



LEA 02	Disclosures	Monetary	Principles
<p>By providing detailed information on the engagement process, the investor can demonstrate its commitment to the principles of responsible investment and its adherence to the relevant standards and frameworks.</p> <p>The engagement process should be transparent and consistent across all investments, and should be documented and reported to stakeholders.</p>	<p>LEA 02</p>	<p>Monetary</p>	<p>Principles PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input checked="" type="checkbox"/> To engage investor ESG issues</p> <p><input checked="" type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p>	<p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decision-making in a company's business</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input checked="" type="checkbox"/> To engage investor ESG issues</p> <p><input checked="" type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> To support investment decision-making in a company's business</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p>

RI TRANSPARENCY REPORT

2020

Ilmarinen Mutual Pension Insurance Company

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	✓	Public							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	✓	Public							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Private							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	✓	Public							✓
OO PR 02	Breakdown of property assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of infrastructure investments	✓	Public							✓
OO INF 02	Breakdown of infrastructure assets by management	✓	Public							✓
OO INF 03	Largest infrastructure sectors	✓	Public							✓
OO HF 01	Breakdown of hedge funds investments by strategies	✓	Public							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Public	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Public							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 07	Percentage of (proxy) votes	✓	Public		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 10	Engagement methods	✓	Public		✓					
LEA 11	Examples of ESG engagements	✓	Public		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Public		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Public		✓					
LEA 21	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Private	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	✓	Public	✓						
FI 08	Thematic investing - themed bond processes	✓	Public	✓						
FI 09	Thematic investing - assessing impact	✓	Public	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Public		✓					
FI 15	Engagement method	✓	Public	✓	✓					
FI 16	Engagement policy disclosure	✓	Public	✓	✓					
FI 17	Financial/ESG performance	✓	Public							✓
FI 18	Examples - ESG incorporation or engagement	✓	Public	✓	✓					
FI End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 02	Fund placement documents and RI	🔒	n/a	✓			✓		✓	
PR 03	Formal commitments to RI	🔒	n/a				✓			
PR 04	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 05	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 06	ESG issues impact in selection process	✓	Public	✓						
PR 07	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 08	ESG issues in post-investment activities	✓	Public		✓					
PR 09	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 10	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 11	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 12	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 13	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 14	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 15	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PR 16	Examples of ESG issues that affected your property investments	✓	Public	✓		✓				
PR End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	🔒	n/a							✓
CM1 05	External assurance	✓	Public							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

Ilmarinen Mutual Pension Insurance Company

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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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]

Ilmarinen is a mutually owned pension insurance company.

OO 02	Mandatory	Public	Peering	General
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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).

FTE

640

OO 03	Mandatory	Public	Descriptive	General
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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

Public

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2020

OO 04.2

Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		50	527	837	445
Currency	EUR				
Assets in USD		55	696	900	762

Not applicable as we are in the fund-raising process

Based on your reporting above, your total AUM is over 50 US\$ billion, and therefore your 2019/20 fee will be £ 8,609. Note that your total AUM is calculated by summing all figures provided in OO 04.2, 04.3, and 04.4.

OO 06

Mandatory

Public

Descriptive

General

OO 06.1

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

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	10-50%
Fixed income	10-50%	<10%
Private equity	0	<10%
Property	10-50%	<10%

Infrastructure	<10%	0
Commodities	0	0
Hedge funds	<10%	<10%
Fund of hedge funds	0	0
Forestry	0	<10%
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Money market instruments	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2

Publish asset class mix as per attached image [Optional].

	2019		2019		2019		Volatility
	Basic breakdown		Risk breakdown		Return		
	EUR mil.	%	EUR mil.	%	%		
Fixed income investments	17,014.6	33.7	12,917.1	25.6	4.7		
Loan receivables	1,096.5	2.2	1,096.5	2.2	2.5		
Bonds	14,998.9	29.7	9,070.5	18.0	5.0	2.3	
Public corporation bonds	6,208.8	12.3	5,353.6	10.6	7.9		
Other bonds	8,790.2	17.4	3,716.8	7.4	3.6		
Other money market instruments and deposits (incl. investment receivables and payables)	919.1	1.8	2,750.2	5.4	2.6		
Equities and shares	23,736.1	47.0	23,765.0	47.0	20.8		
Listed equities and shares	18,485.3	36.6	18,514.3	36.6	22.5	11.4	
Private equity investments	4,305.6	8.5	4,305.6	8.5	15.6		
Non-listed equities and shares	945.2	1.9	945.2	1.9	13.2		
Real estate investments	6,385.7	12.6	6,403.4	12.7	8.4		
Real estate investments	5,777.5	11.4	5,778.5	11.4	8.8		
Real estate funds and joint investments	608.2	1.2	624.9	1.2	4.4		
Other	3,391.3	6.7	4,906.7	9.7	-2.1		
Hedge fund investments	2,481.9	4.9	2,481.9	4.9	5.3	3.6	
Commodity investments	20.4	0.0	33.4	0.1			
Other investments	889.1	1.8	2,391.4	4.7	-19.6		
Investments total	50,527.8	100.0	47,992.2	95.0	11.8	4.1	
Effect of derivatives			2,535.6	5.0			
Investments at current value	50,527.8		50,527.8	100.0			

The modified duration of bond investments is 1.7 years

The open currency position is 23.4 of the market value of the investments.

The total return percentage includes income, expenses and operating expenses not allocated to any investment types.

OO 06.3 | Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5 | Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 06.6 | Provide contextual information on your AUM asset class split. [Optional]

In addition to external hedge fund investments, Ilmarinen also has an internal hedge fund type investing unit. In line with domestic reporting requirements, this unit reports the applicable underlying asset-classes of investments made. Ilmarinen also has infrastructure, commodities and forestry investments. In line with domestic reporting requirements, these investments are not reported as separate asset classes as can be seen from the official asset class breakdown table (See, OO 06.2)

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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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	40
	Corporate (financial)	15
	Corporate (non-financial)	40
	Securitised	5
	Total	100%
	Externally managed	SSA
Corporate (financial)	0	
Corporate (non-financial)	90	
Securitised	0	
Total	100%	

OO 08	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 08.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.
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Asset class breakdown	Segregated mandate(s)	Pooled fund(s) or pooled investment(s)	Total of the asset class (each row adds up to 100%)
[a] Listed equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[b] Fixed income - SSA	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[d] Fixed income – Corporate (non-financial)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[f] Private equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[g] Property	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[j] Hedge funds	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[k] Forestry	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%

OO 09	Mandatory	Public	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
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OO 09.2 Additional information. [Optional]

We would consider 10 percent of our AUM to cover both emerging and frontier markets.

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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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 SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with SSA bond issuers on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

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

Although we do not engage with government, if considered important, we will engage with e.g supranational and government agencies.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- 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.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- 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

Public

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 (financial)

- 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.

Fixed income - securitised

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

Property

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

Infrastructure

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

Hedge funds

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

Cash

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

Money market instruments

- 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	<p data-bbox="560 342 1474 427">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="560 439 1286 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="560 477 1321 504"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="560 515 1302 542"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="560 553 935 580"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - SSA	<p data-bbox="560 656 1474 741">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="560 752 1286 779"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="560 790 1321 817"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="560 828 1302 855"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="560 866 935 893"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (non-financial)	<p data-bbox="560 969 1474 1055">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="560 1066 1286 1093"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="560 1104 1321 1131"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="560 1142 1302 1169"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="560 1180 935 1207"><input type="checkbox"/> We do not do ESG incorporation</p>
Private equity	<p data-bbox="560 1310 1474 1395">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="560 1406 1286 1433"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="560 1444 1321 1471"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="560 1482 1302 1509"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="560 1520 935 1547"><input type="checkbox"/> We do not do ESG incorporation</p>
Property	<p data-bbox="560 1624 1474 1709">Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="560 1720 1286 1747"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="560 1758 1321 1785"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="560 1796 1302 1823"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="560 1834 935 1861"><input type="checkbox"/> We do not do ESG incorporation</p>
Hedge funds	<p data-bbox="560 1937 1474 2004">Hedge funds - ESG incorporation addressed in your external manager</p>

	<p>selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Forestry	<p>Forestry - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>

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

Selecting an asset manager and fund

In the selection management process, we extensively evaluate the implementation of its responsible investment policy through the collection of questionnaires and RFI documents from the investment managers. The questionnaire covers themes that include responsible investment principles regarding funds, a clear definition of roles and responsibilities, integration of responsibility into investment decisions and reporting to investors. The asset manager need not have all of the above-mentioned procedures in place when the fund agreement is signed. Instead, the asset manager may continue to develop such procedures during the cooperation period.

Furthermore, we consider it an additional advantage if the asset manager is committed to following and promoting compliance with the UN Global Compact and the underlying norms in the fund investments' investees. Ilmarinen considers the asset manager's commitment to international initiatives that promote sustainability, such as the PRI (Principles for Responsible Investment) or a similar initiative/program for the asset class, to be a positive factor.

Our objective in the private equity, private debt and infrastructure funds, that we invest in, is to follow similar thresholds and exclusions as we have within direct investments. When drawing up fund contracts, we use side letters to define the exclusions.

Appointment:

On the PE investments we use side letters. As we do not use mandates in the listed active equity part we need to be sure that all managers fulfill our criteria hence the rigorous selection process. For the listed passive equity, we have been co-developing ESG ETF emerging market products in 2019. We are targeting that all passive equity products follow an ESG index by 2025.

Asset manager monitoring

We annually monitor the compliance of each asset manager or fund with a responsible investment policy either through a fund query or a personal meeting with each asset manager. The objective is to gain information on best practices and development areas. We discuss this information with the asset managers at fund meetings, for example. We encourage asset managers to monitor current developments related to the fund performance (ESG assessment included) of the investments and their impacts, and other relevant developments in their investment and ESG practices.

OO 12	Mandatory	Public	Gateway	General
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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 (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Direct - Other asset classes with dedicated modules

- Property
- Infrastructure
- Hedge Funds and/or Fund of Hedge Funds

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed income - SSA
- Fixed income - Corporate (non-financial)
- Private Equity
- Property

Closing module

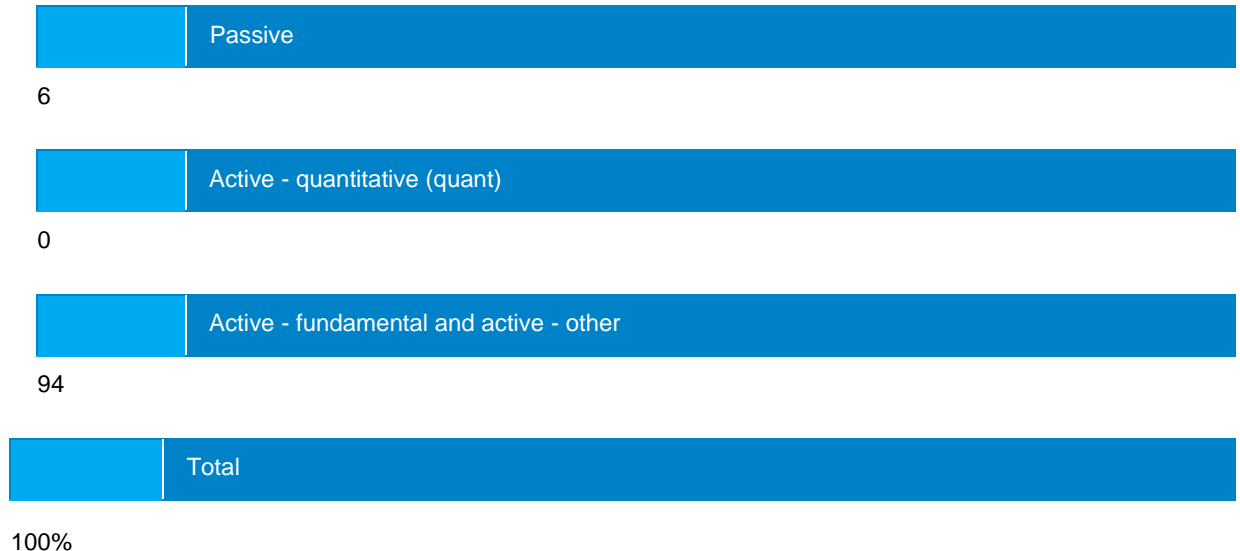
- Closing module

Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1 Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Percentage of internally managed listed equities



OO LE 01.2 Additional information. [Optional]

6% of our portfolio is temporarily set to "neutral" vs benchmark and thus is currently passively managed in the near term.

OO LE 02	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 02.1 For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Report on strategy

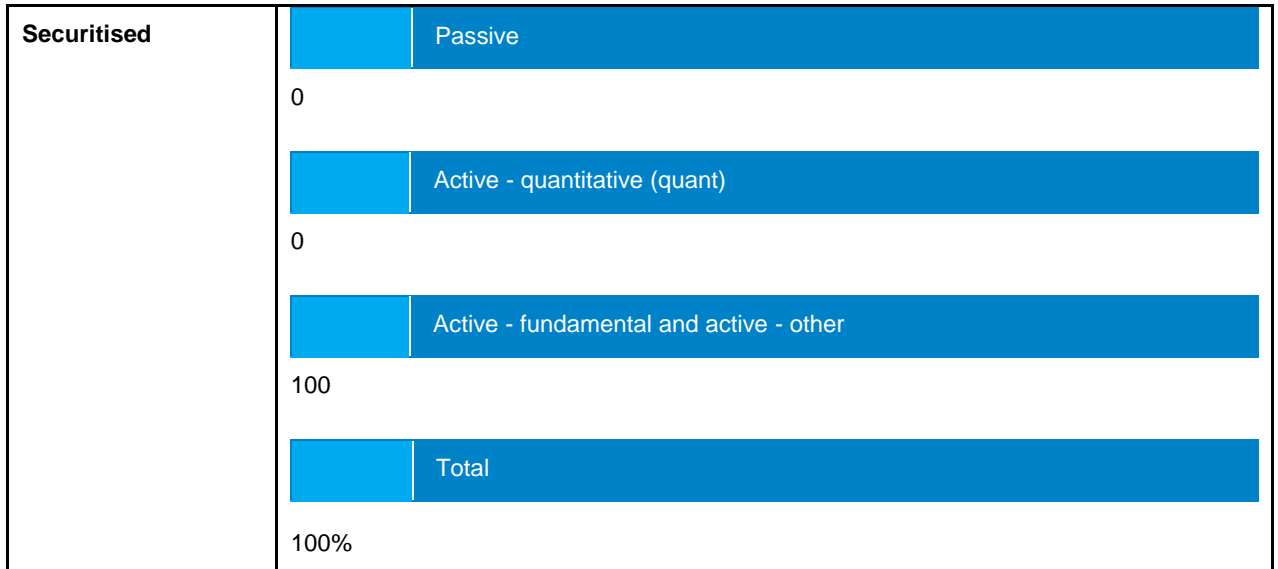
	Passive strategies
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Yes
 No

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
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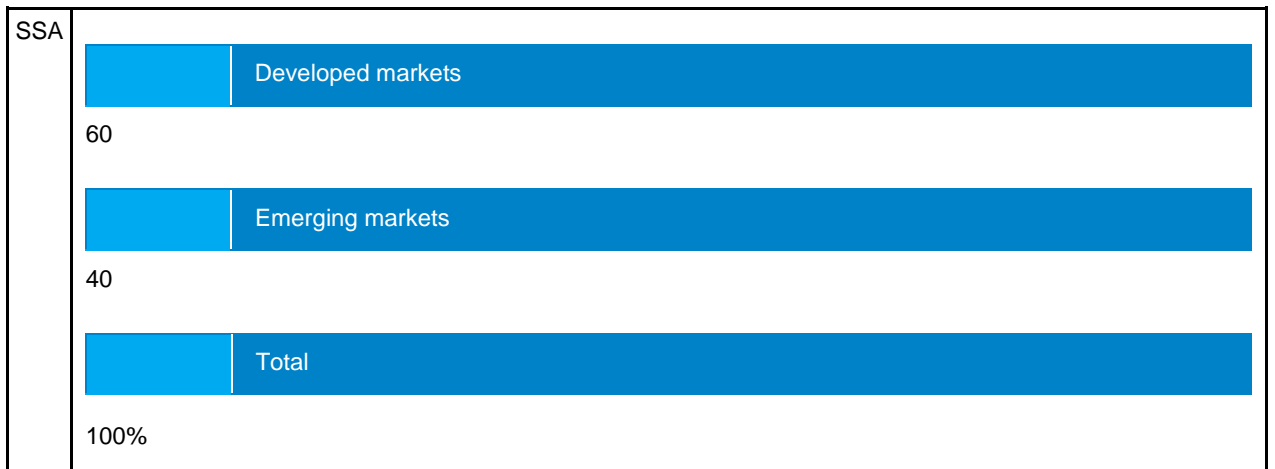
SSA	<p>Passive 0</p> <p>Active - quantitative (quant) 0</p> <p>Active - fundamental and active - other 100</p> <p>Total 100%</p>
Corporate (financial)	<p>Passive 0</p> <p>Active - quantitative (quant) 0</p> <p>Active - fundamental and active - other 100</p> <p>Total 100%</p>
Corporate (non-financial)	<p>Passive 0</p> <p>Active - quantitative (quant) 0</p> <p>Active - fundamental and active - other 100</p> <p>Total 100%</p>



OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

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



OO FI 03.2 Indicate the approximate (+/- 5%) breakdown of your corporate and securitized investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PR 01.1 Indicate the level of ownership you typically hold in your property investments.

- a majority stake (50% and above)
- a significant minority stake (10 and above, and under 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 02	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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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	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party property managers appointed by you	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input checked="" type="radio"/> < 10% <input type="radio"/> 0%
Total 100%	

OO PR 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PR 03.1	Indicate up to three of your largest property types by AUM.
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Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input checked="" type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input type="radio"/> Industrial <input checked="" type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

OO PR 03.2	Additional information.
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In addition, Ilmarinen's portfolio includes hotels, warehouse and real estate fund.

OO INF 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO INF 01.1	Indicate the level of ownership you typically hold in your infrastructure investments.
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- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

OO INF 02	Mandatory to Report Voluntary to Disclose	Public	Gateway/Peering	General
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OO INF 02.1 Provide a breakdown of your organisation's infrastructure assets based on who manages the assets.

Infrastructure assets managed by	Breakdown of your infrastructure assets (by number)
Managed directly by your organisation/companies owned by you	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party operators appointed by your organisation/companies owned by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors/their third-party operators	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Total	100%

OO INF 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO INF 03.1 Indicate up to three of your largest infrastructure sectors by AUM.

Sector	Main infrastructure sectors (by AUM)
Largest infrastructure sector	<input type="radio"/> Transportation <input checked="" type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Second largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input checked="" type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Third largest infrastructure sector	<input checked="" type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify

OO HF 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO HF 01.1	Please describe your hedge fund strategies and classification
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Options presented for hedge funds

Main strategy	Strategy as % of hedge fund AUM	Sub-strategy
Equity Hedge	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="checkbox"/> Equity Market Neutral <input type="checkbox"/> Fundamental Growth <input type="checkbox"/> Fundamental Value <input type="checkbox"/> Quantitative Directional <input type="checkbox"/> Sector: Energy/Basic Materials <input type="checkbox"/> Sector: Healthcare <input type="checkbox"/> Sector: Technology <input type="checkbox"/> Short Bias <input type="checkbox"/> Multi-Strategy
Event Driven	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Global Macro	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="checkbox"/> Active Trading <input type="checkbox"/> Commodity: Agriculture <input type="checkbox"/> Commodity: Energy <input type="checkbox"/> Commodity: Metals <input type="checkbox"/> Commodity: Multi <input type="checkbox"/> Currency: Discretionary <input type="checkbox"/> Currency: Systematic <input type="checkbox"/> Discretionary Thematic <input type="checkbox"/> Systematic Diversified <input checked="" type="checkbox"/> Multi-Strategy
Relative Value	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Risk Parity	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	
Blockchain	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	

Total 100% (of internal Hedge Fund
AUM)

Ilmarinen Mutual Pension Insurance Company

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

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.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> 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
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

Other description (1)

As our board of directors consist of our clients and the board approves our policies, the client perspectives are being incorporated into the policy work. In addition, we have hosted few stakeholder dialogues.

Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Responsibility is an integral part of Ilmarinen's investment activities. Ilmarinen's mission is to invest pension assets in a profitable, secure and responsible manner to provide pensions in the future. We are a long-term investor and it is our duty to act in the best interests of our clients. As part of this mission, we take into account the environmental, social and governance aspects into investment decisions. Our Responsible Investment (RI) policy, outlines how we actively manage ESG and financial risks associated with investments so as to meet our goals of meeting our Fiduciary duties, which include investing in a sustainable and responsible manner. In addition, we actively engage in promoting responsible business practices, both through our own investment activities and external asset managers. Ilmarinen's Practical Guide to Responsible Investment support how our Principles for Responsible Investment are done in practice. Through our Responsible Investment principles and Responsible Investment Guidelines, our investment decisions aim to minimize the negative impacts while increasing the overall positive impacts.

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]

We are a long-term investor and it is our duty to act in the best interest of our clients and pensioners. Ilmarinen's RI principles and RI Guidelines, together form Ilmarinen's Responsible policy. Our Board of Directors approve the Responsible Investment principles that guide investment activities to ensure that we are in accordance with Ilmarinen's values. The RI Executive Committee approves the practical guidelines and when needed suggests clarifications on the RI principles for the board to approve.

