



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in & company's internal ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage internal staff</p>		

RI TRANSPARENCY REPORT

2019

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 2019 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		✓	-							
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	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Public							✓
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	🔒	n/a							✓
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)	🔒	n/a	✓						
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	✓	Private	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
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	-	n/a	✓	✓					
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	
CM 01	Assurance, verification, or review	✓	Public						✓	
CM 02	Assurance of last year's PRI data	✓	Public						✓	
CM 03	Other confidence building measures	✓	Public						✓	
CM 04	Assurance of this year's PRI data	✓	Public						✓	
CM 05	External assurance	✓	Public						✓	
CM 06	Assurance or internal audit	🔒	n/a						✓	
CM 07	Internal verification	✓	Public						✓	
CM 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

613

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

31/12/2018

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		46	024	009	686
Currency	EUR				
Assets in USD		52	508	476	545

Not applicable as we are in the fund-raising process

OO 06	Mandatory	Public	Descriptive	General
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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%	10-50%
Private equity	<10%	<10%
Property	10-50%	<10%
Infrastructure	<10%	<10%
Commodities	0	0

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

'Other (1)' specified

This includes trading strategy, variance, correlation and volatility of equity, FX or commodity - products; also inflation, interest rate difference, loans to customers and insurance.

OO 06.2

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

	12/2018 Basic breakdown		12/2018 Risk breakdown		12/2018 Return		Volatility
	EUR mill.	%	EUR mill.	%	%		
Fixed-income investments	17,360.7	37.7	14,035.1	30.5	0.0		
Loan receivables	954.0	2.1	954.0	2.1	3.4		
Bonds	14,695.0	31.9	3,652.1	7.9	-0.3	1.6	
Public corporation bonds	5,101.2	11.1	4,209.0	9.1	-1.5		
Other bonds	9,593.8	20.8	-556.9	-1.2	0.4		
Other money market instruments and deposits (incl. investment receivables and payables)	1,711.7	3.7	9,429.0	20.5	1.3		
Equities and shares	19,692.1	42.8	19,632.3	42.7	-3.6		
Listed equities and shares	14,997.4	32.6	14,937.5	32.5	-9.7	8.9	
Private equity investments	3,752.3	8.2	3,752.3	8.2	18.0		
Non-listed equities and shares	942.4	2.0	942.4	2.0	28.8		
Real estate investments	6,096.4	13.2	6,113.5	13.3	6.0		
Real estate investments	5,508.0	12.0	5,508.0	12.0	5.3		
Real estate funds and joint investments	588.4	1.3	605.5	1.3	11.8		
Other	2,874.8	6.2	6,424.8	14.0	-10.1		
Hedge fund investments	2,000.2	4.3	2,000.2	4.3	2.9	3.9	
Commodity investments	20.1	0.0	99.8	0.2			
Other investments	854.6	1.9	4,324.8	9.4	-26.6		
Investments total	46,024.0	100.0	46,205.7	100.4	-1.4	3.1	
Effect of derivatives			-181.7	-0.4			
Investments at current value	46,024.0		46,024.0	100.0			

The modified duration of bond investments is 0.3 years

The open currency position is 20.6% 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 (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	30
	Corporate (financial)	35
	Corporate (non-financial)	35
	Securitised	0
	Total	100%
Externally managed	SSA	10
	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%
[h] Infrastructure	<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 type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%
[p] Other (1), specify	<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.

	Developed Markets	90
	Emerging Markets	10
	Frontier Markets	0
	Other Markets	0
	Total 100%	100%

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 can engage with e.g supranational and government agencies. During 2018 there was no such engagements.

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.

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

We did not have fixed income investments in the financial institutions that we chose to engage with in line with our policy during the reporting year. This can vary from one year to another so we may have engagements with fixed income corporate (financial) names during other reporting years.

Fixed income Corporate (non-financial) – engagement

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

OO 11	Mandatory	Public	Gateway	General
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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.

