Governance

Governance structure
Regulatory
Shareholder structure & rights

○ No

PR 05	Voluntary	Additional Assessed	PRI 1,3

PR 05.1	Indicate what type of ESG information your organisation typically considers during your property investment selection process.

☑ Raw data from the target property asset/company
☑ Appraisals/audits
☑ Benchmarks/ratings against similar property asset
☐ Country level data/benchmarks
☑ Data aligned with established property reporting standards, industry codes and certifications
☐ International initiatives, declarations or standards
☑ Data from engagements with stakeholders (e.g. tenants and local community surveys)
☑ Information from external advisers
☐ Other, specify
☐ We do not track this information

PR 06	Mandatory	Core Assessed	PRI 1

PR 06.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.

☑ ESG issues helped identify risks and/or opportunities for value creation
☐ ESG issues led to the abandonment of potential investments
☑ ESG issues impacted the investment in terms of price offered and/or paid
☑ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
☐ ESG issues were considered but did not have an impact on the investment selection process
☐ Other, specify
☐ Not applicable, our organisation did not select any investments in the reporting year
☐ We do not track this potential impact

PR 06.2	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.

- [x] ESG issues impacted the investment in terms of price offered and/or paid
- [ ] ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- [ ] ESG issues were considered but did not have an impact on the deal structuring process
- [ ] Other, specify
- [ ] Not applicable, our organisation did not select any investments in the reporting year
- [ ] We do not track this potential impact

PR 07	Mandatory	Core Assessed	PRI 4

PR 07.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

○ Yes
✔ No

PR 07.3	Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

Thrid party property managers role is very small.Governance is always analyzed in DD process.

PR 08	Mandatory	Gateway	PRI 2

PR 08.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

✔ Yes

PR 08.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- [x] We consider ESG issues in property monitoring and management
- [x] We consider ESG issues in property developments and major renovations.
- [x] We consider ESG issues in property occupier engagements
- [x] We consider ESG issues in community engagements related to our properties
- [ ] We consider ESG issues in other post-investment activities, specify

PR 08.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.

For example continuing benchmark regarding to energy and water consumption .

○ No

PR 09	Mandatory	Core Assessed	PRI 2,3

PR 09.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

✔ >90% of property assets
○ 51-90% of property assets
○ 10-50% of property assets
○ <10% of property assets

PR 09.2	Indicate which ESG targets your organisation and/or property managers typically set and monitor

- [x] Environmental

Target/KPI	Progress Achieved
Heating energy and water consumption	Benchmark activity has been practised for several years. Shows a steady positive trend.
Electricity energy	Following up often together with the tenant.
Waste management	We are following up the amount of waste and its different fractions and the recycling ratio.

- [ ] Social
- [ ] Governance
- [ ] We do not set and/or monitor against targets

PR 09.3	Additional information. [Optional]

As mentioned before our property managers role is small. We are setting goals for our own organisation and monitor the internally managed properties.

PR 10	Voluntary	Descriptive	PRI 2

PR 10.1	Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks

○ Yes
✔ No

PR 11	Mandatory	Core Assessed	PRI 2

PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.

- ○ >90% of active developments and major renovations
- ✔ 51-90% of active developments and major renovations
- ○ 10-50% of active developments and major renovations
- ○ <10% of active developments and major renovations
- ○ N/A, no developments and major renovations of property assets are active

PR 11.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.

- ☑ Environmental site selection requirements
- ☑ Environmental site development requirements
- ☑ Sustainable construction materials
- ☑ Water efficiency requirements
- ☑ Energy efficiency requirements
- ☑ Energy generation from on-site renewable sources
- ☑ Waste management plans at sites
- ☑ Health and safety management systems at sites
- ☑ Construction contractors comply with sustainability guidelines
- ☑ Resilient building design and orientation
- ☐ Other, specify

PR 12	Mandatory	Core Assessed	PRI 2

PR 12.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.

- ○ >90% of occupiers
- ○ 50-90% of occupiers
- ✔ 10-50% of occupiers
- ○ <10% of occupiers

PR 12.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.

- ☑ Distribute a sustainability guide to occupiers
- ☐ Organise occupier events focused on increasing sustainability awareness
- ☑ Deliver training on energy and water efficiency
- ☑ Deliver training on waste minimisation
- ☑ Provide feedback on energy and water consumption and/or waste generation
- ☑ Provide feedback on waste generation
- ☐ Carry out occupier satisfaction surveys
- ☐ Offer green leases
- ☐ Other, specify

PR 13	Voluntary	Additional Assessed	PRI 2

PR 13.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.

- ○ >90% of leases or MoUs
- ○ 50-90% of leases or MoUs
- ✔ 10-50% of leases or MoUs
- ○ <10% of leases or MoUs
- ○ 0% of leases or MoUs
- ○ N/A, no leases or MoUs were signed during the reporting year

PR 14	Voluntary	Additional Assessed	PRI 2

PR 14.1	Indicate what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.

- ○ >90% of property assets
- ○ 50-90% of property assets
- ✔ 10-50% of property assets
- ○ <10% of property assets

PR 14.2	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.

- ☐ ESG education programmes for the community
- ☑ ESG enhancement programmes for public spaces
- ☑ Research and networking activities focusing on ESG issues
- ☐ Employment creation in communities
- ☐ Supporting charities and community groups
- ☐ Other, specify

PR 15	Voluntary	Additional Assessed	PRI 1,2

PR 15.1	Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.

- ☐ We measure whether our approach to ESG issues impacts funds' financial performance
- ☑ We measure whether our approach to ESG issues impacts funds' ESG performance

PR 15.2b	Describe the impact on the following.

Describe the impact on:	Impact
Funds' ESG performance	✔ Positive ○ Negative ○ No impact

- ☐ None of the above

CM1 01.1	Mandatory	Core Assessed	General

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- ☐ Third party assurance over selected responses from this year's PRI Transparency Report
- ☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☐ Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- ☐ Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- ☐ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
- ☑ Other, specify

  The investment team responsible for different asset classes fill in their respective responses. After this the CIO goes through the report and finalizes it.
- ☐ None of the above

CM1 01.2 & 01.8	Mandatory	Descriptive	Planned assurance of this year's PRI Transparen Report

CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?

- ○ Whole PRI Transparency Report will be assured
- ○ Selected data will be assured
- ✔ We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Descriptive	General

CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report

- ○ Whole PRI Transparency Report was assured last year
- ○ Selected data was assured in last year's PRI Transparency Report
- ✔ We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Descriptive	General

CM1 01.4	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- ☐ We adhere to an RI certification or labelling scheme
- ☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ☐ ESG audit of holdings
- ☐ Other, specify
- ☑ None of the above