Instead of the common categorization of the Environmental, Social and Governance theme, we use the terms Environment, Human rights and Corporate Governance. The tools and actions applied for each investment decision, when considering ESG factors will vary depending on the asset class. Furthermore, Ilmarinen's investment activities have identified the most significant sustainable development goals. These are, SDG 3 (Good Health & Well-Being), SDG 5 (Gender Equality), SDG 7 (Affordable & Clean Energy), SDG 8 (Decent Work & Economic Growth), SDG 11 (Sustainable Cities & Communities), SDG 13 (Climate Action), SDG 17 (Partnership for the Goals). SDGs and solution-based business models are part of Ilmarinen's sustainability assessments and targets. Because the goals are interlinked, the right solutions can lead to positive development for more than one goal. For example, the effects of climate change are, in many ways, human rights issues. Human rights objectives include solutions for climate change mitigation and adaptation. We have also identified SDG 6 (Clean Water & Sanitation) as a target for improvement within our investments.

Our Responsible Investment principles are guided by three key requirements and applied across all asset types (listed, unlisted and investment loans)

1. Compliant with International Standards and conventions.
2. Active ownership and engagement
3. Integration of ESG data in investment decisions.

1. Compliance with international Standards (Investment exclusion applied): National legislation is not always a sufficient accountable convention/standard and we therefore require our investments to comply with international standards. We expect the investee companies to comply with the principles of the UN Global Compact and the underlying UN Declarations on Human Rights, the Environment and Corruption and the ILO Declaration on Fundamental Principles and Rights at Work. In our experience, we continue to update our exclusion list which include carbon-dependent business models, tobacco products, recreational Cannabis and controversial weapons that are prohibited by international conventions. More importantly, we believe we gain

wider benefits through actively engaging with companies. The monitoring and dealing of norm violations are dealt with by the RI Executive Committee. Companies that violate international standards will be excluded from our investments if our engagement efforts fail. In cases that are ambiguous and involve multiple stakeholders, decisions to engage and, or ultimately divest will be made by the RI Executive Committee. In addition, our investment activities we take into account the Financial Action Task Force (FATF) on money laundering and terrorist financing.

2. Active Ownership & engagement: Active ownership is an essential part of Ilmarinen's investment activities: Through active dialogue and shareholder meetings, we have the opportunity to influence our investments and to highlight business best practices or ESG risk factors that hinder sustainable outcomes. We are actively discussing with our investee companies to promote accountability. For example, if the investee does not comply with international standards, we will deepen the discussion aimed at eliminating adverse behavior and adopting responsible practices. If undesirable behavior does not cease as a result of the engagement, we will resort to divest wherever possible. There are three main channels for our engagement process. Firstly, we engage directly with the company through direct dialogue, shareholder meetings and calls. In addition, we welcome having open dialogue directly with the board of a company or other actors of civil society, such as NGOs' and Labour Unions to better understand and influence positive sustainable outcomes. The Responsible Investment team, track engagements activities/targets to ensure and inform dialogue across all relevant stakeholders. The second approach, is through the Nordic Engagement Cooperation, where we collaborate our engagements efforts together with Folksam, PFA and KLP. The collaboration is managed by Sustainalytics, where the investors' objectives are accounted for, tracked and documented. Engagements are developed to work on a focused company list and a proactive approach engaging on various Sustainability themes. And lastly, through Sustainalytics engagement services, we are able to track, monitor and engage with companies that have confirmed norm violations. Our engagement activities are tracked and reported on an annual basis. Our engagement and active owner approach is documented in our Guide to Corporate Governance and approved by our board.

3. The integration of Responsibility analysis in investment decisions, stems from our strong believe that relevant industry ESG factors have a financial material impact in the overall sustainability of an investment. Integrating ESG information is simply good risk management and will ultimately deliver positive long-term risk-adjusted returns. Portfolio managers play an essential role in assessing the risks and opportunities associated with Ilmarinen's investments, and therefore take into account ESG factors into traditional investment approaches. Our portfolio managers are supported by RI experts to enhance and develop their investment decisions. Their responsibilities include training, the development of appropriate tools, tracking changes in sustainability issues and serving as expert members of Ilmarinen's RI Executive Committee. We continue to develop our capabilities to better understand the relevance and materiality of ESG issues. We may use various ESG and alternative datasets to asses risk-adjusted returns and identify potential benefits and drawbacks. This includes the development of an internal ESG tool which efficiently integrates ESG datasets alongside financial fundamental metrics in order to better understand relevant ESG material factors in a more systematic manner. In addition, our investable universe goes through various ESG ratings and norm violation filters to create an internal classification score. This gives us a collective approach on how to proceed with an investment decision. We use a range of ESG providers to feed our internal process and databases, as well as utilize MSCI ESG Leaders benchmarks of which our direct equity holdings are measured against.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We believe that Climate Change will have a profound impact on investments. Therefore, we have set an ambitious goal to set a Carbon neutrality target to 2035, which requires immediate actions from our part.

To identify risks and opportunities we utilize multiple data providers and datasets in our investment operations. For example, we have used Engaged Tracking and the PACTA tool (2 degree Investment Initiative) to better understand the risks and opportunities not just only on a portfolio level but also on sector and on individual company level.

Some Transitional Risks identified:

- Policy: Energy sector (energy production decarbonization), industrials (decarbonization efficiency requirements), transportation& logistics (fuel use)
- Technology: Industrials (Emergence of disruptive technologies i.e Power to X)
- Market: Transportation& logistics (consumer preferences)
- Reputation: Energy& Utilities (Lobbying and lack of accountability), Finance (Financing carbon intensive projects)

Some Physical Risks identified:

- Acute: Forest Investments, Agriculture, Real Estate, Insurance, acute disruption to supply chain
- Chronic: Forest Investments, Agriculture, Real Estate, Insurance, chronic disruption to supply chain

Some Opportunities identified:

- Resource efficiency affecting all sectors, advance AI systems for better monitoring and measuring of raw materials, decrease material use
- Energy source for example power to X technologies, renewable energy
- Product/services for example product as a service, recycling services, disruptive market participants
- Markets for example, disruptive market participants, new technologies and products creating new markets that go beyond the product itself
- Resilience for example companies able to adapt and innovate

We did an extensive risks and opportunities assessment on our forest holdings as part of our sustainability report. In this research we assessed current and potential risks associated with forest investments. For example, our research showed that with the increasing temperatures, forests are more at risk to pests, fungus and pathogens, thus adversely impact forest health. Our research also shows that there are opportunities such as innovative ways of using wood based pulp and the use of infected trees as an input for biofuels.

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

At present we are enhancing our capabilities associated with assessing transitional and physical risks related to our portfolio. With our 2035 carbon neutrality target, we have set a 2025 interim target which will be focused on a couple of areas (please read SG 01.9CC). The responsible investment team, continue to research and monitor meaningful decarbonization targets and strategies as well as factor in green opportunities across the various asset classes.

On associated timescale risks and in certain cases, we have identified the lack of accountability measures when a company publicly discloses its strategy and targets on its climate commitments. In addition, it is not entirely clear how certain company's decarbonization commitments are accounted for and if they have been scientifically backed or simply pledged. However, with third-party data providers and with publicly disclosed targets (preferably science based targets), we believe this is a good start and presents a better understanding of a companies intentions on managing climate change risk and opportunities. Part of our internal systems, allows us to flag these companies on an annual basis and hence the timescales we normally work with is on an annual basis. We also leverage other resources including investor relations teams, CDP, Climate Action 100+ and the 2 degree Investment initiative to support our investment decisions.

On our 2020-2025 Climate Change roadmap, it is important that our investments create real material change towards our carbon neutrality objectives. It is important that we continue engaging and influencing companies for the better, especially in highly polluting sectors, as some of them play a crucial role in transitioning to a low carbon economy.

We analyze our investment portfolio on climate risks and opportunities, taking into account the 1.5 degree scenario under the Paris Climate Convention. The objective of the previous road map (2016-2020 Climate Change roadmap) was to reduce the carbon footprint of investments, which is still a key priority. In our Climate Change roadmap 2020-2025, we will have a focus on achieving carbon neutrality for our entire portfolio by the end of 2035. Transition challenges as well as identified trade-offs can be reduced if global emissions peak before 2030. Basing our view on the latest IPCC report of 2019, limiting warming to 1.5 C, implies that CO2 emissions need to peak around 2030 and gradually decrease, reaching net zero CO2 emissions globally by around 2050. Many of the risks related to decarbonization timescales will be characterized by technological driving examples such as, energy demand reductions, decarbonization of electricity and other fuels, deep reductions in agricultural emissions and some form of carbon storage on land or sequestration capture.

It is vital for the investor to realize the importance of short, medium and long term targets. Alongside our 2035 carbon neutrality target we have stated short-term targets to identify risks and opportunities. These will lead to better longer term outcomes as we learn from our experiences.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

We have an organization-wide Climate Policy and Guidelines. Our long-term goal is to achieve carbon neutrality for our entire portfolio by the end of 2035. This objective has been approved by Ilmarinen's board and we are working towards focused milestones. We are aiming to reduce actual atmospheric emissions rather than concentrating on getting calculable portfolio emissions down through exclusions only. In addition, we are exploring the possibility of achieving carbon negativity for domestic direct investment in a similar timeframe. The different phases of the roadmap are intended as development steps to reach the following milestones.

In the first phase (2020-2025), we will focus on the following themes:

- Carbon risk when reviewing investments

- Enhance tools for monitoring investment targets 'climate goals and reporting
- Transparent reporting of climate risks and climate opportunities
- Increasing climate impact through active and passive investment
- Real estate emissions compensation program also taking into account building time carbon emissions
- Strengthening carbon sinks

Prior to the development of our Carbon neutrality roadmap plan, we held a Chatham house rules group discussion in 2019 with various stakeholders, consisting of NGOs', heads of Finnish Industry, Academics and Finnish businesses around Carbon neutrality, viable technologies, economies of scale and understanding challenges of emission measurements were examples of issues discussed if a society would achieve net zero. We have taken this feedback which has supported our development of our Climate Change Policy 2020-2025 roadmap.

No

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

Annual sustainability report 2019.

- We currently do not publish TCFD disclosures

SG 02

Mandatory

Public

Core Assessed

PRI 6

New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

URL

{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}

- Attachment (will be made public)
- Formalised guidelines on environmental factors

URL/Attachment

URL

URL

{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}

Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}

Attachment (will be made public)

Fiduciary (or equivalent) duties

URL/Attachment

URL

URL

{hyperlink:<https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/>}

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/}

- Attachment (will be made public)
- Sector specific RI guidelines
- Screening / exclusions policy

URL/Attachment

- URL

URL

{hyperlink:https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/}

- Attachment (will be made public)
- Engagement policy

URL/Attachment

- URL

URL

{hyperlink:https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_guidelines_2019.pdf}

- Attachment (will be made public)
- (Proxy) voting policy

URL/Attachment

- URL

URL

{hyperlink:https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_guidelines_2019.pdf}

- 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

URL

{hyperlink:https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/}

Attachment

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

URL/Attachment

URL

URL

{hyperlink:https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_practice_2020.pdf}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/}

Attachment

File Attachment

{hyperlink:2019 NEC Report_Final.pdf [742KB]}

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/}

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

Other RI considerations, specify (1)

Other description (1)

As our board of directors consist of our clients and the board approves our policies, the client perspectives are being incorporated into the policy work. In addition, we have hosted few stakeholder dialogues.

URL/Attachment

URL

Attachment

File Attachment

{hyperlink:Carbon Neutrality Discussion 11.5.19.jpg [1672KB]}

We do not publicly disclose any investment policy components

SG 02.3

Additional information [Optional].

In our responsible investment policy and in the relevant guidelines we wish to openly communicate the kinds of principles, policies and practical approaches we follow with when making investment decisions. Our Responsible investment principles are divided into three sub-categories: Environmental, Human Rights and Governance. These principles, are implemented in practice by our Responsible Investment Guidelines to ensure we are aligning Ilmarinen's responsibility assessments of environmental, societal and governance issues to our overall Fiduciary responsibilities.

Link to the RI principles: <https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/>

In the guidelines we highlight how the RI principles are being adhered to in practice, including detailed information on proxy voting and engagement policies.

http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_practice_2020.pdf

On collaborative active ownership and engagement developments, we report annually on our NEC initiatives and outcomes (link below)

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/ulkoiset-raportit/2019-nec-report_final.pdf

For more information on Ilmarinen's Responsible Investment practices please read, link below:

link <https://www.ilmarinen.fi/ilmarinen/yritysvastuu/vastuullinen-sijoittaminen/>

And link to our Sustainability report 2019. Please read, link below:

<https://www.ilmarinen.fi/en/ilmarinen/financial-information/annual-report/>

SG 03

Mandatory

Public

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.

According to our code of conduct, when carrying out transactions, we must apply due diligence to situations in which the independence of decision-making might for some reason be compromised or seem to be compromised. The personal interest of an Ilmarinen employee or a member of one of the company's governing bodies must not influence his or her behavior at Ilmarinen. The above-mentioned person's employment, governing body membership or representation in a company other than Ilmarinen may also not influence decision making at Ilmarinen. A person working at Ilmarinen may not be involved in making a decision concerning a matter or transaction from which he or she gains or seems to gain a personal advantage or an advantage benefiting his or her related parties or an entity represented by him or her. In order to identify and prevent conflicts of interest, we have drawn up written operating guidelines for various situations and decision-making processes. For additional transparency Ilmarinen lists the board memberships which covers governing body memberships and secondary occupations. Moreover, there are instructions which specify the terms under which Ilmarinen employees can operate as members of other companies and foundations.

No

SG 03.3

Additional information. [Optional]

Ilmarinen's Corporate Responsible Investment Executive Committee is responsible for providing practical guidance on the principles of corporate governance. The guidelines define how the principles of corporate governance adopted by Ilmarinen's Board of Directors are taken into account in investment activities. Both the principles and the related guidelines are central to Ilmarinen's investment activities. The definitions contained in the Principles of Corporate Governance are also used in this Practical Guidelines.

Ilmarinen's "Governing body memberships and secondary occupations" instructions specify the terms under which Ilmarinen employees can operate as members of other companies and foundations. Ilmarinen's Board of Directors approves any and all memberships of Ilmarinen employees in the governing bodies of listed companies. In addition, the Board of Directors shall approve all other memberships of the President and CEO and the members of the Executive Group in the governing bodies of corporations outside of Ilmarinen. The President and CEO shall approve all of the work-related memberships of the remaining personnel in the governing bodies of non-listed companies.

When carrying out the evaluation, the person making the decision shall take into account the independence requirements for pension insurance companies, the appropriateness of the membership and the best interests of the pension insurance company. Furthermore, the membership may not cause any conflicts of interest, have a negative impact on decision-making regarding investments or interfere with the carrying out of the person's basic tasks at Ilmarinen.

The Board memberships of Ilmarinen employees are listed on Ilmarinen's website.

<https://www.ilmarinen.fi/ilmarinen/hallinto-ja-organisaatio/luottamustehtavat/>

Other important investment policies that support managing potential conflicts of interest in the investment process include:

Code of conduct link:

<https://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/code-of-conduct/>

Insider information:

<https://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/insider-information/>

Market sounding:

<https://www.ilmarinen.fi/en/ilmarinen/investments/market-sounding/>

SG 04**Voluntary****Public****Descriptive****General**

SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.
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- Yes
- No

SG 04.2	Describe your process on managing incidents
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We follow a comprehensive and systematic approach in identifying and managing incidents that occur within our portfolio companies based on our Responsible Investment Policy. Ilmarinen's Responsible Investment policy are guided by three main requirements - following international norms, Active ownership/dialogue and integrating ESG assessment analysis into investment decisions.

We insist that our investees comply with international norms such as the principles of the UN Global Compact and the UN declarations on human rights and the ILO's Declaration on Fundamental Principles and Rights at Work. In addition to our own continuous monitoring using various data sources, our service provider reviews our securities investments biannually and reports any suspected or detected norm violations. We take the norm violations that we are aware of into account when making new investment decisions and regularly monitor new suspected violations. We utilize ratings which take controversies into account, which is also one way of identifying and managing incidences. Furthermore, we take into consideration international standards established by the Financial Action Task Force (FATF), for combating of money laundering, terrorist financing and other related threats to the integrity of our investments.

Through active ownership and dialogue, we have the opportunity to engage with our investees and highlight responsibility commitments that promote their business or risk factors that undermine it. We actively hold discussions with our investee companies with the goal of improving sustainability and addressing controversies. If an investee fails to comply with, for example, the UN Global Compact, we will deepen our dialogue into an engagement process that aims at ending the undesirable activity and the adoption of responsible procedures. If the company fails to address the undesirable activity after going through the engagement process, our last resort is to exit from our ownership in the company. When engaging with investees, we carry out the engagement process both alone and together with our service provider and other investors. Corporate governance is a key part of Ilmarinen's investment activities. We are an active owner and influence the companies we own in different ways. The focus of active corporate governance is on domestic ownership and direct influence, including through nomination committees, voting at general meetings and regular communications with corporate management. Ilmarinen attends the Annual General Meetings and Extraordinary General Meetings of companies where we are a significant shareholder or where attendance is otherwise appropriate, for example due to a theme on the agenda. As per our governance/ownership guidelines, we participate in the general meetings of listed companies we own in Finland, where our holdings are significant in terms of the Finnish equity portfolio or are among the 10 largest owners. In the case of foreign companies, we generally vote at the general meetings of companies in which we hold significant shares. In addition, we may vote at other foreign general meetings if there is a significant issue, such as a shareholder proposal that we want to influence, or an important aspect of good governance that is discussed at the general meeting. At general meetings abroad, we vote primarily through online voting.

At the request of the companies, Ilmarinen's representative may act in different roles at general meetings, such as the voting count controller or taking the minutes. Ilmarinen may also make proposals to the Annual General Meeting. At the meeting, Ilmarinen's representative has the right to ask for more detailed information on matters to be discussed at the meeting (shareholder's right to question). Ilmarinen's responsible investment experts are responsible for analyzing the agendas of general meetings and rely on external data to factor into the overall analysis. In order to carry out the analysis well in advance of the general meeting, we consider it important that the notice of the general meeting and company presentations contain justification and sufficient information to support the voting decision.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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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 responsible investment executive committee outlines the instructions for practical application of responsible investment policy. The committee prepares, decides on and co-ordinates Ilmarinen's key ownership policy and responsible investment principles. It convened four times during 2019. The ownership policy committee includes the President, the CEO, the CIO and representatives of the investment, legal and communications functions.

SG 06

Voluntary

Public

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

Implementing the new RI policy throughout the investment department.

Progress achieved

Policy was implemented.

- Provide training on ESG engagement

Key performance indicator

Provide training on DESG tool (Internal ESG tool)

Progress achieved

We utilized the tool to inform and engage with investees.

- Improved communication of ESG activities within the organisation

Key performance indicator

Improved and increased communication across the whole investment team

Progress achieved

RI team grew to three people allowing for more resources for communication and training,

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

Key performance indicator

Enhancing ESG incorporation (e.g carbon related data monitoring and reporting climate-related risks and opportunities (Consistent with TCFD, reporting recommendations)).

Progress achieved

One of our key prioritize is to continue enhancing our scenario models, metrics and targets so as to enhance our commitments in assessing transitional and physical risks. We currently run climate-related scenarios using the International Energy Agency (IEA) model with the aim of comparing our direct equity and bonds carbon intensity output metrics with future scenario carbon pathways. The decarbonization pathways in our analysis include the 2.7 Degree scenario, 2 Degree Scenario, 1.75 Degree Scenario and the 1.5 Degree (IPCC scenario). We also have a TCFD focus theme together with Folksam, KLP and PFA as part of the latest NEC collaboration with a focused list of companies that we are engaging with. Importance of reliable data and how to interpret data within our investment process is crucial in better understanding climate-related risks and opportunities. Internal DESGA tool was also implemented.

- Other, specify (1)
Carbon Neutrality by 2035 - Roadmap (2020-2025)

Key performance indicator

New Climate policy

Progress achieved

The policy was approved by Ilmarinen's board of directors. Our long-term goal is to achieve carbon neutrality for our entire portfolio by the end of 2035. In addition, we are exploring the possibility of achieving carbon negativity for domestic direct investment in a similar timeframe. The different phases of the roadmap are intended as development steps to reach the following milestones.

The key milestones between 2020-2025:

1. Carbon risk when reviewing investments. We have achieved this first theme. Based on MSCI carbon risk calculation and grading assessment, we we can only invest in companies with more than 30 % of its operations exposed to high carbon risk after a thorough due diligence. The other two categories are medium carbon intensity risk and low carbon intensity risk. The 30% threshold will gradually be lowered to 15%.
2. Enhance tools for monitoring investment targets 'climate goals and reporting.
3. Transparent reporting of climate risks and climate opportunities.
4. Increasing climate impact through active and passive investment.
5. Real estate investments. Our Real estate investment emissions will factor in the carbon footprint during the construction of the real estate investments

6.Strengthening carbon sinks.

Other, specify (2)

other description (2)

Ilmarinen's interaction in environmental and social matters with companies included in the investment portfolio

Key performance indicator

Identifying and establishing a better framework and data solution on investment impact

Progress achieved

The SDGs and solution-oriented business models are part of Ilmarinen's responsibility assessments and objectives. The goals are interconnected and hence positive development can be achieved in more than one goal through the right solutions . The impacts of, for example, climate change are, in many ways, human rights issues and the goals for human rights issues benefit from solutions for mitigating climate change and adapting operations. Moreover, we are driving in creating real change which thus requires us to work on a revised approach to measuring SDG related outcomes. In 2020 we will be assessing new technological and monitoring capabilities to better understand the impact of our investments.

Other, specify (3)

other description (3)

The completion of our internal DESGA (Deep E,S,G analysis) tool

Key performance indicator

Combine ESG/alternative data with company fundamentals and financial performance

Progress achieved

At the end of H2 2019, we completed the implementation of an internal ESG tool to enhance further integration of assessing ESG material risks across our direct equities and corporate bond portfolios. The tool's flexibility allows us to produce trend analysis, materiality matrix maps etc. The tool supports our engagements with companies and different stakeholders, thanks to the tool ability to summarize and present information in a clear and concise approach.