Private equity

- 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.

Forestry

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

Cash

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

Other (1)

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

'Other (1)' [as defined in OO 05]

This includes trading strategy, variance, correlation and volatility of equity, FX or commodity - products; also inflation, interest rate difference, loans to customers and insurance.

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="555 342 1500 423">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <li data-bbox="555 439 1281 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <li data-bbox="555 481 1318 508"><input type="checkbox"/> We incorporate ESG into our external manager appointment process <li data-bbox="555 524 1473 551"><input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <li data-bbox="555 566 1299 593"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <li data-bbox="555 609 932 636"><input type="checkbox"/> We do not do ESG incorporation
Fixed income - SSA	<p data-bbox="555 701 1500 781">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <li data-bbox="555 797 1281 824"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <li data-bbox="555 840 1318 866"><input type="checkbox"/> We incorporate ESG into our external manager appointment process <li data-bbox="555 882 1473 909"><input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <li data-bbox="555 925 1299 952"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <li data-bbox="555 967 932 994"><input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial)	<p data-bbox="555 1059 1500 1162">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <li data-bbox="555 1178 1281 1205"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <li data-bbox="555 1220 1318 1247"><input type="checkbox"/> We incorporate ESG into our external manager appointment process <li data-bbox="555 1263 1473 1290"><input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <li data-bbox="555 1305 1299 1332"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <li data-bbox="555 1348 932 1375"><input type="checkbox"/> We do not do ESG incorporation
Private equity	<p data-bbox="555 1440 1500 1520">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <li data-bbox="555 1536 1281 1563"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <li data-bbox="555 1579 1318 1606"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <li data-bbox="555 1621 1299 1648"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <li data-bbox="555 1664 932 1691"><input type="checkbox"/> We do not do ESG incorporation

Property	<p>Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Infrastructure	<p>Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Hedge funds	<p>Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Other (1)	<p>Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

OO 11.4

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

Selecting an asset manager and fund

The best opportunity to impact a fund's operating principles is at the investment process stage because the key decision-making power will be transferred to the fund management company after the investment has been made. When selecting funds, we extensively evaluate the implementation of a responsible investment policy.

Our minimum requirements for asset managers 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 them during the co-operation in compliance with the agreement.

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/programme for the asset class, to be a positive factor.

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

Asset manager monitoring

We annually monitor the compliance of each asset manager or fund with the 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 the sustainability performance of the investments and their impacts, and to report on the sustainability of the asset managers' responsible investment practices and the sustainability of the investees.

Ilmarinen does not currently make new investments in real estate funds. The existing investments will mature within the space of a few years. They are monitored to a lesser extent than fund classes in which Ilmarinen makes new investments.

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.
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	Core modules
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- Organisational Overview
- Strategy and Governance

	RI implementation directly or via service providers
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	Direct - Listed Equity incorporation
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- Listed Equity incorporation

	Direct - Listed Equity active ownership
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- Engagements
- (Proxy) voting

	Direct - Fixed Income
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- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

	Direct - Other asset classes with dedicated modules
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- Private Equity
- Property
- Infrastructure

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
- Infrastructure

Closing module

- Closing module

Peering questions

OO LE 01	Mandatory	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.
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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.

Percentage of internally managed listed equities

Strategies	Percentage of internally managed listed equities
Passive	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Active - quantitative (quant)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Active - fundamental and active - other	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total 100%	

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

All active strategies

- Yes
- No

OO FI 01	Mandatory	Public	Gateway	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 01.1 Provide a breakdown of your internally managed fixed income securities by active and passive strategies

Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
SSA	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

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.

SSA	Developed markets	60
	Emerging markets	40
	Total	100%

OO FI 03.2 Indicate the approximate (+/- 5%) breakdown of your corporate and securitised 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 checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input 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%

OO PE 01	Mandatory	Public	Descriptive	General
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OO PE 01.1	Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.
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Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

Other investment strategy, specify (1)

Co-investments

OO PE 02	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PE 02.1 Indicate the level of ownership you typically hold in your private equity investments.