None of the above

Financial performance of investments

Increase portfolio performance by consideration of ESG factors

Key performance indicator

Increased allocation in passive ESG investment strategies.

Progress achieved

In 2019 we made sizable allocations of our passive investments that incorporated ESG leader principles. We co-developed and made investments for example, to the following products the DWS on the Xtracker USA ESG leaders ETF, BlackRock iShares ESG MSCI USA Leaders ETF, Lyxor Europe ESG Leaders ETF, which tracks MSCI's ESG index of companies with the best corporate responsibility rating from different industries. During 2019 we developed a similar product for emerging markets that went live in early 2020. Despite our major role in co-developing these products, these are not customized products but open and easily accessible to all investors. Allocating our passive allocation to an ESG tilted strategy allows us, including retail investors to invest into passive ESG products in a cost-efficient manner.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio

Key performance indicator

Continue carbon emission reduction targets from our investments.

Progress achieved

We collect and monitor direct listed equity and bond portfolio's carbon intensity (tCO₂e/EUR 1 mill. net sales). In 2019, our direct listed equity recorded a carbon intensity levels of 238 (tCO₂e/EUR 1 mill. net sales) and thus a 13% decrease relative to last year figure. In 2018, direct equity carbon intensity levels were 265 (tCO₂e/EUR 1 mill. net sales). Our 2019, direct bonds - carbon intensity levels registered at 170 (tCO₂e/EUR 1 mill. net sales). In 2018 this figure was 316. We remain committed to minimizing our carbon footprint according to our KPI's. For further information on our portfolio carbon footprint performance relative to benchmark please have a look at our 2019 sustainability report.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Continuing relevant collaborative RI initiatives

	Progress achieved
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We are signatories of various RI initiatives such as Climate Action 100+, the Montreal Pledge, CDP, Finsif etc.

- 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 description (1)
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Board approved Human Rights principles

	Key performance indicator
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Integrating human rights in responsible investing also in the climate change discourse (e.g, Just Transition).

	Progress achieved
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Human rights are defined by international treaties and declarations, such as the United Nations Universal Declaration of Human Rights. These rights apply equally to everyone, regardless of age, gender, religion, birth or wealth. The basic premise and minimum requirement is that our investments comply not only with human and children's rights, but also with essential labor rights. As far as children's rights are concerned, it is not just a matter of preventing child labor, but also adhering to children's rights as a whole, for example, product quality and safety. It is therefore, necessary for companies to take a broad view of human rights as an integral part of corporate responsibility.

- Other, specify (2)
- Other, specify (3)
- None of the above

SG 06.2	Additional information.
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Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), 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
- Investment analysts
- Dedicated responsible investment staff
 - 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)
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2

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

The Board of Directors approve the responsible investment policies. The responsible investment executive committee is responsible in drawing up the practical guidelines based on the policies and the Key Performance Indicators (KPI) related to the investments. The investment department is then responsible in implementing these guidelines. Moreover, as part of the operational process, the investment department, uses ESG service providers to analyze, monitor and support investment decisions.

SG 07.3

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

Number

3

SG 07.4 Additional information. [Optional]

During 2019 we increased our RI resource to three full time staff members.

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

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), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6
CC** For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

ESG related issues which include the new Climate Policy have been approved by Ilmarinen's board. The new Climate Change policy takes into account the risks and opportunities related to climate-change impacts. The board is presented with climate related findings as part of reporting and Responsible Investment policy approvals.

**SG 07.7
CC** For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

The Responsible Investment Executive Committee is responsible in deciding long-term climate-related issues that are within our Responsible Investment policy guidelines. This involves discussing, defining and developing how in practice the risks and opportunities are integrated on the portfolio management level, including data providers and specialized assessment tools, targets and metrics. The Responsible Investment executive committee members include the company CEO, CIO, Head of Legal and representatives from the legal, investment and corporate communication departments.

**SG 07.8
CC** Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

When engaging with external managers we send a questionnaire that covers issues on their investment approach towards ClimateChange risk mitigation strategies/policies/TCFD framework.

- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

SG 08	Voluntary	Public	Additional Assessed	General
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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

SG 08.1b | RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

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

SG 08.1a | RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b | RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

SG 08.1a | RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b | RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

SG 08.1a | RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Promoting responsible investment

SG 09

Mandatory

Public

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.

Select all that apply

- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

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

- Basic
- Moderate
- Advanced

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

- CDP Forests

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

- Basic
 - Moderate
 - Advanced
- CDP Water

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

- Basic
 - Moderate
 - Advanced
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+

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

- Basic
 - Moderate
 - Advanced
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- 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 Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
Finsif

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

- Basic
- Moderate
- Advanced
- 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
Nordic Engagement Cooperation (NEC)

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

- Basic
- Moderate
- Advanced

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

We engage with companies jointly with the Norwegian KLP, the Swedish Folksam and Danish PFA. We publish a separate annual report pertaining to this engagement work on our website.

- Other collaborative organisation/initiative, specify
CLC (Climate Leadership Change)

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

- Basic
- Moderate
- Advanced

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

We have attended some of their events in 2019.

- Other collaborative organisation/initiative, specify
The Green Building Council in Finland

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

- Basic
- Moderate
- Advanced

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

We have attended some of their events in 2019.

- Other collaborative organisation/initiative, specify

Participated in the United States SEC and EU taxonomy consultations

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

- Basic
- Moderate
- Advanced

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

We participated in consulting on sustainable finance and ESG framework questions with the SEC. We also participated in several consultation periods with the TEG on EU taxonomy.

SG 09.2	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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Indicate approximately what percentage (+/- 5%) of your externally managed assets under management are managed by PRI signatories.

%

95

SG 10	Mandatory	Public	Core Assessed	PRI 4
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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.)

Description

Presentation and speeches.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work

Description

Gave interviews relating to research on RI, organized by university graduate candidates.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

Discussions with fund managers and ESG providers

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

Our experts and management spoke at events on RI, ESG and Ilmarinen's approach to these topics.

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
- Encouraged the adoption of the PRI

Description

Encouraging PRI participation in presentations and speeches.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

Participated through Finance Finland.

Frequency of contribution

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

Wrote and published articles on responsible investment in the media

Description

Blogs

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)

Description

The head of Responsible Investments is on the board of Finisf.

Frequency of contribution

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

Other, specify

specify description

Provided information to companies on responsible investments and sustainability.

Description

Provided information to companies on responsible investments and sustainability.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- No

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
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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.
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- Yes

	If yes
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- Yes, individually
- Yes, in collaboration with others

SG 11.2	Select the methods you have used.
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- 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
 - No
- No

SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
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We have been involved in many discussions regarding carbon neutrality. This is a very complex subject and one we know we will need external experts as well as invest in data and analytical capabilities to measure and monitor our progress relative to our investment objectives. Another key topic that we have been working on is on the social consequences or factoring in a "just transition" as economies transition away from carbon intensive activities. In 2019, we transferred assets worth more than three billion euros to new, competitively priced passive products integrating ESG goals. We have investments in a total of four ESG-orientated ETFs. During 2019 we have been developing increased allocation to increase our exposure to ESG passive Emerging market products. We are also continuing talks with MSCI to promote the goal of better integrating companies' carbon risk in already existing indices such as the ESG leaders index. We believe that by integrating the carbon risk into present indices, would better take into account companies' dependence and future performance on carbon related risk and opportunities.

Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate whether your organisation uses investment consultants.

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

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

Our internal ESG tool (DESGA) together with our internal systems add our capability to combine a range of ESG related datasets.

- Yes, in order to assess future climate-related risks and opportunities

Describe

We currently use Engaged Tracking for our thermal coal exclusion list, GHG metrics and scenario analysis based on the IEA model. We use certain Carbon risk assessment metrics provided by MSCI to assess securities based on these risk criterias and stress investments that are capitalizing on these oppurtunities.

- No, our organisation does not currently carry out 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
Allocation to passive investment ESG leaders strategies.
- We do not consider ESG issues in strategic asset allocation

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.
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- Initial assessment
- Incorporation into investment analysis

	Describe
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We have completed scenario analyses and we are further enhancing our emissions related databases' and assessment capabilities. Understanding different climate impact investment methodologies in our new climate policy continues to be a major focus for us in 2020. At present, scenario analysis provides useful information, especially for investment meetings, influencing processes, and assisting in identifying cases that require further clarification among investment targets.

Alongside our specialized climate-risk provider we use the CA100+ assessment tool and PACTA tool to complement our analysis on climate related risks and opportunities. We analyze our investment portfolio on climate risks and opportunities, taking into account the 1.5 degree scenario under the Paris Climate Convention. Furthermore, we report on the carbon footprint of our equity and fixed income portfolios in accordance with international standards. By analyzing the data, we uncover new insights and infer the best course of action to take alongside the portfolio managers.

- Inform active ownership

	Describe
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We engage and try influence our active and passive investments to address climate change and other ESG issues. Based on our internal analysis and assessment tools we use the output to inform our investments in a variety of ways. Where possible, we report on our climate impact processes and support appropriate shareholder ESG related proposals. In addition to investment targets, we participate in public debate and regulatory development to address environmental concerns. It is also important that the investment products we allocate towards are widely used in the financial markets to better incorporate ESG questions. We will continue to contribute to the development of both passive products and index families, with particular emphasis on carbon risk. The gradual conversion of the ESG indices to incorporate low carbon issue is a question we will concentrate on in the near term as this will attract more market participants in widely used products that hold and maintain liquidity. Our active stock selection is already following the ESG indices. Our goal is for our entire passive equity portfolio to follow the ESG index as well.

When it comes to our Real Estate investments, energy efficiency in the built environment, through certification programs, energy efficiency programs, responsible building and life cycle models are ideal and necessary investment considerations towards sustainable cities. In Finland, about 80% of electricity is already produced without emissions, so more attention must be paid to emissions during construction. The objective of the previous road map was to reduce the carbon footprint of properties. With the new targets, the decrease of carbon footprint is a key focus, as well as more accurate measurements of carbon footprint data by incorporating emissions during construction. Consideration of emissions during construction is an important factor in reducing these emissions as this will influence the design and the whole lifecycle analysis of the planning and construction of future real estate investments.

- Other

SG 13.5
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes

Describe

The responsible investment team research and monitor meaningful decarbonization targets and strategies as well as factor in green opportunities disclosed by the companies. If the company in question are able to disclose credible decarbonization targets we will continue to hold the security in question. A clear risk that we have identified is the lack of publicly disclosed strategy and targets over a time range issued by these companies exposed to high carbon intensity metrics. Disclosed data (preferably science based targets) with meaningful targets gives us a better understanding of a companies intentions on mitigating and, or adapting to climate change risks such as stranded assets or having a certain percentage of operations in high water risk areas (consequences of climate change). Part of our internal systems, allows us to flag these companies on an annual basis and hence the timescales we normally work with is on annual basis. We also leverage other resources including investor relations teams, Climate Action +100 database and the 2 degree initiative PACTA tool to support our investment decisions.

Our new Climate Change (2020-2025), will still focus on decreasing the carbon footprint of our investments through six milestone goals.

- Carbon risk when reviewing investments
- Enhance tools and data analytics for monitoring investment targets 'climate goals and reporting
- Transparent reporting of climate risks and climate opportunities
- Increasing climate impact through active and passive investment
- Real estate emissions compensation program also taking into account building time carbon emissions
- Strengthening carbon sinks

Prior to the development of our Carbon neutrality roadmap plan, we held a Chatham rules group discussion in 2019 with various stakeholders, consisting of NGOs'. heads of Finnish Industry, Academics and Finnish businesses around Carbon neutrality, visible technologies and understandings about the practical challenges of achieving net zero. We have taken this feedback which has supported our development of our Climate Change Policy 2020-2025 roadmap.

- No

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input checked="" type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> PACTA
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (2) please specify:</div> SEIM
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
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- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- 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

	other description
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- We are increasing investments in low carbon or climate resilient sectors/companies but not putting an absolute target.
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- 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

SG 14.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

With the support of our specialist provider of climate-related data, Engaged Tracking, we utilize their datasets and insights to inform our position on climate related risks. We are currently, working on understanding and enhancing our framework on climate-related risks and opportunities given our new 2020-2025 Climate Change roadmap. This has been kicked off with our commitment to make our portfolio carbon neutral by 2035. Currently, we monitor and report on our portfolio's (Equities and Bonds) carbon footprint in relation to net sales, percentage of companies that have reported on GHG and the share of renewable energy and coal of the electricity production of Ilmarinen's investee energy companies.

We also factor in and monitor a range of carbon risk assessment indicators relative to companies peer group into our day to day analytical capabilities on a company level, sector level and overall portfolio level. In addition, we combine a range of carbon related datasets to increase further understanding of the risks and opportunities associated with our investments. This information is shared in our internal quarterly ESG reports that our portfolio manager have access to in order to get better insights on how their portfolio is positioned relative to these risk factors. In addition, we track our portfolio alignment with the Decarbonisation pathways using the IEA models. The alignment exercise, tracks the 2.7, 2, 1.75, 1.5 Degree Celsius transition pathways, to better inform risk investment outcomes and understand parts of our portfolio that are contributing to high carbon intensity figures.

Our long-term goal is to achieve carbon neutrality for our entire portfolio by the end of 2035. This objective has been approved by Ilmarinen's board and we are currently working towards the milestones (listed below). At the same time, we are exploring the possibility of achieving carbon negativity for domestic direct investment in a similar timeframe. The different phases of the roadmap are intended to be learning blocks in working towards our carbon neutrality targets.

In the first phase (2020-2025), we will focus on the following themes:

7. Carbon risk when reviewing investments: In the previous road map (2016 - 2020) we had a 30% turnover limit for coal dependent companies. In the new roadmap, we have expanded the scope of this criteria to include the production and use of other fossil fuels. In the new roadmap, we will not invest in companies that have a significant carbon intensity risk assessment in their business operations. Furthermore, other questions will be factored in such as credible decarbonization plans. We have divided companies operation segments into three categories: high-carbon, mid-carbon, and low-carbon risk assessments. If more than 30% of the company's business segment is assessed to have a high-carbon intensity risk assessment we will not invest unless there is credible evidence that there is a strategic and credible decarbonization plan. At the is point we would also engage with the company in question that falls into this category and if all approaches are unsuccessful we will divest. The 30% threshold will gradually be lowered to 15%.

8. Enhance tools for monitoring investment targets 'climate goals and reporting. We believe enhancing our data management and analytic capabilities is part of meeting our carbon neutrality objectives. We will continue increasing environment reporting for our investments and more importantly monitor companies baselines and log companies climate reporting targets and approaches. This will give us a clearer picture on the investment target's climate objectives and how they are evolving over time.
9. Transparent reporting of climate risks and climate opportunities. We will continue reporting and monitoring decarbonization pathway including the 1.5 degree Celsius target. Under our new climate change roadmap we want to focus on the "real" changes that will be part in achieving a low carbon economy.
10. Increasing climate impact through active and passive investment: To reduce the negative impact, it is important that we engage with our investments in different ways. Where possible, we report on our climate impact processes and make and support appropriate shareholder climate proposals. In addition to investment targets, we participate in public debate and regulatory developments to address environmental concerns. We also want to invest in investment products that will allow us to better incorporate ESG factors. The continuing developments both on passive products and index families, will be a key theme with a particular emphasis on carbon risk assessments and how that is factored into existing ESG benchmarks. Our active stock selection is already following the ESG indices.
11. Real estate emissions compensation program and factoring in building time carbon emissions.
12. Strengthening carbon sinks: We own forest investments and we believe it is important to consider natural based solutions. In addition, technological developments is a key factor to consider if we are to reach our carbon neutrality 2035 target.

SG 14 CC	Voluntary	Public		General
SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.			

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Property GHG emission intensity reduction	tCO ₂ e/m ²	GHG Protocol / CDP verified /Specialized carbon data provider
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increase awareness and investment decision making	tCO ₂ e/ euros of revenues	GHG Protocol / CDP verified / Specialized carbon data provider
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increase awareness and investment decision making	tCO ₂ e/ euros of revenues	GHG Protocol / CDP verified / Specialized carbon data provider
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increase awareness and investment decision making	tCO ₂ e/ euros of revenues and euros invested	GHG Protocol / CDP verified /Specialized carbon data provider
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Reporting	tCO ₂ e	GHG Protocol / CDP verified /Specialized carbon data provider
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increase awareness and engage where necessary for credible decarbonization plans	tCO ₂ e per euros of revenue and euros invested	GHG Protocol / CDP verified /Specialized carbon data provider
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Coal dependence where 30% of revenues are derived from thermal coal (exclusion list)	Power Generation Revenue (%), Revenue - Integrated Utilities (%), Power Generation - Coal (%), Revenue - Coal (%)	GHG Protocol / CDP verified /Specialized carbon data provider
Other emissions metrics	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets	Increase awareness and investment decision making (Scope 3)	tCO ₂ e	GHG Protocol / CDP verified /Specialized carbon data provider

	<input type="checkbox"/> Minority of assets			
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SG 14.7 CC	Describe in further detail the key targets.
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Targettype	Baseline year	Target year	Description	Attachments
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2019	2025	Carbon Intensity of direct-listed equity portfolios	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2019	2025	Increase carbon sinks, increase forest investments and flag technology based carbon sinks	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2019	2025	15% of a company's business segment exposed to high risk carbon intensity assessment (from 30%).	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2019	2025	Carbon intensity of a direct listed corporate loan portfolio	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2019	2025	Increase the recycled material from demolition work site for real estate developments as per Finland Green Deal.	

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
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Ⓞ Processes for climate-related risks are integrated into overall risk management

Please describe

We also factor in and monitor a range of carbon risk assessment indicators relative to companies peer group into our day to day analytical capabilities (Internal tool) on a company level as well as on an overall portfolio level. In addition, we combine a range of ESG datasets from MSCI, Sustainalytics and CDP to increase further understanding of the ESG data itself and the risks and opportunities associated with our investment holdings. This information is shared in our internal quarterly ESG reports that our portfolio manager have access to in order to get better insights on how their portfolio is positioned relative to these risk factors. In addition, we track our portfolio alignment with the Decarbonisation pathways using the IEA models. The alignment exercise, tracks the 2.7, 2, 1.75, 1.5 Degree Celsius transition pathways, to better inform risk investment outcomes and understand parts of our portfolio that are contributing to high carbon intensity figures. We then analyze the overall direction of our carbon footprint and identify which industries within our direct equity and bond investments we should prioritize in reducing their contribution to carbon intensity (tCO₂ e/€m Invested + Total Debt).

Our long-term goal is to achieve carbon neutrality for our entire portfolio by the end of 2035. This objective has been approved by Ilmarinen's board and we are currently working towards the milestones (listed below). At the same time, we are exploring the possibility of achieving carbon negativity for domestic direct investment in a

similar timeframe. The different phases of the roadmap are intended to be learning blocks in working towards our carbon neutrality targets.

13. Carbon risk when reviewing investments: Previously limited to coal (up to 30% of turnover), in the new road map it will consist of investments whose business segment is exposed to high carbon intensity risk exposure.
14. Enhance monitoring investment targets towards 'climate goals and reporting. Our previous roadmap focused % coverage of carbon information from our investments. In the new roadmap, we will be monitoring and reporting on climate and emission reduction targets on all direct investments.
15. Transparent reporting of climate risks and climate opportunities. Continue carbon footprint reporting, develop risk reporting (TCFD recommendations) and Scenario Analysis at Industry level.
16. Increasing climate impact through active and passive investment: Engaging with companies is key to making real impacts by considering science based targets as well as the just transition issues.
17. Real estate emissions factoring in carbon footprint during the construction of the real estate investments.
18. Strengthening carbon sinks, through nature based solutions and technological advancements such as carbon capture technologies.

Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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Yes

Please describe

We expect the companies we have a holding in to:

- Report openly and clearly on the carbon footprint and other climate impacts of their operations; for listed companies, through for example the CDP (Carbon Disclosure Project), which promotes commensurable reporting for investors.
- Set science based targets.
- Take the Paris Climate Accord as part of future strategy and development work.
- Set Carbon reduction targets.
- Evaluate their strategic choices and their investments in relation to a scenario where global warming is limited to 1.5 or 2 degrees Celsius and to a situation where global warming surpasses the risk limit. Our assessments take into consideration the company's size and business activities, which influences company's opportunities for extensive reporting, among other things.

By engaging with our investee companies we can better support the transition to a low-carbon society, than we could by selling individual investments. Engaging with companies and working towards improving their situation is our preferred options before ultimately selling our position. In addition, we co-operate with international investors in engaging with companies through, among others, the CDP, Climate Action 100 and ShareAction, which co-ordinates global engagement collaboration between investors. In addition to direct discussions, our engagement also extends to shareholder meetings, where we participate, for example, in proposals related to climate impacts made by shareholders and by supporting the relevant suggestions of other shareholders.

No, we do not undertake active ownership activities.

No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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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.

%

9.2

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

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

This figure is represents the portion of SDG solutions within our listed equity portfolio.

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

9.2

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Hedge funds
- Forestry
- Cash

Brief description and measures of investment

Within our listed equity portfolio 9.2% can be classified as company revenues that provide solutions towards the SDGs, based on MSCI methodology.

No

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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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.			
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Securitised	Our internal classification system is fed with multiple ESG database providers in order to aggregate and apply a minimum criteria to our investable universe.
Infrastructure	Sustainability is taken into account when making investment decisions. Reporting by non-listed companies is less comprehensive than that of listed companies. For this reason, the questions posed by Ilmarinen play a greater role when evaluating non-listed companies. We have defined industry-specific ESG questions for companies whose business operations entail high ESG risk. The scope of the evaluation can vary depending on the size, industry and risks of the investment opportunity in question.
Hedge funds - DDQ	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 5px;"> <input type="checkbox"/> Yes <input checked="" type="radio"/> No </div> Select whether you have responded to the PRI Hedge Fund DDQ
Hedge funds	We apply our Responsible Investment principles and minimum criteria for Hedge fund investments.
Cash	We apply our Responsible Investment principles and minimum criteria for money market instruments.
Money market instruments	We apply our Responsible Investment principles and minimum criteria for money market instruments.

SG 17	Mandatory	Public	Descriptive	General
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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.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - SSA	Minimum RI criteria applies to all our Fixed income investments.
Private equity	<p>We have minimum criteria that apply to our externally managed funds. We take these criteria into account when selecting new fund managers. In addition, we monitor the funds' ESG practices.</p> <p>We consider the special characteristic of private equity funds is the ability of the private equity investor, as an owner, to influence business operations and the creation of a sustainable business culture. Through its significant voting power, a private equity investor is able to promote corporate responsibility, reduce sustainability risks linked to the operations of the company and benefit from value creation opportunities.</p>
Property	<p>The RPI is a framework for investment process and KPI's (which are externally assured) are set to measure the development. We assess climate impacts and impacts on the built environment. In addition, we take into account the entire life cycle of buildings in our operations and maintain properties so as to retain their value. We have a long-term, responsible approach to construction activities, in other words we build sustainably. We require all of our service providers to, among other things, abide by their contractor's liability, recruit foreign workers in accordance with the Finnish collective agreements and adopt safe working practices. We carry out disciplines against illicit economic activity, bribery and corruption.</p>
Hedge funds - DDQ	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center;"> Select whether you use the PRI Hedge Fund DDQ </div> <p><input checked="" type="radio"/> Yes</p> <p><input type="radio"/> No</p>
Hedge funds	<p>In the case of hedge funds, Ilmarinen's responsible investment practices focus on good governance. In addition to governance, we look into how environmental and social responsibility are taken into account in the funds' operations. The minimum requirements defined by Ilmarinen for fund investments cannot be applied as such to defining the sustainability of absolute-return funds. Ilmarinen is an investor member of the Hedge Fund Standard Board (HFSB) and promotes compliance with HFSB standards among selected asset managers. HFSB's standards are mainly focused on good governance and include recommendations, for instance, on independent management of funds, investment valuation and appointment of third party service providers.</p>
Forestry	<p>We strengthen carbon sinks through forest ownership, sustainable use of natural resources and technological development. We own forests through companies and funds. In order to achieve the carbon neutrality of the portfolio and possibly even the carbon negative of domestic direct investment, we need to maintain carbon sinks, ensure the sustainable use of natural resources, and support technological development. We aim to increase the carbon sink effect of our holdings and require our investments to reduce their carbon footprint and to encourage them to increase their carbon footprint. Before setting numerical targets, clearer calculation methods are needed to measure the real impact. The objective of the previous road map was to increase the amount of our forest investments where possible. The new targets focus more on strengthening carbon sinks than on increasing forest investment alone. We report annually on our progress towards these targets as part of Ilmarinen's reporting.</p>

Innovation

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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We have made the integration of sustainability aspects into investment operations more systematic by adopting responsible investment classifications that the entire investment team understand and can act on. The basis of the rating system is a combination of ESG data (Carbon related-data, ESG ratings, Norm-violation compliance data) by third parties, which we adapt and integrate into our market data systems.

In 2019, ESG analysis and the management of ESG data has been a key focus for us and that ESG information is alternative data that requires due-diligence in terms of understanding methodology and quality. This led us to develop and complete the implementation of an ESG tool to enhance further integration of assessing systematically ESG material risks across our direct equities and corporate bonds. The tool also informs our engagements with companies and different stakeholders, thanks to the tool's ability to summarize and present the data in a clear and concise.

In 2019 we made sizable allocations of our passive investments that incorporated ESG leader principles. We co-developed and made investments for example, to the following products the DWS on the Xtracker USA ESG leaders ETF, BlackRock iShares ESG MSCI USA Leaders ETF, Lyxor Europe ESG Leaders ETF, which tracks MSCI's ESG index of companies with the best corporate responsibility rating from different industries. During 2019 we developed a similar product for emerging markets that went live in early 2020. Despite our major role in co-developing these products, these are not customized products but open and easily accessible to all investors. Allocating our passive allocation to an ESG tilted strategy allows us, including retail investors to invest into passive ESG products in a cost-efficient manner. Allocating our passive allocation to an ESG tilted strategy allows us, including retail investors to invest into passive ESG products in a cost-efficient manner.

On our active equity selection investments, we still continue using ESG leader benchmarks. The indices provided by MSCI, are market capitalized weighted indices that provide exposure to companies with high Environmental, Social and Governance performance relative to their sector peers. The design of these indices give us a broad, diversified sustainability benchmark with relatively low tracking error to the underlying equity market. During 2019 we were actively promoting to add carbon risk as an important component to be factored into the benchmark construction of the ESG Leaders indices. This has led to client consultation talks with MSCI in early 2020.

We continue following TCFD reporting recommendations, by monitoring and running climate-related scenarios using the International Energy Agency (IEA) model with the aim of comparing our direct equity and bonds carbon intensity output metrics with future scenario carbon pathways. The decarbonization pathways in our analysis include the 2.7 Degree scenario, 2 Degree Scenario, 1.75 Degree Scenario and the 1.5 Degree (IPCC scenario). In 2019, our board approved our new climate change roadmap, which focused on achieving carbon neutrality for our entire portfolio by the end of 2035. We have identified various milestones to meet listed below. In addition, we are exploring the possibility of achieving carbon negativity for domestic direct investment in a similar timeframe. The different milestones of the roadmap are intended to use each intermediate step as a learning process as part of the following roadmap.

In the first phase (2020-2025), we will focus on the following themes:

Carbon risk when reviewing investments. We have achieved this first theme. In relation to our new climate change roadmap (2020- 2025), we have expanded the scope of assessing carbon related risk. Therefore, we will only invest in companies that have a significant carbon intensity risk assessment in their business operations after a more detailed "carbon due diligence" (CDD) of the company's business model. In CDD, The companies' operation segments are divided into three categories: high-carbon, mid-carbon, and low-carbon risk assessments. If more than 30% of the company's business segment is assessed to have a high-carbon intensity risk assessment, we will not invest unless there is credible evidence that there is a strategic and credible decarbonization plan. We complement this research with company disclosed reports and if needed, contact the investor relations team for further clarifications. At this point we can engage with the company in question that falls into this category and if all approaches are unsuccessful, we seek to divest. The 30% threshold will gradually be lowered to 15% end of 2025.

- Enhance tools for monitoring investment targets 'climate goals and reporting.
- Transparent reporting of climate risks and climate opportunities.
- Increasing climate impact through active and passive investment.

- Real estate emissions taking into account carbon emissions during the building period.
- Strengthening carbon sinks.

Our roadmap was partly based on a Chatham house rules meeting among various stakeholders that included NGO's, student bodies, heads of industry and academics to discuss the challenges of carbon neutrality and the socio-economic impacts of transitioning into a low carbon economy.

No

Communication

SG 19

Mandatory

Public

Core Assessed

PRI 2, 6

SG 19.1

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

Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.

If you are transferring data from an offline document, please check your response carefully.

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sjoiitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}	
URL	
{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sjoiitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_practice_2020.pdf}	

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}	
URL	
{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_practice_2020.pdf}	

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sjoiukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}
URL	{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sjoiukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_practice_2020.pdf}

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}	
URL	
{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_practice_2020.pdf}	

Fixed income

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
	<p>Disclosure to public and URL</p> <p><input type="radio"/> Broad approach to RI incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</p>
	<p>Frequency</p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>
	<p>URL</p> <p>{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}</p>
	<p>URL</p> <p>{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_practice_2020.pdf}</p>

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf}	
URL	
{hyperlink:http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_practice_2020.pdf}	

Hedge Funds

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input checked="" type="radio"/> Broad approach to RI incorporation for all strategies <input type="radio"/> Detailed explanation of RI incorporation for each strategy used
Frequency	<input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested
URL	{hyperlink: http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_policy_2019.pdf }
URL	{hyperlink: http://www.ilmarinen.net/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/vastuullisen-sijoittamisen-periaatteet/responsible_investment_practice_2020.pdf }

SG 19.2	Additional information [Optional]
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We are committed to being transparent and our past PRI and complete assessment reports can be found on the various links below:

<https://www.ilmarinen.fi/ilmarinen/sijoitukset/vastuullisuus-sijoitustoiminnassa/>

All our RI principles and RI guidelines are available through the link:

<https://www.ilmarinen.fi/ilmarinen/sijoitukset/vastuullisuus-sijoitustoiminnassa/>

Annual and Sustainability report:

<https://www.ilmarinen.fi/uutishuone/arkisto/2020/sustainability2019/>

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2019/annual_and_sustainability_report_2019_final.pdf

Annual NEC report

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/ulkoiset-raportit/2019-nec-report_final.pdf

Ownership:

<https://www.ilmarinen.fi/ilmarinen/sijoitukset/omistajaohjaus/>

PRI 2018:

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/pri_report_2018.pdf

PRI 2018 complete assesment report:

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/ulkoiset-raportit/2019-assessment-report-for-ilmarinen-mutual-pension-insurance-company.pdf>

Ilmarinen Mutual Pension Insurance Company

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Listed Equity and Fixed Income Strategies

SAM 01

Mandatory

Public

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	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Thematic	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Integration	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>			<input type="checkbox"/>

Passive investment strategies

Passive investment strategies	Listed Equity			FI -Corporate (non-financial)
Screening	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Thematic	<input checked="" type="checkbox"/>			<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>			<input type="checkbox"/>

SAM 01.2

Additional information. [Optional]

While we do not require our investment funds to conduct screening of portfolios, we issue a questionnaire to potential asset manager to help us assess the fund and its Responsible Investment processes. In addition, during the monitoring phase, we have evaluated the contents of the investment portfolios and the related controversies or violations of international norms, including specific case examples. We also always ask our managers, if they have invested in a company that we have black listed based on a violation of international norms. Furthermore, in accordance with our principles of responsible investment, we do not invest in government bonds of countries that, according to the Financial Action Task Force (FATF) Declaration, do not meet international obligations to prevent money laundering and terrorist financing. We have made some thematic investments although it is not a pre-requisite for all managers. We invest in sustainability-themed funds in cases where the funds in question also fulfill Ilmarinen's Fiduciary investment criteria.

In addition to our extensive RFP and due-diligence pre-investment procedures, which include a variety of ESG performance factors, we conduct a yearly survey to follow and monitor ESG progress within the fund managers we

are invested in. Furthermore, we continuously update the questionnaire, to incorporate material new ESG issues, sector specific ESG questions and so forth. The questionnaire asks extensively on sections related to performance data, risk management, investment strategy, team expertise and Responsible Investment strategies, to name a few. The questionnaire is divided into sub-sections also including sector specific sections according to the SASB ESG material framework (the following concept has also been applied to unlisted investments).

In 2019, we made sizable allocations of from traditional passive products towards passive products that incorporated ESG leader principles. We co-developed and made investments for example, to the following products the DWS on the Xtracker USA ESG leaders ETF, BlackRock iShares ESG MSCI USA Leaders ETF and Lyxor Europe ESG Leaders ETF, all track MSCI's ESG index of companies with the best corporate responsibility rating from different industries. In addition, the general goal of these funds is to access higher environmental, social and governance (ESG) rated large and mid-cap stocks within their respective geographical regions, industry, avoid companies with severe controversies and pursue a more sustainable outcome on equity exposures in a cost-efficient manner.

During 2019 we developed a similar product for emerging markets that went live in early 2020. Despite our major role in co-developing these products, these are not customized products but open and easily accessible of all investors. Allocating our passive allocation to an ESG tilted strategy allows us, including retails investors to invest into passive ESG products in a cost-efficient manner.

Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
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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)				
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>			<input type="checkbox"/>				
ESG incorporation requirements	<input checked="" type="checkbox"/>			<input type="checkbox"/>				
ESG reporting requirements	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Other	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
No RI information covered in the selection documentation	<input type="checkbox"/>			<input type="checkbox"/>				

You selected an `Other` option in table SAM 02.1 above, please specify

Definition of team roles and responsibilities of our external managers.

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	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Other	<input type="checkbox"/>			<input type="checkbox"/>				
None of the above	<input type="checkbox"/>			<input type="checkbox"/>				

ESG people/oversight

	LE			FI - Corporate (non-financial)				
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Review the manager's RI-promotion efforts and engagement with the industry	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>				
Other	<input type="checkbox"/>			<input type="checkbox"/>				
None of the above	<input type="checkbox"/>			<input type="checkbox"/>				

Process/portfolio construction/investment valuation

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

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

We use Morningstar and market data research (Bloomberg).

SAM 02.4

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

	LE		FI - Corporate (non-financial)				
ESG performance development targets	<input type="checkbox"/>		<input type="checkbox"/>				
ESG score	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
ESG weight	<input type="checkbox"/>		<input type="checkbox"/>				
Real world economy targets	<input type="checkbox"/>		<input type="checkbox"/>				
Other RI considerations	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>		<input type="checkbox"/>				

You selected an `Other` option in table SAM 02.4 above, please specify

We require the external managers to demonstrate an extensive level of transparency on their Responsible Investment procedures and/or policies. We expect the external managers to meet our risk-adjusted return objectives and how their investment approaches consider ESG information. Our portfolio manager, will assess the potential of the the fund through their internal analysis. In addition, we monitor their commitments and expect our external managers to provide the latest developments on their ESG related/Responsible Investment responsibilities and strategies.

SAM 02.5 Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

In addition to our extensive RFP and due-diligence pre-investment procedures, which include a variety of ESG performance factors, we conduct a yearly survey to follow and monitor RI/ESG progress within the fund managers we are invested in.

SAM 03	Mandatory	Public	Additional Assessed	PRI 2
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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	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Ensure whether engagement outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Other engagement issues in your selection process specify	<input type="checkbox"/>		<input type="checkbox"/>	

(Proxy) voting

	LE
Review the manager's voting policy	<input checked="" type="checkbox"/>
Review the manager's ability to align voting activities with clients' specific voting policies	<input type="checkbox"/>
Review the manager's process for informing clients about voting decisions	<input checked="" type="checkbox"/>
Ensure whether voting outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<input checked="" type="checkbox"/>
Other active ownership voting issues in your selection process; specify	<input type="checkbox"/>

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

In the selection process we ask the fund managers to report on their engagement successes.

- None of the above

SAM 03.3

Describe how you assess if the manager’s voting approach is effective/appropriate

- Impact on investment decisions
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
 - We ask for the numbers and the split for the votes.
- None of the above

Appointment**SAM 04****Mandatory****Public****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 and/ or ESG related exclusions/restrictions
- 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
- Other, specify (1)

specify

While we do not require our investment funds to conduct screening of portfolios, we issue a questionnaire and request for information document to potential asset managers’ to help us assess the fund and its Responsible Investment processes. Furthermore, we ask our managers, if they have invested in a company that we have black listed based on a violation of international norms. Furthermore, in accordance with our principles of responsible investment, we do not invest in government bonds of countries that, according to the Financial Action Task Force (FATF) Declaration, do not meet international obligations to prevent money laundering and terrorist financing. The questionnaire asks extensively on sections related to performance data, risk management, investment strategy, team expertise and Responsible Investment strategies, to name a few. The questionnaire is divided into sub-sections also including sector specific sections according to the SASB ESG material framework (the following concept has also been applied to unlisted investments).

- Other, specify (2)

specify

In addition, to our extensive RFP and due-diligence pre-investment procedures, which include a variety of ESG performance factors, we conduct a yearly survey to follow and monitor ESG integration and overall strategies within the external managers we are invested in. In this process we also enquire about their exclusion policies, engagements, responsible Investment, ESG material frameworks and tools on their ESG data integration.

- None of the above

SAM 04.2

Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers’ appointment.

Asset class

Listed equity (LE)

Benchmark

We do not set benchmarks

ESG Objectives

ESG guidelines/regulation, principles/standards, specify

We enquire about guidelines and standards as well as industry and organizational affiliations in their investment strategy. In addition, to annual reporting we make ad-hoc reporting requests, such was the case of the serious Amazon Fires in 2019.

We do not define ESG objectives

Incentives and controls

We do not set incentives and controls

Reporting requirements

- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc/when requested

Fixed income - Corporate (non-financial)

SAM 04.3 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

Monitoring

SAM 05	Mandatory	Public	Core Assessed	PRI 1
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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 (with examples)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
ESG portfolio characteristics	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
Information on any ESG incidents	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
Metrics on the real economy influence of the investments	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
PRI Transparency Reports	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
PRI Assessment Reports	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
RI-promotion and engagement with the industry to enhance RI implementation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
Changes to the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>		<input type="checkbox"/>				
None of the above	<input type="checkbox"/>		<input type="checkbox"/>				

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	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
ESG weight	<input type="checkbox"/>		<input type="checkbox"/>				
ESG performance minimum threshold	<input type="checkbox"/>		<input type="checkbox"/>				
Real world economy targets	<input type="checkbox"/>		<input type="checkbox"/>				
Other RI considerations	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>		<input type="checkbox"/>				

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

While we do not require our investment funds to conduct screening of portfolios, we issue a questionnaire to potential asset manager to help us assess the fund and its Responsible Investment processes. In addition, during the monitoring phase, we have evaluated the contents of the investment portfolios and the related controversies or violations of international norms, including specific case examples. The questionnaire asks extensively on sections related to performance data, risk management, investment strategy, team expertise and Responsible Investment strategies, to name a few. The questionnaire is divided into sub-sections also including sector specific sections according to the SASB ESG material framework (the following concept has also been applied to unlisted investments).

SAM 06	Mandatory	Public	Additional Assessed	PRI 1
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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)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on any escalation strategy taken after initial unsuccessful dialogue	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Alignment with any eventual engagement programme done internally	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on the engagement activities' impact on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

(Proxy) voting

	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" type="checkbox"/>
Report on voting decisions taken	<input checked="" type="checkbox"/>
Adherence with the agreed upon voting policy	<input checked="" type="checkbox"/>
Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 07

Mandatory

Public

Core Assessed

PRI 2

SAM 07.1

For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

Votes cast (to the nearest 5%)

%

75

Specify the basis on which this percentage is calculated.

- Of the total number of ballot items on which they could have issued instructions
 - Of the total number of company meetings at which they could have voted
 - Of the total value of your listed equity holdings on which they could have voted
- We do not collect this information.

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.

Number of companies engaged

150

SAM 07.3

Additional information [OPTIONAL]

These numbers are partially from 2018 reporting cycle because of the COVID situation, some of the managers were not able to provide their numbers in the given time frame. However, we do not expect their process to have drastically changed from 2018 to 2019.

Outputs and outcomes

SAM 08

Mandatory to Report Voluntary to Disclose

Public

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

We have discussed RI practices with investment managers and encouraged them to enhance their RI frameworks.

- Move assets over to investment managers with better RI practices

Measures

Shifting passive assets to passive ESG products

- Other, specify

In addition to our annual questionnaire we send ad-hoc ESG requests, such as the Amazon Rainforest fires of 2019. Concerned about the magnitude of the disaster led us to contact a list of companies as well as external managers on their management of the risks and outcomes associated to the fires.

Measures

Number and quality of responses. Follow up for 2020.

- None of the above

SAM 08.2

Additional information. [Optional]

In 2019 we made sizable allocations of our passive investments that incorporated ESG leader principles. We co-developed and made investments for example, to the following products the DWS on the Xtracker USA ESG leaders ETF, BlackRock iShares ESG MSCI USA Leaders ETF, Lyxor Europe ESG Leaders ETF, which tracks MSCI's ESG index of companies with the best corporate responsibility rating from different industries. During 2019 we developed a similar product for emerging markets that went live in early 2020. Despite our major role in co-developing these products, these are not customized products but open and easily accessible to all investors. Allocating our passive allocation to an ESG tilted strategy allows us, including retails investors to invest into passive ESG products in a cost-efficient manner.

SAM 09**Mandatory****Public****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	Systematic development of our RFP/ due-diligence and engagement process.
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial)
Scope and process	In addition to our extensive RFP and due-diligence pre-investment procedures, which include a variety of ESG performance factors, we conduct a yearly survey to follow and monitor ESG progress within the fund managers we are invested in. Furthermore, we continuously update the questionnaire, to incorporate material new ESG issues, sector specific ESG questions and so forth. The questionnaire asks extensively on sections related to performance data, risk management, investment strategy, team expertise and Responsible Investment strategies, to name a few. The questionnaire is divided into sub-sections also including sector specific sections according to the SASB ESG material framework (the following concept has also been applied to unlisted investments).
Outcomes	The outcomes are constantly evolving and guides us to evaluate certain responsible investment questions on the RFPs we send to our external managers. For example, through engagement we have helped some asset managers to improve their Responsible Investment (RI) process and develop their internal RI structure.

 Add Example 2

Topic or issue	ESG ETF passive strategies
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial)
Scope and process	Allocated investments to a range of passive ETFs that track the investment results of an index composed of large and mid-capitalization stocks of companies with high environmental, social, and governance performance relative to their sector peers as determined by the index provider (MSCI constructed). The goal of the funds is to access higher environmental, social and governance (ESG) rated large and mid-cap stocks within their industry, avoid companies with severe controversies and pursue a more sustainable outcome in a cost-efficient manner.
Outcomes	In 2019 we co-developed and made sizable allocations of our passive investments that incorporated ESG leader principles amounting to approximately 3 billion EUR. These investments include for example, the BlackRock iShares ESG MSCI USA Leaders ETF, which tracks MSCI's ESG index of companies with the best corporate responsibility rating from different industries. Allocating our existing passive allocation to ESG tilted passive strategy allows us, including retail investors, to invest into passive ESG products in a cost-efficient manner. The ESG USA leaders ETFs for example, give us exposure to higher environmental, social and governance (ESG) rated large- and mid-cap US stocks within their industry, avoid exposure to low ESG ratings and severe controversies in order to pursue more sustainable outcomes in US equities in a cost-efficient manner. The same ESG criteria and standards (developed by MSCI) have been applied to the Lyxor ETF Europe ESG leaders and DWS's Xtrackers USA ESG Leaders. During 2019 we were developing on a similar ETF product for emerging markets which was launched in 2020.