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

OO PR 01	Mandatory to Report Voluntary to Disclose	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%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a limited minority stake (<10%)
- a mix of ownership stakes
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

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

- >50%
- 10 – 50%
- <10%
- 0%

OO PR 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, logistics, elderly care and parking properties.

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

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 type="radio"/> Applicable policies cover all AUM <input checked="" 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 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.

ESG analysis is part of the investment selection. 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 rating standards created by third parties, which we integrate in our in-house analysis complemented by multiple internal and external sources. As well as integrating environmental, societal and governance aspects, we expect the companies we invest in to comply with global norms and related international declarations concerning human rights, labor rights, the environment and corruption. In addition, we actively hold discussions with our investees with the goal of improving sustainability and addressing controversies. If the company we invest in, fails to comply with the UN Global Compact, for example, we will deepen our dialogue into an engagement process that aim at ending the undesirable activity and the adoption of responsible procedures. Our policy covers all asset classes to some degree apart from the ones that we are prohibited by law to use ESG screens or other ESG methodology.

In 2018, we introduced a new responsible investment concepts where the responsible investments principles are divided into three sub-categories: environmental, human rights and ownership principles.

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]

At the beginning of 2017, we introduced, on a broad scale, ESG benchmark indices with a focus on responsibility. Both the ESG index and ratings are developed and maintained by MSCI. The index includes the companies with the best sustainability rating in each sector and area that represent 50 per cent of the market value of the corresponding parent index. Companies that manufacture, for example, tobacco products or controversial weapons, and companies that have committed serious breaches of international norms are excluded from the indices. The new ESG benchmark indices cover roughly half of Ilmarinen's portfolio of listed equities. The introduction of ESG benchmark indices creates an even closer link between responsibility and investment practice. We compare part of the investment returns internally against the benchmark. On a global scale, ESG indices are rarely used this extensively. That is why our decision garnered positive attention in the global media in 2017.

In 2018 we have been building on from our previous success, with an ambitious new concept, where we approach responsible investment topics using thematic approach instead of the more traditional asset class based approach. It is important that we not only take advantage of progressive concepts, but more importantly continue assessing companies' impact, beyond standard ESG practices and impacts. In 2018 we have been developing a thematic approach to our responsible investment principles. By continuing to use the UN

Sustainable Development Goals (SDGs) as a useful impact tool, we are expanding our capabilities to assess companies that are positively impacting society beyond ESG related compliance and investing.

Furthermore, we are expanding our Carbon footprinting capabilities, and continue our reporting commitments by supporting the Montreal Pledge. During 2018 we have gradually incorporated our reporting responsibilities in line with the reporting recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) framework. We want to continue to build on our analytical capabilities and disclosure responsibilities, by incorporating the best practices in the representation of our carbon footprint information. We believe this to be one key focus for us in 2019 given the challenges and limitations of current carbon footprinting metrics.

In relation to our carbon footprint disclosure responsibilities, we use an external service provider to get the best estimate of the carbon intensity of our portfolio. It is widely accepted that carbon footprints have their limits and weaknesses, in particular if they are intended to serve as a measure of risk to an investor's portfolio.

Our assumptions of these challenges are rooted in the fact that carbon footprint data is backward-looking, and that there are significant variations in the estimates that different research firms provide in the disclosure of a company's emissions. It is therefore important to increase our analytical expertise and reporting capabilities so as to better understand the climate risks and opportunities of our investments that capture a forward-looking component in our Carbon footprinting analysis. Furthermore, it is our view that TCFD's recommendation will spur improvements in the use of climate footprint analysis. Therefore, the TCFD reporting recommendations offers a good platform in addressing these challenges given that our own reporting, has taken TCFD reporting recommendations into account wherever possible.

In 2018, The Board of Directors approved, Ilmarinen's Human Rights principles. Human rights are an integral part of all Ilmarinen's operations and it is therefore natural that they are also better defined in investment activities. We therefore, expect our investees to comply with our Human Rights policy as defined by international agreements and declarations. These rights apply equally to all regardless of sexual orientation, gender, religion, ethnicity or wealth. Our Human Rights Policy, outlines how human rights are applied in our investment decisions, while the practical guidelines represent how the policy impacts portfolio management.

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	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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We continuously develop our progressive and systematic approach for taking climate change impacts into account. This helps us to reach our investment targets and take into account the limit set by the climate on the economy.

On direct Investments in companies: We expect the companies of which we have direct investments in, to:

- a. Report openly on the carbon footprint and other climate impacts of their operations; on listed companies, for example, through the CDP (Carbon Disclosure Project), which promotes commensurable reporting for investors or TCFD.
- b. 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.

In addition, our assessments take into consideration the company's size and business sector, which influence the companies' opportunities for extensive reporting, among other things.

In working towards our climate targets (climate policy roadmap 2016-2020), we continuously update our climate principles in engagement with stake-holders. Our objective is to support development that promotes climate change mitigation and adaptation measures in terms of legislation and exploiting business opportunities. In practical terms, this means bringing climate perspectives to the forefront in meetings with our various stakeholders and create collaborative initiatives.

Our climate targets are based on a range of measures that aid the assessment of climate-related risk and opportunities into the investment strategies. This includes seeking investees that benefit from the business opportunities brought by climate change and which also fulfill the financial criteria for investments, we automatically give a weak sustainability rating to companies for which coal accounts for at least 30% of their net sales or energy production. In addition, we can invest in these companies only if they have credible plan to reduce their coal use in

the future. In our interactions, we seek to ensure that our key investees report on their carbon footprint. Furthermore, we engage in active dialogue with our investees and our asset managers to promote a transition to a low-carbon economy and to lower the climate risks of our investments. We also carry out comparisons of our investments in line to the goals of the Paris Climate Agreement.

When it comes to our real estate investments, we use geothermal energy in several of our properties. We are continuously, looking to improve energy efficiency having signed the energy efficiency agreement for the property sector for the 2017-2025. 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. Furthermore, we conduct life-cycle carbon footprint analysis for all our new construction, on the basis of which we develop our planning solutions for future sites.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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The associated timescales for the risks and opportunities are based on our 2016 - 2020 climate policy roadmap. We are currently, developing our strategies in 2019 that will subsequently follow and build on from our 2016 to 2020 climate policy road map.

At the end 2018, WWF published a report on European Asset owners climate alignment commitment to the Paris agreement of keeping global warming under 1.75 degree Celsius (placed to five year). In the report Nordic Investors were highlighted for their transparency in their willingness to publish climate alignment results. We remain fully committed to disclosing our carbon footprinting information and on future climate risk related collaborations.

We continue to develop our climate-related risk and opportunity analysis by utilizing different types of climate scenarios, given the evolving challenges related to the analysis and methodologies of climate related investments. Throughout 2018, we developed a TCFD-light framework, of which has been gradually integrated into our investment decision process so as to increase our risk management expertise and analytical capabilities in our climate scenario reporting commitments.

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

Describe

We have an environmental policy and environmental guidelines that gives us the capacity in establishing a progressive and systematic approach for taking climate change impacts into account. This helps us formulate our views, measure our impact and, ability to engage so as to reach our investment targets and material climate-related risks and opportunities. The policy is approved by the Board and the guidelines by the Responsible Investment Committee, meaning that the support and buy-in for our climate work is coming from top management.