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

Ilmarinen Mutual Pension Insurance Company

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
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LEI 01.1

Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- 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 — you may estimate +/- 5%	 90
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- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	 10
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- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

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

The environmental, societal and governance of business operations influence companies' profits, financing costs and reputation, and thus also have a major impact on Ilmarinen's risk-adjusted returns on its investments. We believe that a company that operates responsibly is a better investee in the long run.

According to Finnish law, pension assets must be invested in a profitable and secure manner. Responsible investment is not charity and it cannot mean compromising on return targets. A good cause is thus not enough to justify an investment decision; instead, decisions are based on return and risk assessments, while also taking into account a range of financially material issues. For us the incorporation of ESG investing is simply good investing thus allowing us to continue securing pension assets for current and future generations.

At Ilmarinen, ESG analysis has been fully integrated into the selection of investees. Therefore, when selecting investees, our portfolio managers view ESG data along with financial information. The basis of the rating system is a combination of ESG ratings, carbon related data, norm-violations/negative screens created by our external ESG data providers, which we adapt with analyses and conclusions from internal and external sources. The analysis on which the sustainability ratings are based involves a broad spectrum of risks and opportunities linked to corporate responsibility as well as already realized controversies and norm violations. Investing in companies with lower ratings always requires a separate permit, which can only be granted based on a more detailed assessment. In 2019, our sustainability ratings coverage was 90 percent (In 2018 this was 90 per cent) of our listed equity investments.

At the end of H2 2019, we completed the implementation of an internal ESG tool to enhance further integration of assessing ESG material risks across our direct equities and corporate bonds. The tool allows us to produce trend analysis on various ESG factors across performance and financial fundamental considerations. The tool also helps inform our engagements with companies and different stakeholders, thanks to the tools flexibility to summarize and present the data in a clear and concise approach.

In 2019 we made sizable allocations of our passive investments that incorporated ESG leader principles. We co-developed and made investments for example, to the following products the DWS on the Xtracker USA ESG leaders ETF, BlackRock iShares ESG MSCI USA Leaders ETF, Lyxor Europe ESG Leaders ETF, which tracks MSCI's ESG index of companies with the best corporate responsibility rating from different industries. During 2019 we developed a similar product for emerging markets that went live in early 2020. Despite our major role in co-developing these products, these are not customized products but open and easily accessible to all investors. Allocating our passive allocation to an ESG tilted strategy allows us, including retail investors to invest into passive ESG products in a cost-efficient manner.

On the active side, we continue to run our ESG benchmark indices, which we established in 2017. The ESG indices used, include companies with high Environmental, Social and Governance (ESG) performance relative to their sector peers and that represent 50 per cent of the market value of the corresponding parent index. In addition, companies that manufacture, for example, tobacco products or controversial weapons, and companies that have committed serious breaches of international norms are excluded entirely from the ESG indices. The ESG benchmark indices cover roughly more than half of Ilmarinen's portfolio of listed equities. The ESG benchmark indices correspond better than before to Ilmarinen's own sustainability ratings, and the purpose of the ESG benchmark indices is to encourage our portfolio managers to place an even greater emphasis on Best-In-Class companies in their investment decisions.

We continue following TCFD reporting recommendations, by monitoring carbon intensity metrics for our investments and running climate-related scenarios using the International Energy Agency (IEA) model with the aim of comparing our direct equity and bonds carbon intensity output metrics with future scenario carbon pathways and physical/transitional risks. The decarbonization pathways in our analysis include the 2.7 Degree scenario, 2 Degree Scenario, 1.75 Degree Scenario and the 1.5 Degree (IPCC scenario). In 2019, our board approved our new climate policy, which focuses on achieving carbon neutrality for our entire portfolio by the end of 2035. We have identified various milestones. In addition, we are exploring the possibility of achieving carbon negativity for domestic direct investment in a similar timeframe. The different milestones of the roadmap are intended to be used as intermediate learning steps as we work towards creating real change in our investment's strategies and operations in a low carbon economy.

LEI 01.3

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

Our Responsible Investment principles are focused on three key requirements and applied across all asset types (listed, unlisted, investment loans).

1. Compliant with International Standards and conventions
2. Active Ownership and Engagement
3. Integration of ESG and Responsibility analysis in investment decisions.

Our Responsible Investment Guidelines support the implementation of our principles. Engaging with our investments' related to high carbon risk exposure continues to be a key focus given that we would like to achieve carbon neutrality for our entire portfolio by the end of 2035.

LEI 02	Voluntary	Public	Additional Assessed	PRI 1
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LEI 02.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
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Type of ESG information

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings
- Screened stock list

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

LEI 02.2	Indicate whether you incentivise brokers to provide ESG research.
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- Yes
- No

LEI 02.4	Additional information. [Optional]
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We prefer sell-side research who provide comprehensive and in-depth macro and company analysis, which includes broader ESG questions, regulatory frameworks associated with ESG and sustainable finance research. We also welcome meeting with investor relations teams organized directly by the company or by the broker.

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
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LEI 03.1	Indicate whether 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.
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- 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
 - 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.

LEI 03.2	Additional information. [Optional]
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Our Responsible Investment/ESG specialists discuss the key developments of engagement processes and information obtained from the companies with the portfolio managers. In addition, we have various channels in which we can engage with a company. Directly with the company, through Nordic Engagement Corporate (NEC) or through our engagement service provider. In addition, our ESG specialist on corporate governance research assess the resolutions of shareholder meetings and discuss any company proposals that are not in line with Ilmarinen's ownership policy. The head of listed equities and respective portfolio managers have oversight of this process and are involved in shareholder proposal cases where relevant. Based on our Ownership principles we attend all general meetings of listed companies we own in Finland, where our holdings are significant relative to the Finnish equity portfolio or are among the 10 largest shareholders. In the case of foreign companies, we vote at the general meetings of companies in which we hold significant shareholdings. In addition, we may vote at foreign general meetings if there are significant ESG materials issue such as a shareholder proposal that we would like to influence. All developments when it comes to engagements and proxy voting is documented and available on our website.

(A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.			

Type of screening

- Negative/exclusionary screening

Screened by

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

Description

We do not invest in companies that manufacture arms prohibited by international treaties, including nuclear weapons, cluster munitions and anti-personnel mines. Furthermore, we also do not invest in companies that manufacture tobacco products. We have a threshold on companies dependent on coal, where if 30% of its revenues are derived from thermal coal. Alongside this carbon risk assessment we have expanded our carbon risk management criteria where if more than 30 percent of the company's business is exposed by high-carbon intensity assessment. In addition, we will exclude carbon intense companies unless there is targeted evidence that there are measures to mitigate this risk. In addition, we have included recreational cannabis as part of our updated exclusion list.

We take the norm violations that we are aware of into account in making new investment decisions and regularly monitor new suspected violations. Developments in our involvement in (NEC) Nordic Engagement Cooperation (NEC), also inform our norm violation cases. Norm violations can also lead to the exclusion of investees. Investing in companies with lower ESG ratings always requires a separate permit, which can only be granted based on a more detailed assessment, which involves identifying ESG risks, as well as opportunities.

- Positive/best-in-class screening

Screened by

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

Description

Our approach to assessing responsibility and assessing positive impact is to reference, where possible, the UN Sustainable Development Goals (SDG). We believe that it is important to draw attention to global problems and their root causes, and to encourage the creation of solution-based products and, or services, provided by solution providers. Due to the fact that the goals are interconnected, positive development can be achieved in more than one goal through the right solutions.

In our Climate Policy, we set as a goal, to raise the share of our investments that are providing a product and, or service solution to an SDG - to 12 percent. Furthermore, all investments must also meet financial criteria and we have already invested extensively in companies that meet our targets. These solutions accounted for 9.2 per cent of the net sales of our listed equity investees at the end of 2019. In 2018, this figure was 7.9 per cent.

Norms-based screening

Screened by

- 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
The Rio Declaration on Environment and Development

Description

We expect the companies we own to comply, in addition to national legislation, also with the principles of the UN Global Compact and related international norms concerning human rights, labour rights, the environment and corruption. Our external service provider reviews our securities investments biannually and reports any detected norm violations or are on the watch-list category. We consumer this data via their platform and through API feeds for our internal systems that create our classification system.

LEI 04.2	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.
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We expect the companies we own to comply, in addition to national legislation, also with the principles of the UN Global Compact and related international norms concerning human rights, labour rights, the environment and corruption. Our external service provider reviews our securities investments biannually and reports any detected norm violations or suspicions thereof.

This review covers Ilmarinen's direct investments in listed equities, corporate bonds and derivatives with a single company as the underlying security. At the end of 2019, 99 per cent of our direct listed equity investments, 97 per cent of our listed corporate bond investments and 57 per cent of our total investment assets (This number is factoring in securitized debt and various bond instruments) had been screened for norm violations. By collaborating and utilizing third party ESG providers, we take the norm violations that we are aware of into account when making new investment decisions and regularly monitor new suspected violations. Norm violations can also lead to the exclusion of investees.

We report on our exclusion criteria in our responsible investment policy, as well as in our annual sustainability report. The policy is reviewed annually.

LEI 05	Mandatory	Public	Core Assessed	PRI 1
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LEI 05.1 Indicate which processes your organisation uses to ensure ESG 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.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify

We aggregate data from our various ESG data providers and apply an algorithm that categorizes listed investment entity. The data is available through Bberg.
- 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 05.3 Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 05.4 Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 05.5

Additional information. [Optional]

Periodically the data is reviewed to the source so as to enhance understanding. Ratings data, Norm-violation data, Carbon related data, Corporate Governance data is all systematically integrated into our I.T infrastructure and internal databases. The data is managed by our data developers/engineers and maintain the filter logic that makes up our internal classification system. This classification system appears on market data terminals (Bberg/FactSet) allowing portfolio managers to act on a particular investment decision. Should an investment fail our requirements (i.e indication of violation, low ESG ratings etc) portfolio managers will contact the Responsible Investment team to further complement the investment process. The engagement potential is assessed internally before making exclusion decisions related to violation of Global Compact and related international norms. We monitor and save this data in our internal database. The Responsible Investment team engage with ESG providers to ensure adequate knowledge of methodology updates and best practices when using the data. Individual analysts either from the ESG provider or broker are also contacted to discuss an individual company and its rating/ research outcomes. Decisions to exclude companies based on ESG ratings are discussed with the head of equity investments and portfolio management team.

In addition, as we have access to range of data sets we have been able to create an Internal tool, to better understand ESG factors alongside financial performance. The tool also factors in and monitors norm-violations flagged and a range of carbon risk assessment indicators relative to companies peer group into our day to day analytical capabilities on a company level as well as on an overall portfolio level. Furthermore, we combine a range of ESG datasets to increase further understanding of the ESG data itself, the source and underlying methodology. It is important that we continue enhancing our ESG capabilities which inform and enhance risk adjusted returns by taking full ownership of the use of alternative/ESG datasets alongside financial valuations.

LEI 06

Voluntary

Public

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 fund's 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
Our sustainability ratings category are internalized in Ilmarinen's market data systems the portfolio managers use. Moreover, our annual sustainability report is externally assure
- None of the above

LEI 06.2

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

Should an investee breach our fund screening criteria we apply a systematic approach in addressing the issues related to the breach. The first approach is through our internal system which categorizes the security (applies to both equity and fixed) should the ESG rating performance breach our internal threshold or if a norm-violation has been identified. In this situation the Responsible Investment team will research and provide further internal research to the corresponding portfolio manager on the ESG questions and make a decision on whether to continue to invest in the security. Based on our Responsible Investment Guidelines if we detect a breach of international violations we will research and discuss with the portfolio manager in question. Direct engagement and meeting with the company is part of the research process. We believe that holding discussions with our investees with the goals of improving addressing controversies is more beneficial. If the undesirable activity does not end as a result of the engagement process, Ilmarinen's last resort is to exit from its ownership in the company. The second method would be by using our engagement provider, Sustainalytics. Sustainalytics research and engagement solutions allows us to monitor and influence a company where possible. Lastly, Ilmarinen influences the company as part of Nordic cooperation with Folksam, PFA and KLP. The engagement processes are coordinated and implemented by Sustainalytics. Ilmarinen, Folksam, PFA and KLP may attend meetings, calls and letters on a case-by-case basis. The role of investors varies from case to case. For example, an investor may be active in preparing the agenda and conducting the meeting, or may be a passive listener. Ilmarinen receives regular updates from Sustainalytics experts about the progress of the influencer processes about 4 times a year. The objectives and plan of the influence processes are primarily managed by Sustainalytics and take into account the investors' objectives. The documentation is maintained by Sustainalytics. NEC reports annually on its activities and the report is published on our website.

(B) Implementation: Thematic

LEI 07

Mandatory

Public

Descriptive

PRI 1

LEI 07.1

Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 07.2

Describe your organisation's processes relating to sustainability themed funds. [Optional]

We do not concentrate on sustainability themed funds and instead, concentrate on understanding the developments of sustainability questions, as these are interlinked across companies, sectors, countries and regions. Thus, we believe it is important to have a combination of viewpoints on the direct and indirect sustainability questions that affect a security and, or industry.




In our view, climate change for example, entails not only risks but also opportunities for investors. Climate change opens new business opportunities, for instance, for companies that generate energy-efficient or clean-tech solutions and thereby aim to mitigate climate change or help adapt to it. We actively seek investees whose business will make "real" impact to the larger economy, especially on issue related to climate change and the social implications of a low carbon transition.

We monitor investees that promote the goals of sustainable development. In our Climate Policy, we set as a goal to raise the share of solution providers, of our investments to 12 per cent. Furthermore, all investments must also meet our financial criteria. We have and continue to invest extensively in companies that meet our targets. These solutions accounted for 9.2 per cent of the net sales of our listed equity investees at the end of 2019. This figure is derived by measures the revenue exposure of a portfolio to sustainable impact themes in comparison to a benchmark. The metric and methodology is provided by MSCI.

(C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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LEI 08.1 Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

ESG issues	Proportion impacted by analysis
Environmental	 Environmental <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Social	 Social <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Corporate Governance	 Corporate Governance <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

LEI 08.2 Additional information. [Optional]

At Ilmarinen, ESG analysis has been integrated into the selection of investees and thus it is not a separate function. When selecting investments, our portfolio managers are able to access our internal ESG classifications through various market data terminals and use this data alongside their investment thesis. The basis of the rating classification is a combination of ESG ratings, carbon related data and norm-violation research provided by a range of ESG agencies, which we adapt into our internal I.T infrastructure and day to day analyses.

Investing in companies that fall into our lowest category requires permission from the Responsible Investment team. In such as situation the Responsible Investment specialist will research the investment in more detail from an ESG perspective, using a range of market-data tools and if needed contacting the company's investor relations team. To continue improving on our current process, our ESG ratings coverage for our listed equity investments is now at 91%. In the previous year we had a 90% coverage rate. Further enhancements have been on an internal tool (DESGA). The tool for example, allows for identifying individual ESG factors relative to industry that are financially material.

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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LEI 09.1 Indicate which processes your organisation uses to ensure ESG integration 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
- Third-party ESG ratings are updated regularly
- 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
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

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%

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

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 were incorporated into investment decisions
- Other; specify
- None of the above

LEI 09.6

Additional information. [Optional]

The auditability and tracking of the the underlying base data that constitute the E,S and G factor has been a key priority for us in 2019. This will continue to develop further in 2020.

LEI 10

Mandatory to Report Voluntary to Disclose

Public

Core Assessed

PRI 1

New selection options have been added to this indicator. Please review your prefilled responses carefully.

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%
- 10-50%
- 51-90%
- >90%

Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Quality of management

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Security sensitivity and/or scenario analysis

Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Other; specify

LEI 10.2

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
- Valuation multiples
- Other adjustments; specify

LEI 10.3

Describe how you integrate ESG information into portfolio weighting.

When portfolio managers develop their investment case on an individual security, financial performance as well as ESG characteristics are factored into the final decision. Because ESG data is integrated into the process the consequences could be that ESG information plays an important part of a stocks portfolio weight as well as other financial performance considerations. This situation will vary depending on the security and its relative industry in question.

LEI 10.4

Describe the methods you have used to adjust the income forecast/valuation tool.

We have adjusted for example, future earnings, cashflows, valuation multiples and the discount rate applied based on high ESG risks, where deemed appropriate.

Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
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LEI 12.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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Screening

Describe any reduction in your starting investment universe or other effects.

We exclude certain investments entirely from our investable universe (Companies that manufacture arms prohibited by international treaties, including nuclear weapons, cluster munitions and antipersonnel mines, tobacco, 30% revenues derived from thermal coal, recreational Cannabis). Furthermore, investing in companies with lower ESG ratings always requires permission to invest, which can only be granted based on a more detailed assessment carried out by the Responsible Investment team. Sustainability ratings already cover 99 per cent of our listed equity investments.

Specify the percentage reduction (+/- 5%)

Thematic

Describe any alteration to your investment universe or other effects.

Throughout 2019, we identified investees that provided solutions to the UN Sustainable Development Goals (SDGs). Based on our (2016-2020) Climate Change policy we set as a goal to raise the share of these solutions of our investments to 12 per cent. All investments must also meet our financial criteria and we have already invested extensively in companies that meet our targets. These solutions accounted for 9.2 per cent (7.9 previous year) of the net sales of our investees at the end of 2018. In 2019 with the release of the new climate change roadmap (2020-2026) we continue to develop our expertise and approach to sustainability and impact. By continuing to use the UN SDGs as a useful impact criteria, we are assessing new approaches and data-driven solutions in capturing company's impacts on society.

Integration of ESG factors

Select which of these effects followed your ESG integration.
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- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Engagement / Voting
- Other; specify
- None of the above

LEI 13	Voluntary	Public	Descriptive	PRI 1
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LEI 13.1

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

ESG factor 1

ESG factor and explanation

High Carbon Risk factor. We continue to monitor and update our coal exclusion list of companies who revenues derive more than 30% from thermal coal. Other metric considered in this list is the % power generation (from coal), % of coal revenue integrated. If we hold securities in this list, that is because we have researched and tracked a credible time sensitive strategic plan for their business to decrease their coal exposure. If company does not show evidence of a strategic plan either through our research and engagement efforts, we will ultimately divest. Last year we expanded our carbon risk assessment criteria by tracking and flagging companies if more than 30% of the company's business segment is assessed to have a high-carbon intensity risk assessment (Quantified by MSCI). Medium risk category and low risk category are the other two risk levels. Carbon emissions data is the impact data. The Carbon Intensity metric is the emission rate of a given pollutant (i.e GHG) relative to the intensity of a specific activity or an industrial production process. This data point, factors in the portfolio of the company's revenues (assets and/or operations) derived from lines of business that are typically highly carbon intensive.

ESG incorporation strategy applied

Screening, Integration

- Screening
- Thematic
- Integration

Impact on investment decision or performance

We have successfully managed to identify companies before hand with the following characteristics - either revenue exposures more than 30% or business segments is exposed to a high carbon intensity risk assessment and thus portfolio managers have discussed these issues with the Responsible Investment and have abstained from investing in such company profiles. In mid 2019, we divested from RWE, which was a data error issue from our service provider and should have been filtered out from our investable universe.

- ESG factor 2
- ESG factor 3
- ESG factor 4

ESG factor and explanation
SDG and impact work with portfolio managers. Working closely with portfolio managers to increase the emphasis of the SDG towards the portfolio manager.
ESG incorporation strategy applied
<p>Thematic</p> <input type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input type="checkbox"/> Integration
Impact on investment decision or performance
We internally report the SDG impact which summarizes the social and environmental impacts of the company we invest in. Portfolio managers, use this report to inform their investment thesis and to better understand product opportunities. We increased our investment exposures to Sustainable solutions to 9.2%. This figure was 7.9% in 2018 reporting period.

ESG factor 5

ESG factor and explanation
Decrease investment risks associated with carbon emission material factors. Finding changes in business models and technological advancements that are aligning to the Paris targets is a key ESG opportunity factor.
ESG incorporation strategy applied
<p>Screening, Thematic, Integration, Index incorporating ESG factors</p> <input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
The board approved the new Climate Change Policy with a key focus on achieving Carbon Neutrality by 2035. Prior to the development of our Carbon neutrality roadmap plan, we held a Chatham rules group discussion in 2019 with various stakeholders, consisting of NGOs, heads of Finnish Industry, Academics and Finnish businesses around Carbon neutrality, visible technologies and understandings about the practical challenges of achieving net zero. We have taken on board the feedback and underlying themes which has supported our development of our Climate Change Policy 2020-2025 roadmap. Furthermore, this has led to developments in further enhancing our analytical capabilities on assessing carbon risk (transitional /physical) to inform the investment decision process.

Ilmarinen Mutual Pension Insurance Company

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

{[hyperlink:https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf](https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf)}

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)

We have a policy and guideline documents, further information in LEA 01.6.

- (Proxy) voting approach

Voting

- ESG issues
 - Prioritisation and scope of voting activities
 - Methods of voting
 - Transparency of voting activities
 - Regional voting practice approaches
 - Filing or co-filing resolutions
 - Company dialogue pre/post-vote
 - Decision-making processes
 - Securities lending processes
 - Other; (specify)
- Other

Specify

We have a policy and guideline documents, further information in LEA 01.6.

- None of the above
- No

LEA 01.4

Do you outsource any of your active ownership activities to service providers?

- Yes

LEA 01.5

Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following:

- Outline of service provider's role in implementing your organisation's active ownership policy
- Description of considerations included in service provider selection and agreements
- Identification of key ESG frameworks which service providers must follow
- Outline of information sharing requirements of service providers
- Description of service provider monitoring processes
- Other; (specify)

Difference of policy and guidelines just like engagement and voting answers.