Our environmental policy covers our climate principles in investment operations and views about the impacts of climate change on investments

In our view:

- Climate change will alter how the economy and companies operate in the coming years.
- Climate change is linked to business and investment opportunities, for instance in low-carbon technology and in mitigating and adapting to climate change.
- Climate change is a significant financial risk for investment operations that could be realized, for instance, if legislation increases companies' expenses, investors begin avoiding certain companies or sectors on the basis of estimated climate risks and/or the concrete impacts of climate change weaken companies' operating environment.

Climate principles in engagement with stakeholders: We actively participate in societal dialogue. Our objective is to support development that promotes climate change mitigation, adaptation to it and adopting means that are appropriate in terms of legislation and exploiting business opportunities.

Transparency principles in reporting: Openness is one of Ilmarinen's values and it also relates to reporting on the climate impacts of our investment operations. We have signed, among other things, the Montreal Pledge, on the basis of which we have committed to reporting on the carbon footprint of our investments every year. We annually publish a Sustainability Report, in which we also report on the climate impacts of our investments. We encourage our investee companies to report extensively on factors that are significant in terms of business, in addition to traditional financial reporting.

Climate targets: We continuously update our understanding of the risks related to climate change in our investment operations. We do this mainly via various analyses, by training key personnel, and by holding discussions with representatives of our investees, customers and co-operation partners. Ilmarinen's responsible investment executive committee approves the practical implementation, guidelines and longer term target levels linked to the Climate Policy.

Our TCFD-light report, is available on page 28 onwards on our Sustainability report 2018.

Link: https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.pdf

No

**SG 1.12
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 2018.

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

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

Attachment (will be made public)

Attachment

[File 1:responsible_investment_policy_2019.pdf](#)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/ilmastoperiaatteet-10_2017_en.pdf

Attachment (will be made public)

Attachment

[File 1:ilmastoperiaatteet-10_2017_en.pdf](#)

Formalised guidelines on social factors

URL/Attachment

URL

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

Attachment (will be made public)

Attachment

[File 1:responsible_investment_policy_2019.pdf](#)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

Attachment (will be made public)

Attachment

[File 1:responsible_investment_policy_2019.pdf](#)

Fiduciary (or equivalent) duties

URL/Attachment

URL

URL

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

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

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

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

URL/Attachment

- URL

URL

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

- Attachment (will be made public)
- Engagement policy

URL/Attachment

- URL

URL

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

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

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

Attachment

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

URL/Attachment

URL

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

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

Attachment

Active ownership approaches

URL/Attachment

URL

URL

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

Attachment

Reporting

URL/Attachment

URL

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

Attachment

Climate change

URL/Attachment

URL

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/ilmastoperiaatteet-10_2017_en.pdf

Attachment

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. In 2018, we introduced a new responsible investment concept where the responsible investments principles are divided into three sub-categories: Environmental, Human Rights and Ownership principles. These principles, gives us a practical approach in aligning Ilmarinen's responsibility assessments of environmental, societal and governance issues in our investment decisions.

Link to the principles: https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

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

Link to the guidelines: https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_guidelines_2019.pdf

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

<https://www.ilmarinen.fi/en/ilmarinen/investments/responsible-investment-policy/>

And link to our Sustainability report 2018: https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.pdf

SG 03	Mandatory	Public	Core Assessed	General
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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 "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/sijoitukset/omistajaohjaus/>

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

SG 04

Voluntary

Public

Descriptive

General

SG 04.1

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

- Yes
 No

SG 04.2

Describe your process on managing incidents

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 uses the UN Sustainable Development Goals (SDG) as useful impact tool in assessing solution-oriented business models as well as, understanding pressing global challenges. Together with the UN SDG's we also factor in Environmental, Societal and Governance in our investment decisions. These themes are guided by three main requirements - following international norms, Active ownership/dialogue and integrating sustainability performance 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.

Integrating environmental, social and governance risk and opportunities when analyzing a company or fixed income instrument is vital in creating an enhanced viewpoint in terms of return on investment and risks. Due to the significance of responsibility for the financial success of our investees, we consider it to be important for our portfolio managers, in charge of making investment decisions, to participate in the analysis and identification of sustainability factors. As part of the investee investigation process, we use sustainability indices, ratings and expert external analysis to complement our analysis, targets and findings.

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. The committee prepares, decides on and co-ordinates Ilmarinen's key ownership policy and responsible investment principles. The ownership policy committee includes the President, the CEO, the CIO and representatives of the investment, legal and communications functions. It convened four times during 2018.

SG 06	Voluntary	Public	Descriptive	General
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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
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation
- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes

Key performance indicator

Further integration of TCFD reporting recommendations in Ilmarinen's climate-related risk and opportunities.

Progress achieved

Developed a TCFD-light to be integrated into our investment decision processes. One of TCFD's key recommendations is to take into account different climate warming scenarios in a changing business environment and through different perspectives. Ilmarinen utilizes various climate scenarios in the background analysis of investment activities. We also believe that it is important to carry out various scenario analyzes of the structure of the portfolio. However, we are also aware of certain challenges such as, the limited disclosure of carbon emissions by companies, the practical challenges that come with carbon footprint analysis, such how to treat the three carbon emission scopes, and the different methodologies associated with measuring the material impacts from carbon emissions.

We consider our operations to be largely in line with TCFD policies. Calculations and the reporting of scenario analysis are specific challenges that we continue to be critical of since it impacts the reliability of information. These challenges can be seen, for example, in the calculation of the carbon footprint of a portfolio, where it is possible to obtain different results depending on the calculation method. We want to disclose the most realistic picture of our carbon foot-printing data.

Other, specify (1)

Developing a new concept in Responsible investment policies.

Key performance indicator

New concept approved by board of directors

Progress achieved

In 2018 we developed a new concept based on approaching responsible investment topics using a thematic approach instead of the more traditional asset class based approach. The importance of this is that it helps us continue assessing companies' impact, beyond standard ESG practices and impacts. In addition, the Responsible Investment committee approved guidelines for Environmental, Human Rights and Ownership to further support our Responsible Investment Policy.

Other, specify (2)

other description (2)

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

Key performance indicator

Use of the UN Sustainable Development Goals (SDG) .

Progress achieved

The SDGs and solution-oriented business models are part of Ilmarinen's responsibility assessments and objectives . Due to the fact that the goals are interconnected, 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. The goal for 2019 is to focus on promoting a few SDGs that have the largest impact and are the most important for us. There are range of measures we monitor and calculate in line with our responsible objectives. For example, in 2018, the number of companies we interacted and contacted regarding environmental or social issues, was 101 (an increase of 17% from last year).

One of our corporate values is openness and therefore we publish a lot of information on our investments. SDG related information can be found on pg 34 of our Sustainability report.

Link: https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.pdf

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

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- 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 portfolio's carbon intensity (tCO₂e/EUR 1 mill. net sales). In 2018, we recorded an increase in carbon intensity levels of 265 (tCO₂e/EUR 1 mill. net sales) from 215 (tCO₂e/EUR 1 mill. net sales) in 2017. We also acknowledge that in 2018 we recently changed calculation methods and service provider of our carbon footprint calculation. During 2018 we underwent two mergers which have an impact in the portfolio. We remain committed to minimizing our carbon footprint according to our KPI's.

- Other, specify (1)

Other description (1)

Passive investment strategies using ESG ETF's

Key performance indicator

Improved ESG incorporation in passive products.

Progress achieved

Another exciting development that we have been working on in 2018, is in increasing ESG options in the passive investments space. We have developed a cost efficient ESG ETF offering that helps us achieve an active ESG approach in our passive investment strategies. We wanted ETF products that incorporate ESG factors in a pragmatic and efficient way. Taking material and relevant ESG data into account helps us achieve our goal of investing pension assets so that the return also secures the pensions of the future generations. Investments of the ESG ETF's will be realised in 2019.