- None of the above
- No

LEA 01.6

Additional information [optional]

Ownership policy:

Our Ownership policy and guidelines support our principles and implementation on how we influence and communicate with our investments and their activities. The focus of our active corporate governance is on domestic ownership and direct shareholder ownership, which we accomplish through, but not limited to, acting on nomination boards, voting at shareholder meetings and regular communications with corporate management. For indirect shareholdings, corporate governance is the responsibility of the management companies, of which we regularly monitor and ask investment relevant corporate governance information, either in writing or at meetings. In addition, Ilmarinen's Ownership policy has been approved by Ilmarinen's Corporate board of directors, which includes more detailed views on, for example, changes in capital structure and board choices.

The principles apply to our investments in both domestic and foreign companies. Ilmarinen expects its subsidiaries to adhere to local corporate governance codes and international corporate governance recommendations, where possible, taking into account the operating geography, size and position of the company. In Finland, this includes compliance with the Finnish Corporate Governance Code issued or updated by the Securities Market Association in 2019 for listed companies. We consider it important that companies clearly explain any deviation from local management codes. For unlisted companies, we expect companies to comply with local management codes where applicable.

We take into account that different markets have their own corporate governance codes, legislation and local practices related to corporate governance. These local guidelines may contradict each other and thus companies may be challenged to comply with Ilmarinen's principles in addition to the various requirements. For example, there are different practices and laws regarding the handling and approval of reward systems, depending on the marketplace. In these cases, it may be appropriate to look and understand the wider context of a particular issue. As required by law, we annually report on our website how the principles of corporate governance have been implemented. In addition, we report extensively on our investment activities and our responsibility work, including as part of our financial statements and report of operations, as well as our corporate responsibility report.

Our engagement and active ownership processes with our investments are formalized in our Responsible Investment Principles and implemented through our Responsible Investment Guidelines. When it comes to engaging with companies, three main approaches are utilized depending on context. In the first instance, Ilmarinen engages with the company directly, should for example a norm-violation arise. Our approach has always been to create effective dialogue with the investment in question and have actionable targets. We also use a variety of research and investment tools to better understand the situation at hand. Secondly, the Nordic cooperation along with Folksam, PFA and KLP helps us work on specific cases where we all have a common goal of influencing a companies ESG issues. Thirdly, our ESG provider that specializes in company engagement research allows us to also monitor and engage with companies that breach any norm violations. In all instances, if company in question fails to meet our objectives or fails comply with international conventions, we ultimately sell out of our position.

Corporate governance and investment strategy:

The objective of the investment activities of an employment pension insurance company is to secure the financing of the occupational pension scheme in the long-term and in a sustainable manner. We have high expectations for good corporate governance and responsible business operations. In Ilmarinen's view, business operations have an impact on the cost of capital and equity for companies, and thus taking into account the financial performance as well as the ESG characteristics of an investment ensure better risk-adjusted returns in the long-term. Integrating a ESG framework to inform the developments of the corporate governance of an investment is part of the risk management process of our investments and investment activities. Our systematic approach in integrating ESG data into the overall investment process helps inform our engagements with the corporate board of the companies we own, and thus contributing to positive and sustainable long-term value creation.

Engagement				
LEA 02	Mandatory	Public	Core Assessed	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	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via service providers

LEA 02.2

Indicate whether your organisation plays a role in the engagement process that your service provider conducts.

Yes

LEA 02.3

Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- We discuss the topic of the engagement (or ESG issue(s)) of engagement
- We discuss the rationale for the engagement
- We discuss the objectives of the engagement
- We select the companies to be engaged with
- We discuss the frequency/intensity of interactions with companies
- We discuss the next steps for engagement activity
- We participate directly in certain engagements with our service provider
- Other; specify

Please refer to LEA 02.4 named, Extended comment.

- We play no role in engagements that our service provider conducts.

No

LEA 02.4

Additional information. [Optional]

Extended comment:

The approach on how an engagement is conducted will vary. If it is a purely service provider led engagement, we will have a more passive approach. Therefore, these kind of engagements are not counted as engagement in our annual sustainability reporting as we do not have an active role. When it comes to engaging with companies, three main approaches are utilized depending on context. In the first instance, Ilmarinen engages with the company directly, should for example a norm-violation arise. In addition, we have increased the number of proactive

engagements and in depth discussions as well as conducting multi-party stakeholder dialogues on ESG issues. Our approach has always been to create effective dialogue with the investment in question and work towards actionable targets. We also use a variety of research and investment tools to better understand and inform our discussions at hand. Secondly, the Nordic Engagement Cooperation (NEC) along with Folksam, PFA and KLP helps us work on specific cases where we all have a common goal of influencing a companies ESG issues. We collaboratively work proactively on a focused company list on certain engagement themes and ongoing issues. Thirdly, our ESG provider that specializes in company engagement research allows us to also monitor and engage with companies that breach any norm violations. In all instances, if company in question fails to meet our objectives or fails to comply with international conventions, we ultimately sell out of our position. We also engage with companies as part of collaborative engagements through Climate Action +100.

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagements.
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Yes

LEA 03.2	Indicate the criteria used to identify and prioritise engagements for each type of engagement.
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Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 5px;">Individual / Internal staff engagements</div> <ul style="list-style-type: none"> <input type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input checked="" type="checkbox"/> Other; (specify) <div style="background-color: #808080; color: white; padding: 2px; margin-top: 5px;">specify</div> <p>International norms and companies flagged into a watchlist (possible norm-violations) are monitored daily.</p> <ul style="list-style-type: none"> <input type="checkbox"/> We do not outline engagement criteria for our individual engagements
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 5px;">Collaborative engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Other; (specify) <div style="background-color: #808080; color: white; padding: 2px; margin-top: 5px;">specify</div> <p>NEC has decided to increase the importance of proactive engagements.</p> <ul style="list-style-type: none"> <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers

Service-provider engagements	Service-provider engagements
	<input checked="" type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Consultation with clients/beneficiaries <input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our service providers

No

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
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Individual / Internal staff engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration
Service-provider engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by our service providers

LEA 04.2

Additional information. [Optional]

Our Ownership policy and guidelines support our principles and implementation on how we influence and communicate with our investments and their activities. The focus of our active corporate governance is on domestic ownership and direct shareholder ownership, which we accomplish through, but not limited, acting on nomination boards, voting at shareholder meetings and regular communications with corporate management. For indirect shareholdings, corporate governance is the responsibility of the management companies, of which we regularly monitor and ask investment relevant corporate governance information, either in writing or at meetings. In addition, Ilmarinen's Ownership policy guidelines has been approved by Ilmarinen's RI Executive Committee, which includes more detailed views on, for example, changes in capital structure and board choices.

The principles apply to our investments in both domestic and foreign companies. Ilmarinen expects that the companies it invests in to adhere to local corporate governance codes and international corporate governance recommendations, where possible, taking into account the operating geography, size and position of the company. In Finland, this includes compliance with the Finnish Corporate Governance Code issued or updated by the Securities Market Association in 2019 for listed companies. We consider it important that companies clearly explain any deviation from local management codes. For unlisted companies, we expect companies to comply with local management codes where applicable.

We take into account that different markets have their own corporate governance codes, legislation and local practices related to corporate governance. These local guidelines may contradict each other and thus companies may be challenged to comply with Ilmarinen's principles in addition to the various requirements. For example, there are different practices and laws regarding the handling and approval of remuneration systems, depending on the marketplace. In these cases, it may be appropriate to analyze and understand the wider context of a particular issue. As required by law, we annually report on our website how the principles of corporate governance have been implemented. In addition, we report extensively on our investment activities and our responsibility work, including as part of our financial statements and report of operations, as well as our corporate responsibility report.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.
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Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.
Service-provider engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our service providers.

LEA 05.2	Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.
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Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input checked="" type="checkbox"/> Other; specify <p>Through NEC, we have a focus company list, norm-based engagements list and track the performance of the companies progress and response on ESG issues.</p>
Service-provider engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

LEA 05.3

Additional information. [Optional]

Ilmarinen monitors the operations of the companies it owns through various methods, including market data tools, through meetings and reporting. The operations of a company in which Ilmarinen invests must be sufficiently transparent and it must provide information, for example, on its financial performance, strategy and risk assessments.

Open, regular and comprehensive reporting by the investees on their operations is important to us. In addition to financial reporting, companies must report on their governance and sustainability principles, their application and the related objectives. We also consider it important that companies include their tax policies and tax footprints, diversity policy and the carbon footprint and other environmental impacts of their operations in their other reporting. A good practice is for the reported sustainability data to be verified by an independent party, taking into account the size and resources of the companies. To monitor and review engagement progress we either use our internal and engagement document or rely on specific engagement documents provided by our service provider.

As ESG data is integrated into our investment process, the norm-violations/compliant data/research of a company is integrated into all our market data systems. This allows us to monitor the progress of a company's ESG issues that are related to our engagement activities and leverage other financial performance figures to better understand engagement outcomes.

LEA 06

Mandatory

Public

Additional Assessed

PRI 2,4

LEA 06.1

Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

LEA 06.2

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other; specify

No

LEA 06.3

Additional information. [Optional]

Ilmarinen's RI principles and guidelines form the base of our own engagement process and eventual outcomes. We hold discussions directly with the management and, if need be, the Board of Directors of the companies we own. These discussions support us in gathering further information about, for example, reporting on environmental impacts, renewable energy, rights of indigenous peoples, diversity, chemical safety, restoration of environmental damage and prevention of bribery. If a company we own systematically fails to comply with the UN Global Compact principles, we will deepen our dialogue into an engagement process intended to end the undesirable activity and result in the adoption of responsible procedures. If the undesirable activity does not end, our last resort is to exit from our ownership in the company.

LEA 07	Voluntary	Public	Additional Assessed	PRI 1,2
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LEA 07.1

Indicate whether insights gained from your organisation`s engagements are shared with investment decision-makers.

Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Service-provider engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2 Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

LEA 07.3 Indicate whether insights gained from your organisation’s engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Service-provider engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.4 Additional information. [Optional]

Our Responsible Investments/ESG specialists discuss the key developments of engagement processes and information obtained from the companies with the portfolio managers. In addition, our ESG service provider goes through the engagements they are leading on our behalf. The information from these engagements as well as data from collaborative engagements are shared with portfolio managers. RI/ESG specialists assess the resolutions of general meetings and discuss any resolutions that are not in line with Ilmarinen's ownership policy. These discussions are conducted together with the Head of Listed Equities and with the respective portfolio managers. Relevant data points provided by our third party research, related to any non-compliant company activities are all available through market data terminals and analytical tools, which our portfolio managers and analysts have access to.

LEA 08	Mandatory	Public	Gateway	PRI 2
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LEA 08.1 Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track
Service-provider engagements	<input checked="" type="radio"/> Yes, we track the number of service-provider engagements in full <input type="radio"/> Yes, we partially track the number of our service-provider engagements <input type="radio"/> We do not track

LEA 08.2 Additional information. [Optional]

We utilise Sustainalytics's investment services as our engagement service provider. We track and follow a limited number of engagements conducted by Sustainalytics, which are of interest to us based on the company, case in question and our holdings. In addition, during the reporting year (2019), we have done collaborative engagements through Nordic Engagement Cooperation (NEC). Individual engagement numbers are also published as part of our reporting. We ask our external fund managers on their engagements and proxy voting activities.

Outputs and outcomes

LEA 09	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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LEA 09.1 Indicate the proportion of companies in your listed equities portfolio with which your organisation engaged during the reporting year.

	We did not complete any engagements in the reporting year.	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion of companies engaged with, out of total listed equities portfolio
Individual / Internal staff engagements	<input type="checkbox"/>	13	6
Collaborative engagements	<input type="checkbox"/>	24	8
Service-provider engagements	<input type="checkbox"/>	59	10

LEA 09.2

Indicate the breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf).

No. of interactions with a company	% of engagements
One interaction	<input type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input checked="" type="radio"/> 1-10% <input type="radio"/> None
2 to 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
More than 3 interactions	<input checked="" type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
Total	100%

LEA 09.3

Indicate the percentage of your collaborative engagements in which you were the leading organisation during the reporting year.

Type of engagement	% leading role
Collaborative engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 09.4

Indicate the percentage of your service-provider engagements in which you had some involvement during the reporting year.

Type of engagement	% of engagements with some involvement
Service-provider engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

LEA 10	Voluntary	Public	Additional Assessed	PRI 2
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LEA 10.1	Indicate which of the following your engagement involved.
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- Letters and emails to companies
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with board/senior management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with the CSR, IR or other management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to operations
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to supplier(s) in supplier(s) from the company's supply chain
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Participation in roadshows
- Other

(specify)

Fact finding prior to potential engagement.

- In a minority of cases
- In a majority of cases
- In all cases

LEA 10.2	Additional information. [Optional]
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As an example of the fact finding was on the amazon fires of 2019. We were concerned of the impacts of this natural disaster. Communicated to a focus list of companies.

LEA 11	Voluntary	Public	Descriptive	PRI 2
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LEA 11.1	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
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Add Example 1

ESG Topic	<p>Climate Change, Other</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input checked="" type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	Understand the impacts of the Amazon forest fires of 2019 and wider implications of our investments.
Scope and Process	Contacted a list of companies using supply chain analysis to understand their exposure to the impacted region.
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input checked="" type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 2

ESG Topic	<p>Climate Change, Human rights, Labour practices and supply chain management, Anti-bribery and corruption</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input checked="" type="checkbox"/> Labour practices and supply chain management <input checked="" type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	<p>Through the NEC collaboration we are working on ongoing norm-based engagements and proactive engagement theme on TCFD.</p>
Scope and Process	<p>The cases are still ongoing</p>
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input checked="" type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 3

ESG Topic	<p>Human rights, Company leadership issues, Health and Safety, Labour practices and supply chain management</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Human rights <input checked="" type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input checked="" type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative <input type="checkbox"/> Service provider
Objectives	<p>Improve the quality of care and leadership at nursing homes in Finland.</p>
Scope and Process	<p>Two companies. Process involved dialogue and company visits. For outcomes, positive changes have been made and still looking for further evidence on implementation before closing the case.</p>
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input checked="" type="checkbox"/> Ongoing <input type="checkbox"/> Voting

	<input type="checkbox"/> Other
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- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

(Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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LEA 12.1 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.
- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.

Based on

- The service-provider voting policy we sign off on
- Our own voting policy
- Our clients` requests or policies
- Other (explain)
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

LEA 12.2 Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

If any of the General Meeting's motions are in deviation of our Ownership Policy, our primary goal is to hold discussions with the companies prior to the General Meeting and engage with them to reconcile the viewpoints.

In 2019, we contacted 24 companies prior to their General Meetings and held discussions concerning, among other things, the grounds for raising board fees and the long duration and/or high dilution of share issue authorizations. We use service providers also to get a better understanding on voting recommendations based on international guidelines. We do not follow the service provider's recommendations if they don't comply with our own guidelines. We seek to inform the company if we are to vote against the resolutions.

LEA 12.3 Additional information.[Optional]

Our responsible investment specialists draw up voting instructions for each General Meeting. In drawing up the instructions, we take into account the independence of Board members, remuneration and the authorizations sought in the General Meeting pertaining to share issues and the purchase of own shares, for example. Furthermore, we promote gender diversity on the Board of Directors of the companies we own. In order to create our in-house research to develop and complement our voting instructions we use an external service provider.

LEA 14

Voluntary

Public

Additional Assessed

PRI 2

LEA 14.1 Does your organisation have a securities lending programme?

- Yes
- No

LEA 14.2 Describe why your organisation does not lend securities.

We are a prudent long-term investor and our position is such, so as to avoid unnecessary pressure on the share price of the equities we own.

LEA 15

Mandatory

Public

Descriptive

PRI 2

LEA 15.1 Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2 Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

LEA 15.3

Additional information. [Optional]

Voting on proposals that are not in line with our policy (e.g remuneration, issuance of new shares, independence of the board.)

LEA 16

Mandatory

Public

Core Assessed

PRI 2

LEA 16.1

Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2

Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

Explain

Voting on proposals that are not in line with our policy (e.g remuneration, shareholder resolutions.)

LEA 16.3

In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

LEA 16.4

Additional information. [Optional]

Open, regular and comprehensive reporting by the investees on their operations is important to us. In addition to financial reporting, companies must report on their governance and sustainability principles, their application and the related objectives. We also consider it important that companies include their tax policies and tax footprints, diversity policy and the carbon footprint and other environmental impacts of their operations in their other reporting. A good practice is for the reported sustainability data to be verified by an independent party, taking into account the size and resources of the companies. We track the number of companies presenting their tax footprints, remuneration policies at the AGMs.

LEA 17**Mandatory****Public****Core Assessed****PRI 2****LEA 17.1**

For listed equities in which you 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

Votes cast (to the nearest 1%)

%

36

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.2

Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

Non voting shares.

LEA 17.3	Additional information. [Optional]
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For Finnish Equities (Home market), we vote with 99% of our AUM. On foreign equities we vote when the holding and/or agenda item warrants a vote.

LEA 18	Voluntary	Public	Additional Assessed	PRI 2
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LEA 18.1	Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.
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Yes, we track this information

LEA 18.2	Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:
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Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 99
Against (opposing) management recommendations	 1
Abstentions	 0

100%

No, we do not track this information

LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.
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33

LEA 18.4	Additional information. [Optional]
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If any of the General Meeting's motions are in deviation of our Ownership Policy, our primary goal is to hold discussions with the companies prior to the General Meeting and engage with them to reconcile the viewpoints.

The Finnish custom is not to vote but for shareholders to unanimously agree on the resolutions. During 2019 of approximately 110 Finnish AGMs, one had actual voting. In addition, 19 Foreign AGM with three votes against management.

LEA 19	Mandatory	Public	Core Assessed	PRI 2
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LEA 19.1 Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
- No

LEA 19.2 Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.

- Contacting the company's board
- Contacting the company's senior management
- Issuing a public statement explaining the rationale
- Initiating individual/collaborative engagement
- Directing service providers to engage
- Reducing exposure (holdings) / divestment
- Other

LEA 19.3 Additional information. [Optional]

As a rule, we take a positive view of shareholder resolutions to General Meetings that promote sustainability and responsible business practices in accordance with the policy followed at Ilmarinen. We can co-file for example resolutions related to climate impacts and support similar relevant and purposeful resolutions filed by other shareholders. Our decisions on whether to support a resolution or not are impacted by how relevant they are in terms of a company's business and its product impacts, how the company has acted in the matter compared to its peers and the company's voting recommendation. We support, for example, resolutions to General Meetings that support the key objective of Ilmarinen's Climate Policy: that companies should assess their strategic choices and investments in terms of mitigating global warming.

For Finnish Equities (Home market), we physically attend and vote with 99% of our AUM. On foreign equities we vote when the holding and/or agenda item warrants a vote.

If the motions presented by the Board of Directors to the General Meeting differ from our policy, we will primarily hold discussions with the company in question before the General Meeting in order to reconcile the viewpoints. If the discussion is not possible or does not lead to an understanding, we will use our ownership rights in connection with any voting. Our goal is to ensure that the company knows the basics of voting conduct in cases in which we do not support the Board of Directors' motion. If necessary, Ilmarinen will file resolutions as a shareholder for improving good governance and responsibility, and support similar resolutions by other shareholders and participate in preparing them.

LEA 20	Voluntary	Public	Descriptive	PRI 2
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LEA 20.1 Indicate whether your organisation, directly or through a service provider, filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes

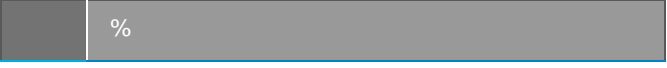



LEA 20.2 Indicate the number of ESG shareholder resolutions you filed or co-filed.

Total number

26

No

LEA 20.3 Indicate what percentage of these ESG shareholder resolutions resulted in the following:

Went to vote	 100
Were withdrawn due to changes at the company and/or negotiations with the company	 0
Were withdrawn for other reasons	 0
Were rejected/not acknowledged by the company	 0

Total

100%

LEA 20.4 Of the ESG shareholder resolutions that you filed or co-filed and that were put to a vote (i.e., not withdrawn), indicate the percentage that received approval:

 >50%

100

LEA 20.5 Describe the ESG shareholder resolutions that you filed or co-filed, and the outcomes achieved.

26 shareholder resolutions that were co-filed related to board composition. According to the Finnish market custom, there are rarely votes at AGM, but resolutions are passed unanimously.

One shareholder resolution related to climate change. This received the board support so it was passed at the AGM.

Ilmarinen Mutual Pension Insurance Company

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>95</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>5</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td>Total (any strategy)</td> <td>100%</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	95	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	5	No incorporation strategies applied	0	Total (any strategy)	100%
Strategy	Percentage																				
Screening alone	0																				
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All three strategies combined	5																				
No incorporation strategies applied	0																				
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Corporate (financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>95</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	95										
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	<p>Thematic + integration strategies</p> <p>0</p>
	<p>Screening + thematic strategies</p> <p>0</p>
	<p>All three strategies combined</p> <p>5</p>
	<p>No incorporation strategies applied</p> <p>0</p>
	<p>100%</p>

Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	95
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	5
	No incorporation strategies applied	0
		100%

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

In Ilmarinen's view, the responsible and long-term investing of pension assets is a central part of profitable investment operations and effective risk management. In order to integrate sustainability analysis into its investment activities, Ilmarinen uses a responsible investment systematic approach, where all portfolio managers have access to internally categorized ESG ratings alongside financial figures across Ilmarinen's market data tools.

These ratings guide investment decisions as some companies are excluded and some require more specific examination of ESG risks and/or opportunities before making an investment decision. In addition, our external service provider screens our securities investments biannually and reports any detected norm violations or suspicions thereof. Furthermore, we have continued investing into green bonds during 2019.

FI 02	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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FI 02.1 Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 02.2 Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- ESG factor specific analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Issuer-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Sector-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Country-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

specify description

In-house legal department.

FI 02.3 Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

In order to integrate sustainability analysis into its investment activities, Ilmarinen uses an in-house classification rating system. The basis of the rating system is a combination of ESG data provided by a range of market-data/ESG data providers, which we complement with analyses and conclusions from internal and external sources. The analysis on which the ratings are based involves a broad spectrum of risks and opportunities linked to carbon related data, corporate responsibility as well as already realized controversies and norm violations in the sustainability of business operations. The ratings steer investment activities so that, for example, the lowest ratings will require specific procedures such as researching the ESG factors in more detail or contacting the company directly in order to make a final investment decision.

In addition, we annually analyze decarbonization pathway scenarios and carbon footprinting analysis, which provides us information on climate impacts. In particular previously we looked at the exposure of businesses to coal (30 % threshold). These cannot be included in our investments, unless they present a credible plan to reduce coal dependency. Furthermore, we look at overall carbon risk (see FI 02.4).

FI 02.4 Additional information. [Optional]

In relation to our new climate change roadmap (2020- 2025), we have expanded the scope of assessing carbon related risk. Therefore, we will only invest in companies that have a significant carbon intensity risk assessment in their business operations after a more detailed "carbon due diligence" (CDD) of the companies business model. In CDD, The companies' operation segments are divided into three categories: high-carbon, mid-carbon, and low-carbon risk assessments. If more than 30% of the company's business segment is assessed to have a high-carbon intensity risk assessment we will not invest unless there is credible evidence that there is a strategic and credible decarbonization plan. We complement this research with company disclosed reports and if needed, contact the investor relations team for further clarifications. At this point we can engage with the company in question that falls into this category and if all approaches are unsuccessful we seek to divest. The 30% threshold will gradually be lowered to 15% end of 2025.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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FI 03.1 Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description

Sustainability report and KPI data are third party assured and is used in the PRI reporting.

- None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

FI 03.3 Additional information. [Optional]

Related to internal audits, ESG and data specific solutions on ESG questions are researched regularly and reviewed by Ilmarinen's ESG team.

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1 Indicate the type of screening you conduct.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

FI 04.2 Describe your approach to screening for internally managed active fixed income

We have excluded from our investments tobacco/cannabis and coal producers (30 % revenue threshold from thermal coal with no plan to reduce dependency), producers of controversial weapons and specific companies for systematic and/or serious violations of global compact (companies with no engagement potential). Our external service provider screens our securities investments bi-annually and reports any detected norm violations or suspicions thereof. This screening covers Ilmarinen's direct investments in listed equities, corporate bonds, supranational and derivatives with a single company as the underlying security. We take the norm violations that we are aware of into account in making new investment decisions and regularly monitor new suspected violations. Norm violations can also lead to the exclusion of investees from our investment universe. This information, as well as information on company risks and opportunities related to ESG are also included in our sustainability ratings.

As a part of positive screening, our objective is to grow our investments in green bonds, i.e. corporate bonds used for environmentally friendly purposes. We are looking into incorporating the SDG's into fixed income investments. Norm-based screening is not used for government bonds but is in place for sovereign agencies and equivalent organizations.

FI 04.3 Additional information. [Optional]

The norm-based screening does not cover sovereign bonds.

FI 06 **Mandatory** **Public** **Core Assessed** **PRI 1**

FI 06.1 Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
Negative/exclusionary screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;">other description</div> Classification ratings integrated in market data tools used across the investment team. <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;">other description</div> Information on ESG opportunities is available through our ESG/market data and analysis, green bond information is provided by issuers <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;">other description</div> Information on ESG opportunities is available through our ESG/market data and analysis, green bond information is provided by issuers <input type="checkbox"/> None of the above

FI 06.2	Additional information. [Optional]
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We continuously develop further our technical implementation of ESG data into our market data systems, which is integrated and viewed by our investment team alongside financial figures. The ratings and the related ESG analysis and possible changes are available to our portfolio managers. In addition, we use third party service providers for our corporate governance, monitoring compliance progress and engagement information.

Moreover, when it comes to our norms-based screening process, our portfolios are checked bi-annually by our service provider in addition to our own continuous monitoring process.

(B) Implementation: Thematic

FI 07	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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FI 07.1	Indicate what proportion of your thematic investments are (totalling up to 100%):
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- Green/SDG bonds linked to environmental goals
- Social/SDG bonds linked to social goals
- Sustainability/SDG bonds (combination of green and social linked to multiple SDG categories)
- Other

	Specify
--	---------

Bond investments - We assess all potential and current bond investment based on a relative value basis.

	%
--	---

100

FI 07.2	Describe your organisation's approach to thematic fixed income investing
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We do not have a specific thematic fixed income investing approach. The potential of investing in fixed income securities, which include green/SDG, social/SDG bonds will depend, for example, on the valuations of the instrument and the analysis outcomes relating to their interest rate risk among other factors. We view green bonds positively but a green bond in itself does not warrant an investment.

FI 08	Mandatory	Public	Core Assessed	PRI 1
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FI 08.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

FI 08.2	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
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We would eventually sell the bond if the issuer fails to demonstrate evidence that the disburse proceeds do not meet the specifications.

FI 09	Mandatory	Public	Additional Assessed	PRI 1
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FI 09.1	Indicate how you assess the environmental or social impact of your thematic investments.
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- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
We rely on third party impact assurance.
- None of the above

(C) Implementation: Integration

FI 10	Mandatory	Public	Descriptive	PRI 1
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FI 10.1	Describe your approach to integrating ESG into traditional financial analysis.
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We have made the integration of sustainability aspects into investment operations more systematic by adopting responsible investment ratings. The basis of the rating system is a combination of sustainability ratings created by ESG providers, which we systematically integrate with analyses from internal and external sources.

In 2019, We paid particular attention to the technical implementation of the rating system. The ratings and the related sustainability analysis and possible changes are now available to our portfolio managers alongside the company's financial figures in market data tools such as, Bloomberg terminals and other systems used in the investment organization. The ratings steer investment activities so that, for example, for the lowest ratings there are specific procedures in place to allow investments. We have also developed an internal ESG related tool that deaggregates ESG data to better understand material factors.

When selecting investees, our portfolio managers view sustainability ratings in our databases along with financial information. The basis of the rating system is a combination of sustainability ratings provided by ESG market data service providers, which we adapt with in-house analyses, market research analysis and conclusions from internal and external sources. The analysis on which the sustainability ratings are based on, involves a broad spectrum of risks and opportunities linked to sustainability as well as realized controversies and norm violations. Investing in companies with lower ratings always requires a more detailed pre-assessment and extra due-diligence. Investing in companies with norm-violation requires engagement.

FI 10.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

SSA

We use classification methods, particularly when investing in emerging market government bonds, including criteria linked to corruption and the implementation of laws.

Corporate (financial)

When selecting investees, our portfolio managers view sustainability ratings in our databases along with financial information. The basis of the rating system is a combination of ESG ratings, norm-violation data and carbon related datasets created by third parties, which we adapt with analyses and conclusions from internal and external sources. The analysis on which the sustainability ratings are based involves a broad spectrum of risks and opportunities linked to sustainability as well as realized controversies and norm violations. Investing in companies with lower ratings always requires a more detailed pre-assessment.

Corporate (non-financial)

When selecting investees, our portfolio managers view sustainability ratings in our databases along with financial information. The basis of the rating system is a combination of sustainability ratings created by third parties, which we adapt with analyses and conclusions from internal and external sources. The analysis on which the sustainability ratings are based involves a broad spectrum of risks and opportunities linked to sustainability as well as realized controversies and norm violations. Investing in companies with lower ratings always requires a more detailed pre-assessment.

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is used to adjust the internal credit assessments of issuers.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 12	Mandatory	Public	Additional Assessed	PRI 1
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FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<input type="checkbox"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Governance <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 12.2 Please provide more detail on how you review E, S and/or G factors in your integration process.

SSA

We use our internal classification methods, particularly when investing in emerging market government bonds, including criteria linked to corruption and the implementation of laws.

In accordance with our principles of responsible investments, we do not invest in government bonds of countries that, according to the Financial Action Task Force (FATF) Declaration, do not meet international obligations to prevent money laundering and terrorist financing.

Corporate (financial)

In order to integrate sustainability analysis into its investment activities, Ilmarinen uses an in-house classification rating system. The basis of the rating system is a combination of ESG data provided by a range of market-data/ESG data providers, which we complement with analyses and conclusions from internal and external sources. The analysis on which the ratings are based, involves a broad spectrum of risks and opportunities linked to carbon related data, corporate responsibility as well as already realized controversies and norm violations in the sustainability of business operations. The ratings steer investment activities so that, for example, the lowest ratings will require specific procedures such as researching the ESG factors in more detail or contacting the company directly in order to make a final investment decision. In addition, we annually analyze decarbonization pathway scenarios and carbon foot printing analysis, which provides us information on climate impacts specifically. In particular, we look at the exposure of businesses to coal and any company that derives more than 30 % of their business from coal. These cannot be included in our investments, unless they present a credible plan to reduce coal dependency.

In relation to our new climate change roadmap (2020- 2025), we have expanded the scope of assessing carbon related risk. Therefore, we will only invest in companies that have a significant carbon intensity risk assessment in their business operations after a more detailed "carbon due diligence" (CDD) of the company's business model. In CDD, The companies' operation segments are divided into three categories: high-carbon, mid-carbon, and low-carbon risk assessments. If more than 30% of the company's business segment is assessed to have a high-carbon intensity risk assessment, we will not invest unless there is credible evidence that there is a strategic and credible decarbonization plan. We complement this research with company

disclosed reports and if needed, contact the investor relations team for further clarifications. At this point we can engage with the company in question that falls into this category and if all approaches are unsuccessful, we seek to divest. The 30% threshold will gradually be lowered to 15% end of 2025.

Corporate (non-financial)

In order to integrate sustainability analysis into its investment activities, Ilmarinen uses an in-house classification rating system. The basis of the rating system is a combination of ESG data provided by a range of market-data/ESG data providers, which we complement with analyses and conclusions from internal and external sources. The analysis on which the ratings are based, involves a broad spectrum of risks and opportunities linked to carbon related data, corporate responsibility as well as already realized controversies and norm violations in the sustainability of business operations. The ratings steer investment activities so that, for example, the lowest ratings will require specific procedures such as researching the ESG factors in more detail or contacting the company directly in order to make a final investment decision. In addition, we annually analyze decarbonization pathway scenarios and carbon foot printing analysis, which provides us information on climate impacts specifically. In particular, we look at the exposure of businesses to coal and any company that derives more than 30 % of their business from coal. These cannot be included in our investments, unless they present a credible plan to reduce coal dependency.

In relation to our new climate change roadmap (2020- 2025), we have expanded the scope of assessing carbon related risk by including the production and use of other fossil fuels. Therefore, we will only invest in companies that have a significant carbon intensity risk assessment in their business operations after a more detailed "carbon due diligence" (CDD) of the company's business model. In CDD, The companies' operation segments are divided into three categories: high-carbon, mid-carbon, and low-carbon risk assessments. If more than 30% of the company's business segment is assessed to have a high-carbon intensity risk assessment, we will not invest unless there is credible evidence that there is a strategic and credible decarbonization plan. At this point we can engage with the company in question that falls into this category and if all approaches are unsuccessful, we seek to divest. The 30% threshold will gradually be lowered to 15% end of 2025.

Fixed income - Engagement

FI 14	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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FI 14.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.
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Category	Proportion of assets
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 26-50% <input checked="" type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5%
	<div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets) </div> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5%
	<div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue

FI 14.3	Additional information.[OPTIONAL]
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In the majority of cases we are also a shareholder. We can engage in the majority of our assets and we remain committed to engaging with our investments. The engagement numbers are part of our annual reporting and for further details, please read our annual sustainability report 2019
<https://www.ilmarinen.fi/en/ilmarinen/investments/responsible-investment-policy/>

FI 15	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

FI 15.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
----------------	---

Select all that apply

Type of engagement	Corporate (financial)	Corporate (non-financial)
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Service provider engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 15.2

Indicate how your organisation prioritises engagements with issuers.

Select all that apply

	Corporate (financial)	Corporate (non-financial)
Size of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Credit quality of the issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Duration of holdings	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Quality of transparency on ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Specific markets and/or sectors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Specific ESG themes	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Issuers in the lowest ranks of ESG benchmarks	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Issuers in the highest ranks of ESG benchmarks	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Specific issues considered priorities for the investor based on input from clients and beneficiaries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.3

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
We engage pre-investment.	<input type="checkbox"/>	<input type="checkbox"/>	
We engage post-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We engage proactively in anticipation of specific ESG risks and/or opportunities.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We engage in reaction to ESG issues that have already affected the issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We engage prior to ESG-related divestments.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

If 'other' has been selected, please give a description

We proactively engage in order to educate ourselves on topics surrounding sustainable finance in fixed income investments such as the developments of The Green Bond Principles and the EU taxonomy.

FI 15.4

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We engage on specific ESG themes across issuers and industries (e.g., human rights).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	

FI 15.5

Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Ensuring regular cross-team meetings and presentations.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Sharing engagement data across platforms that is accessible to ESG and investment teams.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Encouraging ESG and investment teams to join engagement meetings and roadshows.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Delegating some engagement dialogue to portfolio managers/credit analysts.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Involving portfolio managers when defining an engagement programme and developing engagement decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Considering active ownership as a mechanism to assess potential future investments.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process.	<input type="checkbox"/>	<input type="checkbox"/>	

FI 16	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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FI 16.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

- Yes
- No

FI 16.3 Additional information [OPTIONAL]

Our engagement policy and guidelines cover both fixed income and equities. We do not distinguish our engagement efforts depending on the asset class. In majority of our engagement cases we require a holding of some sort.

Outputs and outcomes

FI 17	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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FI 17.1 Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
We measure whether incorporating ESG impacts portfolio risk.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We measure whether incorporating ESG impacts portfolio returns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We measure the ESG performance/profile of portfolios (relative to the benchmark).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 18	Voluntary	Public	Descriptive	PRI 1,2
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FI 18.1 Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.

Example 1

Type of fixed income
<input type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial)
ESG issue and explanation
<p>Our carbon risk and carbon exclusionary filter is applied to both equity and their issued debt. We also use a range of other tools such as the 2 Degree Initiative tool to analyze current exposures as trajectories. For example, through scenario analysis, looking at the 2019- 2024 PACTA horizon tool, our fossil fuel exposure was misaligned with a SDS scenario (1.75 - 2 Degree Celsius) portfolio.</p>
RI strategy applied
<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration <input type="checkbox"/> Engagement
Impact on investment decision or performance
<p>Based on our analysis we identified a few companies that lacked strong pollution abatement plans and transparent decarbonization plans. The companies' strategies were insufficient to warrant further holdings of the security. The result has been that we no longer are exposed to environmental regulatory and company level risks associated with these bonds in question. It was also later determined that one of the companies was facing environmental compliance issues. We decided not to participate in some new bond issuances, based on our strict carbon criteria.</p>

- Example 2
- Example 3
- Example 4
- Example 5

Ilmarinen Mutual Pension Insurance Company

Reported Information

Public version

Direct - Property

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

PR 01

Mandatory

Public

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

{[hyperlink:https://www.ilmarinen.fi/ilmarinen/sijoitukset/vastuullisuus-sijoitustoiminnassa/](https://www.ilmarinen.fi/ilmarinen/sijoitukset/vastuullisuus-sijoitustoiminnassa/)}

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. [Optional]

Ilmarinen's RPI is based on our RI policy which supports our investment process and allows us to meet KPI's (which are externally assured) so as to measure and make better informed decisions in the development of our strategies. With the new climate policy, that aims to achieve carbon neutrality for our entire portfolio by the end of 2035, our real estate will play a crucial role in this objective. As part of our commitments towards our carbon neutrality objective, our real estate portfolio will continue to factor in the carbon footprint during the construction of our real estate investments. Our approach to RPI is summarized below:

Climate and environmental impacts: The built environment causes significant climate impacts and thus need to be taken into account in the business strategy. We believe that environmental issues will play an increasingly important role in the future when society select their homes and business organizations select their business premises. The carbon footprint measurement includes both the direct international property holdings and property holdings in Finland. The reduction of carbon footprint and calculated energy savings are KPI's under the RPI. In the reporting year, we committed to RAKLI's and the Ministry of the Environment's demolition green deal which will be planned to go live on the start of 2020. Based on the agreement, we take the environmental impacts of real estate into account better than ever also at the end of the life cycle.

Impacts on the built environment: The environmental impacts of buildings and the design and use of the built environment are key factors affecting societal well-being. We invest in resource-efficient buildings that are healthy and safe for their users and located along good public transit connections. Our development activities and the real estate services bought by us also create jobs and increase society's tax revenues.

Real estate maintenance and renovation: We take into account the entire life cycle of buildings in our operations and maintain properties so as to retain their value. In addition, we promote the energy efficiency of buildings and reduce their detrimental impacts on the environment, such as water consumption. Moreover, we monitor the customer satisfaction of our office tenants through regular surveys. The surveys measure the satisfaction of the tenants regarding, for example, the functionality and adaptability of the spaces, indoor air quality, location and traffic connections.

Property development: We have a long-term, responsible approach to construction activities, in other words we build sustainably. Our design guidelines, which take into account, among other things, the long useful life of buildings and material and energy efficiency, guide our property development. We always seek the best expertise in property development and select our co-operation partners on a case-by-case basis. Technical, environmental, legal and tax issues are assessed in the due diligence process. In some cases, we also require more than what the legislation and regulation requirements are, such as longer warranty periods. We recently committed to the Finnish Demolition green deal where we will increase the amount of materials going to be recycled from demolition work.

We require all of our service providers to, among other things, abide by their contractor's liability, recruit foreign workers in accordance with the Finnish collective agreements and adopt safe working practices. We carry out disciplines against illicit economic activity, bribery and corruption.

Pre-investment (selection)

PR 04	Mandatory	Public	Gateway/Core Assessed	PRI 1
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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.

Ilmarinen's RPI is included in responsible investments policy of Ilmarinen. The RPI is a framework for investment process and KPI's (third party assured) are set to measure the development.

Our approach to responsible investments in property, in brief:

Climate impacts: The built environment causes significant climate impacts and need to be taken into account in the business strategy. We believe that environmental issues will play an increasingly important role in the future when people select their homes and companies select their business premises. The reduction of carbon footprint and calculated energy savings are KPI's under the RPI.

Impacts on the built environment: The environmental impacts of buildings and the design and use of the built environment are key factors affecting societal well-being. We invest in resource-efficient buildings that are healthy and safe for their users and located along good public transit connections. Our development activities and the real estate services bought by us also create jobs and increase society's tax revenues.

Real estate maintenance and renovation: We take into account the entire life cycle of buildings in our operations. We maintain properties so as to retain their value. We promote the energy efficiency of buildings and reduce their detrimental impacts on the environment, such as water consumption. We monitor the customer satisfaction of our office tenants through regular surveys. The surveys measure the satisfaction of the tenants regarding, for example, the functionality and adaptability of the spaces, indoor air quality, location and traffic connections.

Property development: We have a long-term, responsible approach to construction activities, in other words we build sustainably. Our design guidelines, which take into account, among other things, the long useful life of buildings and material and energy efficiency, guide our property development. We always seek the best expertise in property development and select our co-operation partners on a case-by-case basis. Technical, environmental, legal and tax issues are assessed in the due diligence process. In some cases, we also require more than what the legislation and regulation requirements are, such as longer warranty periods.

We require all of our service providers to, among other things, abide by their contractor's liability, recruit foreign workers in accordance with the Finnish collective agreements and adopt safe working practices. We carry out disciplines against the grey economy, bribery and corruption.

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

Environmental example 1, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 1, description

As a result of long-term responsibility efforts, Ilmarinen was one of the first companies to be included in the LEED Volume Programme v4 rating programme. As property developers, we require at least LEED Gold or corresponding environmental label.

Environmental example 2, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 3, select one

- Climate change adaptation
 - Contamination
 - Energy efficiency
 - Energy supply, Flooding, GHG emissions
 - Indoor environmental quality
 - Natural hazards
 - Resilience
 - Transportation
 - Water efficiency
 - Waste management
 - Water supply
 - Other
 - Other
 - Flooding
 - GHG emissions
- Social

Social example 1, select one

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 1, description [OPTIONAL]

We are involved in developing responsible practices in the real estate and construction industry, for instance, by participating in the working groups of the construction sector association RAKLI and taking part in public dialogue. We also monitor occupational health and safety indicators in property development.

Social example 2, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 2, description [OPTIONAL]

Ilmarinen provides and maintains high health and safety standards for the it's customers.

Social example 3, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 3, description [OPTIONAL]

Accessibility is factored in our selection process. The design guidelines for residential buildings are monitored by The Finnish Association of People with Physical Disabilities. The selection process includes access to inside spaces and into building through different means of transportation. The availability of public transportation (metro and tram/railway are preferred) in relation to the location and on other questions, such as, how the floor plates can be divided and accessed from the lobby (horizontally and vertically).

- Governance

Governance example 1, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 1, description

Investment partner background assessment. The rent rolls are periodically scanned against the sanction list provided by Dow Jones Risk compliance.

Governance example 2, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 2, description

Technical, environmental, legal and tax issues are assessed in the due diligence process. In some cases, we also require more than what the legislation and regulation requirements are, such as longer warranty periods.

Governance example 3, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 3, description

In addition to regulatory requirements the governance is assessed against Ilmarinen Responsible Investment Policy including the Ownership Policy.

No

PR 04.4

Additional information. [Optional]

The experts in charge of executing real estate business operations have drawn up design guidelines for property development, which guide the management of environmental and societal issues around property development. We always seek the best expertise in property development and select our co-operation partners on a case-by-case basis.