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

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Climate policy road-map 2016-2020

Progress achieved

In accordance with our Climate Policy, we joined the Climate Action 100+ co-operation launched in 2018 . The international investor initiative aims at engaging with more than a hundred of the world's largest producers of greenhouse gas emissions . The emission data is based on data collected by Carbon Disclosure Project (CDP) . In 2018, the initiative involved 310 investors with combined investment assets of more than EUR 32 trillion dollars . Investors have teamed up to engage with the 100 largest companies in various ways .

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 06.2

Additional information.

RI objectives have been broadly governed by three key principles:

1. Following international norms
2. Active ownership/dialogue
3. Integrating sustainability analysis into investment decisions

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

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.

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. External managers implement RI activities as appropriate within the asset class and capabilities.

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

Number

2

SG 07.4 Additional information. [Optional]

During 2018 we increased our RI resources to two 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	Voluntary	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 for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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Environmental principles which include climate principles are approved by Ilmarinen's board. Oversight lies therefore on the board level. Climate principles are identified from a top down perspective, taking into account the risks and opportunities related to climate-change impacts. The board is presented with climate related findings at least twice a year as part of reporting and Responsible Investment policy approvals.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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The Responsible Investment Executive Committee is responsible in deciding long-term climate-related issues that are within our Responsible Investment policy and environment guidelines. This involves discussing, defining and developing how in practice the risks and opportunities are integrated on the portfolio management level, including 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	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

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
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

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

- Basic
- Moderate
- Advanced

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

During 2018 we participated in some collaborative engagement activities by co-signing letters to companies requesting them to report to CDP and sending out these letters to Finnish companies. Furthermore, we publicly endorsed CDP and we continued using their research and data across our initiatives.

CDP Forests

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]

During 2018 we participated in some collaborative engagement activities by co-signing letters to companies requesting them to report to CDP and sending out these letters to Finnish companies.

CDP Water

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]

During 2018 we participated in some collaborative engagement activities by co-signing letters to companies requesting them to report to CDP and sending out these letters to Finnish companies.

- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

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]

We have attended some of their events in 2018.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

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

Climate Action 100+

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]

In 2018, as part of the Climate Action 100+ Ilmarinen along with other collaborating investors, including ATP, Candriam Investors Group, Domini Impact Investments, PFA, Trillium Asset Management, and Varma Mutual Pension Insurance Company is engaged with Siemens. In Q4 of 2018, investors held a call with Siemens' chair, during which Climate Action 100+ was raised. This was followed up by another call with the chair during the week of 21-25 January (2019) and another meeting with management planned wherein they intended to discuss more details about Climate Action 100+.

- Other collaborative organisation/initiative, specify

Climate Leadership Coalition

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 2018.

- Other collaborative organisation/initiative, specify

Climate partners, City of Helsinki and The Montreal Pledge

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]

In 2018, we signed the Montreal Pledge, on the basis of which we have committed to reporting annually on the carbon footprint of our portfolio.

We are part of the Climate partners network created by the City of Helsinki and Finnish industry. The network of more than 60 companies and support members is committed to reducing their greenhouse gas emissions and mitigating climate change.

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.

%

90

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

Visiting lectures on RI in academic courses

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

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

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
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- 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

	specify description
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Participated in face-to-face meetings with various policy groups, expert group members from the EU sustainable finance task force.

SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
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- Yes, publicly available
- No
- No

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
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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 undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

Describe

We continued, among other things, to identify investment opportunities related to sustainable development, and looked into the development of the sustainability analysis concerning our key investees. We have developed sustainability analyses on selected sectors and continue identifying investment opportunities.

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

Describe

We calculate and measure the carbon footprints of our equity and corporate bond portfolios. Using third party research providers, we analyze the climate risk of our investments based on different asset classes against the International Energy Agency (IEA) climate change scenario modelling.