The issues covered in these guidelines include property lifecycle extension (incl. flexibility of interior spaces), energy and material efficiency, environmental certificates, waste management (during and after construction), building quality, tax avoidance and corruption prevention. These guidelines are stated to the project group in the beginning of renovation and project development process.

In addition to energy efficiency, buildings also have other impacts on their users. In 2019, we continued working closely with the Finnish Association of People with Physical Disabilities, charting the accessibility for all, in relation to our properties. The work was started from residential buildings. We own around 4,000 flats and 100 commercial and office buildings. We want to make sure that tenants can live and work in our properties as long as possible. With the aging population, accessibility and assistive solutions are rapidly becoming increasingly important as competitive advantages, for example.

PR 05

Voluntary

Public

Additional Assessed

PRI 1,3

PR 05.1	Indicate what type of ESG information your organisation typically considers during your property investment selection process.
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- 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 05.2	Provide a brief description of how this ESG information was incorporated into your investment selection process.
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As Ilmarinen is a significant real estate investor in Finland, we have an extensive data and knowledge base on Finnish property markets including ESG data. On the international investments we rely on our local investment partners and advisors' knowledge and incorporate Ilmarinen's ESG requirements into the investment process.

PR 06	Mandatory	Public	Core Assessed	PRI 1
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PR 06.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- 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.
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- 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

Selection, appointment and monitoring third-party property managers

PR 07

Mandatory

Public

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

PR 07.2

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

Selection process of property managers incorporated ESG issues

Types of actions

- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain

Coverage

- >75% to 100%
- >50% to 75%
- <50%

Contractual requirements when appointing property managers includes ESG issues

Types of actions

- Include clear and detailed expectations for incorporating ESG
- Require dedicated ESG procedures in all relevant asset and property management phases
- Clear ESG reporting requirements
- Clear ESG performance targets
- Other, explain

Coverage

- >75% to 100%
- >50% to 75%
- <50%

Monitoring of property managers covers ESG responsibilities and implementation

Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

Coverage

- >75% to 100%
- >50% to 75%
- <50%
- 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.

From a third-party property manager Ilmarinen requires sufficient competence and resources to meet Ilmarinen's targets for responsible property management. Ilmarinen also require manager to take responsibility issues into account in their operations and to fulfil their social obligations. For the property manager Ilmarinen sets KPIs, which are third party assured, and refer to, for example energy consumption and customer satisfaction to measure manager's performance in the area. KPIs are monitored on an annual basis. Otherwise Ilmarinen uses business plans, regular meetings and periodic reporting to monitor and measure third party property managers.

Ilmarinen continues disclosing carbon footprint measurement data which will include the direct international property holdings. The reduction of carbon footprint is one of the KPI's under the RPI.

Post-investment (monitoring and active ownership)

Overview

PR 08	Mandatory	Public	Gateway	PRI 2
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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.

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- 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.

The majority of the managers are operating as Managing Agent, which allows Ilmarinen to have full control over the requirements and agreements made with the maintenance contractors. From the property maintenance contractors, Ilmarinen requires competence and resources to meet our targets for responsible maintenance. We also require them to take responsibility issues into account in their operations and to fulfil their social obligations.

In 2016 Ilmarinen renewed the national energy efficiency agreement for offices and rental flats. The current target is set for the year 2025, aiming for 12 255 MWh/a measured energy saving actions in total. The agreement includes intermediate target for year 2020 with 8 080 MWh/a measured energy saving actions. The transactions have slightly changed the targets.

In 2019 Ilmarinen reported 5 252 MWh/a saving's and cumulatively 16 730 MWh/a. Ilmarinen has already reached and clearly exceeded the target for 2020, also considering the actions that will be outdated. For the target 2025 Ilmarinen has achieved 77 % of the target, when actions to be outdated are subtracted from the cumulative amount.

The restructuring of the property management operations has had positive impacts on managing the ESG issues. One key element was to introduce Energy Management function as a separate entity to manage, develop and report energy efficiency. In the letting activities Ilmarinen has set controls to prevent shadow economy, money laundering and other ways of using premises for criminal purposes. We will continue improving the management of daily energy consumption by connecting more properties to the energy manager's remote management system

In addition to energy savings Ilmarinen pays attention to water use. The water intensity of buildings in use was approximately at the same level as in 2018. The actions to reduce the water consumption remains the same. The basic action to taken in order to reduce water consumption is replacing the water fixtures with low-flow fixtures. We work closely with tenants throughout the life cycle of the investment and cooperate in improving environmental issues, for example, by financing energy-efficient solutions. All of our properties for rent have an energy performance certificate.

No

Property monitoring and management

PR 09	Mandatory	Public	Core Assessed	PRI 2,3
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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

(in terms of number of property assets)

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

- Environmental

Target/KPI	Progress Achieved
Water intensity of buildings in use (m3/m2/year). KPI Energy intensity of buildings in use (kWh/m2/year). KPI Greenhouse gas emissions intensity from buildings (kg CO2-ekv /m2). KPI	Domestic Residential: 2019/1,07 - 2018/1,09 <w:br />Domestic Commercial: 2019/0,20 - 2018/0,21 <w:br />International RE: 2019/0,57 - 2018/0,47 Residential: 2019/155 - 2018/142 <w:br />Commercial: 2019/198 - 2018/180 <w:br />International RE: 2019/193 - 2018/156 Domestic RE: 2019/25 - 2018/27 <w:br />International RE: 2019/67 - 2018/68

- Social

Target/KPI	Progress Achieved
Overall customer satisfaction with our premises	The overall customer satisfaction (1-5/excellent): 2019/3,80 - 2018/3,85

- Governance

Target/KPI	Progress Achieved
Compliance/anti-money laundering, anti-bribery, corruption and economic sanctions regulation	Rent rolls scanned against Dow Jones Risk & Compliance database - no findings
Compliance/anti-money laundering, anti-bribery, corruption and economic sanctions regulation	Construction sites (regulatory inspections) - no findings

- We do not set and/or monitor against targets

PR 09.3 Additional information. [Optional]

The built environment causes significant climate impacts, which need to be taken into account when managing, operating and developing buildings. The life cycle carbon footprint of a building is largely caused during the building's use, but the majority of the choices affecting the carbon emissions during use are made in the construction phase.

In connection with new construction projects, we carry out energy simulations and chart the potential and profitability of renewable energy, especially geothermal heat, as the buildings' energy source. We also draw on construction sector players' experiences with various low-emission construction materials, such as wood, for our own structural engineering.

We started calculating greenhouse gas emissions intensity from new construction in 2016. The calculation is based on CRE 4 standard (greenhouse gas emissions intensity from new construction and redevelopment activity), which is one of the KPI's for real estate. The result for 2019 accounted 120 t CO2e/million euro (2018/121).

During the building maintenance phase, the largest climate impacts stem from energy consumption. In 2019, Ilmarinen continue to apply a carbon footprint measurement, which include also the direct international property holdings. The reduction of carbon footprint is one of the KPI's under the RPI. We believe that the carbon footprint of buildings also affects the users' choices.

Environmental ratings granted by external players are one way of indicating the environmental friendliness of a property. As a result of long-term responsibility efforts, Ilmarinen was one of the first companies to be included in the LEED Volume Programme v4 rating programme. In 2019, we continue to be focus on attaining LEED certification for 7 of our existing properties. Ilmarinen was one of the first companies to be included in the LEED Volume Programme v4 rating programme. The 2019 program, resulted in five certificated properties in Helsinki central business district and one in Keilaniemi, Espoo. In addition, to LEED Volume program, one of the largest office building in Ilmarinen's portfolio was LEED certified. Furthermore, the newly opened shopping center Mall of Tripla was awarded LEED Platinum certificate. Ilmarinen owns 38 % of Mall of Tripla.

In relation to our actions related to reducing the Carbon Foot-printing of our property investments in 2019, we participated in testing the Level(s) framework introduced by EU. Level(s) is a tool for designing and constructing sustainable buildings. Sustainable buildings use less energy and materials and are healthier and more comfortable spaces for occupants. Along with lower environmental impact, sustainable buildings are relatively low cost to run and in the long term, more valuable properties. The focus area in testing was in carbon footprint and resource efficiency. In shopping Centre Sello, of which Ilmarinen owns ca. 25 %, reached carbon neutral operations and was elected as shopping center of the year in Finland 2019.

In 2019, new solar power plant was installed to one residential building in Vuosaari, Helsinki. The plant has 40 kWp capacity and the estimated annual production is 35 MWh. Ilmarinen continues to utilize solar power further. At the moment, 4 residential buildings are designed to include solar power plant.

We require all of our service providers to abide by their contractor's liability, recruit foreign workers in accordance with the Finnish collective agreements, combat the grey economy and adopt safe working practices. We are involved in developing these practices in the real estate and construction industry, for instance, by participating in the working groups of the construction sector association RAKLI and taking part in public dialogue. We also monitor occupational health and safety indicators in property development.

We monitor the customer satisfaction of our office tenants through regular surveys. The surveys measure the satisfaction of the tenants regarding, for example, the functionality and adaptability of the spaces, indoor air quality, location and traffic connections. Overall satisfaction with our premises was at a good level, at 3.85 in 2019. The satisfaction has improved thanks to the extensive renovation programme carried out over the past few years, in which we have focussed on modern, pleasant, energy efficient and healthy office premises.

As a result of Ilmarinen's responsible, sustainable and long-term operations as constructor, Ilmarinen was nominated as the constructor of the year 2019. Ilmarinen was seen as a forerunner in the field of sustainability, environmental aspects and responsibility. The award was nominated by RAKLI ry.

PR 10	Voluntary	Public	Descriptive	PRI 2
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PR 10.1	Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks
---------	---

Yes

PR 10.2	List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.
---------	--

Add certification scheme, rating and benchmark 1

Specify	LEED or equiv.
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input checked="" type="radio"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 2

Specify	Energy efficiency certificate
Proportion of property assets these apply to	<input checked="" type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 3

No

PR 10.3 Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
Reporting to energy efficiency program
- No property specific reporting standards are used

PR 10.4 Additional information.

As property developers, we require at least a LEED Gold or corresponding environmental label for a commercial building. The label sets strict requirements on the selection of building materials, energy efficiency, water consumption, indoor air quality and the location of the building, for example. In 2019, we continued applying LEED certification requirements on our property assets. In connection with the rating process, an energy review will be carried out and improvements will be made in eco-saving operating models, including waste management and cleaning. As a result of long-term responsibility efforts, Ilmarinen was one of the first companies to be included in the LEED Volume Programme v4 rating programme. This year the program resulted in five certificated properties in Helsinki central business district and one in Keilaniemi, Espoo. In addition to LEED Volume program, one of the largest office building in Ilmarinen's portfolio was LEED certified. Further, the newly opened shopping center Mall of Tripla was awarded LEED Platinum certificate. Ilmarinen owns 38 % of Mall of Tripla.

Property developments and major renovations

PR 11	Mandatory	Public	Core Assessed	PRI 2
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PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >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

(by number of active property developments and refurbishments)

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
- Health and wellbeing of residents
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

Extensive warranty periods (beyond the minimum requirements usually applied by the industry), improved building quality, stakeholder dialogues, supply chain issues

PR 11.3	Additional information. [Optional]
---------	------------------------------------

The experts in charge of executing real estate business operations have drawn up design guidelines for property development, which guide the management of environmental issues around property development. We always seek the best expertise in property development and select our co-operation partners on a case-by-case basis.

The issues covered in these guidelines include property lifecycle extension (incl. flexibility of interior spaces), energy and material efficiency, environmental certificates, waste management (during and after construction), building quality, tax and corruption avoidance prevention. These guidelines are stated to the project group in the beginning of renovation and project development process.

In addition to energy efficiency, buildings also have other impacts on their users. In 2019 we continued working closely with the Finnish Association of People with Physical Disabilities, charting the accessibility for all, in relation to our properties. The work was started from residential buildings. We own around 4,000 flats and 100 commercial and office buildings. We want to make sure that tenants can live and work in our properties as long as possible. With the aging population, accessibility and assistive solutions are rapidly becoming increasingly important as competitive advantages, for example.

Occupier engagement

PR 12

Mandatory

Public

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

(in terms of number 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
- Health and wellbeing of residents
- Offer green leases
- Other, specify

PR 12.3

Additional information. [Optional]

On a yearly basis Ilmarinen takes part in the domestic energy saving week. During that week we inform our tenants about energy saving issues and offer additional information on subject. Ilmarinen has done campaigns on energy efficiency and waste management to our residential customers. For our retail, office and industrial property customers we have provided with training and consultancy services on energy, water and waste efficiency.

As a part of LEED Volume Programme v4 rating process, an energy review will be carried out and improvements will be made in eco-saving operating models, including waste management and cleaning. The rating takes into account the activities of the property's occupants and experiences of the interior conditions of the building, which are studied through a user survey. In 2019 Ilmarinen reported 5 252 MWh/a saving's and cumulatively 16 730 MWh/a. Ilmarinen has already reached and clearly exceeded the target for 2020, also considering the actions that will be outdated. For the target 2025 Ilmarinen has achieved 77 % of the target, when actions to be outdated are subtracted from the cumulative amount.

The restructuring of the property management operations has had positive impact on managing the ESG issues. One key element was to introduce Energy Management function as a separate entity to manage, develop and report energy efficiency. In the letting activities Ilmarinen has set controls to prevent shadow economy, money laundering and other ways of using premises for criminal purposes. We will continue improving the management of daily energy consumption by connecting more properties to the energy manager's remote management system

In addition to energy savings Ilmarinen pays attention to water use. The water intensity of buildings in use was approximately at the same level as in 2018. The actions to reduce the water consumption remains the same. The basic action taken in order to reduce water consumption is replacing the water fixtures with low-flow fixtures. We work closely with tenants throughout the life cycle of the investment and cooperate in improving environmental issues, for example, by financing energy-efficient solutions. All of our properties for rent have an energy performance certificate.

PR 13	Voluntary	Public	Additional Assessed	PRI 2
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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.
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- >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

(in terms of number of leases or MoUs)

PR 13.2	Additional information.
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We believe that clients will select properties that take environmental issues into consideration. However, in Finland green leases are not yet an industry practice.

Community engagement

PR 14	Voluntary	Public	Additional Assessed	PRI 2
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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.
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- >90% of property assets
- 50-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number 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.
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- 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
Public discussion

PR 14.3	Additional information.
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In 2019 the debate of expanding the pedestrian areas in Helsinki city center and building a new traffic tunnel from west to east under the city center continues. As one of the largest real estate owners' in the Helsinki city center area, Ilmarinen continues to be involved in this debate. Ilmarinen chaired discussion groups and held media meetings where the topic was discussed. Ilmarinen participated testing the Level(s) framework introduced by EU. Level(s) is a tool for designing and constructing sustainable buildings. Sustainable buildings use less energy and materials and are healthier and more comfortable spaces for occupants. Along with lower environmental impact, sustainable buildings are relatively low cost to run and in the long term, more valuable properties. The focus area in testing was in carbon footprint and resource efficiency.

In shopping Centre Sello, of which Ilmarinen owns ca. 25 %, reached carbon neutral operations and was elected as shopping center of a year in Finland. In 2019, new solar power plant was installed to a residential building in Vuosaari, Helsinki. The plant has 40 kWp capacity and the estimated annual production is 35 MWh. Ilmarinen's building headquarters continues to be powered by solar. At the moment, 4 residential buildings are designed to include solar power plant.

As a result of Ilmarinen's responsible, sustain and long-term operations as constructor, Ilmarinen was nominated as the constructor of the 2019. Ilmarinen was seen as forerunner in the field of sustainability, environmental aspects and responsibility. The award was nominated by RAKLI ry.

Furthermore, we have been involved in delivering public presentations and media interviews on sustainability issues in property development.

Outputs and outcomes

PR 15	Voluntary	Public	Additional Assessed	PRI 1,2
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PR 15.1	Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.
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- 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.
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Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

None of the above

PR 15.3	Describe how you are able to determine these outcomes.
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Ilmarinen does not have a specific measure on how ESG issues impact funds' financial performance. Based on the benchmark (KTI) Ilmarinen's domestic holdings has outperformed the market during the recent years, in respect of occupancy rate. Ilmarinen believes that tenants will choose environmentally efficient buildings and locations as their preferred premises.

PR 16	Voluntary	Public	Descriptive	PRI 1,3
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PR 16.1	Provide examples of ESG issues that affected your property investments during the reporting year.
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Add Example 1

ESG issue	Environmental / Energy savings
Types of properties affected	Domestic direct holdings (Residential, Office, Retail, Logistics and Other)
Impact (or potential impact) on investment	Calculated effect of energy savings measures on energy consumption: Reported energy saving actions with a total effect of 5 252 MWh/year in 2019 (2018/2760).
Activities undertaken to influence the investment and the outcomes	<p>In 2019 Ilmarinen reported 5 252 MWh/a saving's and cumulatively 16 730 MWh/a. Ilmarinen has already reached and clearly exceeded the target for 2020, also considering the actions that will be outdated. For the target 2025 Ilmarinen has achieved 77 % of the target, when actions to be outdated are subtracted from the cumulative amount.</p> <p>The restructuring of the property management operations has had positive impact on managing the ESG issues. One key element was to introduce Energy Management function as a separate entity to manage, develop and report energy efficiency. In the letting activities Ilmarinen has set controls to prevent shadow economy, money laundering and other ways of using premises for criminal purposes. We will continue improving the management of daily energy consumption by connecting more properties to the energy manager's remote management system</p>

Add Example 2

ESG issue	Environmental / Reducing the water consumption
Types of properties affected	Domestic direct holdings (Residential and Commercial). International direct holdings (Commercial)
Impact (or potential impact) on investment	<p>The water intensity of buildings in use has been declining (m3/m2/year):</p> <ul style="list-style-type: none"> • Domestic Residential: 2019/1,07 - 2018/1,09 • Domestic Commercial: 2019/0,26 - 2018/0,21 • International RE: 2019/0,57 - 2018/0,47
Activities undertaken to influence the investment and the outcomes	For example replacing the water fixtures with low-flow fixtures.

Add Example 3

ESG issue	Social / Customer satisfaction
Types of properties affected	Domestic holdings (Commercial)
Impact (or potential impact) on investment	<p>The level of overall customer satisfaction has been improving. The results have been carefully monitored and actions taken to be able to increase the satisfaction even more.</p> <ul style="list-style-type: none"> The overall customer satisfaction (1-5/excellent): 2019/3,85 - 2018/3,84
Activities undertaken to influence the investment and the outcomes	<p>The re-structuring of the property management service chain and the increased outsourced resources on technical management has had positive effect on the level of customer satisfaction. Ilmarinen continues to pay careful attention to the service chain and is seeking ways to increase the level of customer satisfaction.</p>

Add Example 4

Add Example 5

Ilmarinen Mutual Pension Insurance Company

Reported Information

Public version

Confidence building measures

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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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 correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of 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)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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CM1 02.1 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
- None of the above, we were in our preparation year and did not report last year.

CM1 02.2 Whole report was assured in last year's PRI Transparency Report

Who has conducted the assurance

EY

Assurance standard used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

Link to external assurance provider`s report

{[hyperlink:https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2019/annual_and_sustainability_report_2019_final.pdf](https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2019/annual_and_sustainability_report_2019_final.pdf)}

CM1 02.2

Selected data was assured in last year`s PRI Transparency Report

What data has been assured

- Financial and organisational data
- Data related to RI activities
- RI policies
- RI processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Relevant modules

- Organisational Overview
- Strategy and Governance
- Indirect – Manager Selection, Appointment and Monitoring
- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income
- Direct - Property

CM1 02.3

Additional information [OPTIONAL]

The data used was assured by EY. This data was then used in the PRI transparency report 2019. The assurance report can be found on page 60 of the sustainability report of 2019.

CM1 03	Mandatory	Public	Descriptive	General
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CM1 03.1 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

CM1 03.3 Provide a link to the public report (such as a sustainability report that you carry out third party assurance over and for which you have used extracts of in this year's PRI Transparency Report. Also include a link to the external assurance provider's report.

Link to sustainability, RI, or integrated report [URL]

{hyperlink:https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2019/annual_and_sustainability_report_2019_final.pdf}

Link to external assurance provider's report [URL]

{hyperlink:https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2019/annual_and_sustainability_report_2019_final.pdf}

- ESG audit of holdings
- Other, specify
- None of the above

CM1 03.5 Additional information [OPTIONAL]

External assurance report is on page 60 of our 2019 Sustainability report.
https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2019/annual_and_sustainability_report_2019_final.pdf

CM1 05	Mandatory	Public	Descriptive	General
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CM1 05.1 Provide details related to the third party assurance over selected responses from this year's PRI Transparency Report and/or over data points from other sources that have subsequently been used in your PRI responses this year

What data has been assured

- Financial and organisational data
- Data related to RI activities
- RI Policies
- RI Processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Relevant modules

- Organisational Overview
- Strategy and Governance
- Indirect – Manager Selection, Appointment and Monitoring
- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income
- Direct - Property

Who has conducted the assurance

The PRI report has been internally assured by CIO. The Sustainability report has been assured by EY in its entirety (pg 60).

Assurance standard used

- ISAE/ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ISAE/ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

Please provide:

Link to external assurance provider's report [URL]

{[hyperlink:https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2019/annual_and_sustainability_report_2019_final.pdf](https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2019/annual_and_sustainability_report_2019_final.pdf)}

Attach a file

[File 1:PRI-raportista_CIO_SIGN-OFF.pdf](#)

CM1 05.2

Additional information [OPTIONAL]

The relevant asset class directors have checked their asset class responses. After which our Deputy CEO, CIO has signed off the 2019 PRI report (attachment provided).

CM1 07	Mandatory	Public	Descriptive	General
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CM1 07.1 Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

CEO or other Chief-Level staff

Sign-off or review of responses

- Sign-off
- Review of responses
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)