- No, not to assess future ESG/climate-related issues

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

In 2018 we added a new concept, where we developed responsible investment topics using thematic approaches instead of the more traditional asset class based approach.

- We do not consider ESG issues in strategic asset allocation

SG 13.3

Additional information. [OPTIONAL]

SG 13 CC

Voluntary

Public

Descriptive

General

SG 13.4 CC

Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment
- Incorporation into investment analysis

Describe

We have done a few scenario analyses, but in our view, we would like to build on the number of scenarios and explore different methodologies as we gradually integrate our climate actions in portfolio management. At present, scenario analysis provide useful information, especially for investment meetings, influencing processes, and help identify cases that require further clarification among investment targets.

For example, our investments in power companies and fossil fuel producers were in line with the two-degree scenario during the 2015-2020 assessment period, but car manufacturing companies were not. Ilmarinen's investee energy companies are estimated to produce more energy using renewable sources and less coal than meeting the two-degree target would require. The challenge of the automotive industry currently concerns all major global car manufacturers. The analysis at the moment is comprehensive for all three of these industries. Beyond those sectors, we actively monitor any new analyses that are offered. Our long-term goal is continue insuring that our investments are in line with the two-degree scenario and additional scenarios' that outline different possible futures for the energy system across all fuels and technologies. Thus, we will conduct analyses moving to 1.5 and 1.75 degree Celsius scenarios going forward.

Inform active ownership

Describe

For us, active ownership entails, among other things, active participation in the General Meetings and Board nomination processes of the companies we own, active dialogue with their management and engagement to further their corporate responsibility. In our Ownership Policy, we disclose what we expect from Finnish companies as an owner and how we play our role as an active owner. For example, we consider it important that the companies openly report on their operations, disclosing, in addition to financial information, information about their governance, their corporate responsibility principles, their tax footprint and their diversity principles. We also specify our expectations concerning the agendas of General Meetings, the remuneration systems and the composition of the Board of Directors.

We annually report on our website our participation in the General Meetings of listed Finnish companies and the votes casted, if any. During 2019 we will also be publishing our participation in foreign and EGM. We expect any extraordinary motions to be explained in the notice of meeting and that the principles of the management's remuneration and compensation plans, and any supplementary pension plans, will be presented at the meeting, among other things. Furthermore, a presentation of the tax policy and tax footprint is desirable. 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.

Other

SG 13.5 CC	Indicate who uses this analysis.
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- 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 the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.
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Yes

	Describe
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TCFD light. For more information please read page 28 onwards of our Sustainability report.

No

SG 13.7 CC	Indicate whether a range of climate scenarios is used.
-----------------------------	--------------------------------------------------------

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

SG 13.8 CC	Indicate the climate scenarios the organisation uses.
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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 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: #cccccc; padding: 2px;">Other (1) please specify:</div> PACTA
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #cccccc; 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.

- 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

- 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

We have targeted low carbon investments. However, due to the recent merger with Etera, our disclosed figures are not comparable with previous years' figures.

- 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.

In 2018, we became signatories to the Montreal Carbon Pledge. By signing the Montreal Carbon Pledge, we as investors are committed to measuring and publicly disclosing the carbon footprint of our investments on an annual basis. We also joined the Climate Partners network created by the City of Helsinki and Finnish industry. In addition, as we are coming to an end of our 2016-2020 Climate Policy, we are currently working on optimizing climate-related risk measures to the portfolio management process.

The calculations and assessment of climate risks and opportunities are derived through in-house analytics and external service providers. We use third party service providers, for Carbon footprint data and analysis. In our published carbon footprint we use scope 1 and 2, we are looking into how to incorporate scope 3 in a relevant manner. In addition, we report on the climate impact of our real estate investments. In setting and monitoring targets for managing climate risks and opportunities, we have published climate targets and publicly disclose our climate policy road map 2016-2020.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC

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

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Property GHG emission intensity reduction	tCO2e/m2	GHG Protocol
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increase awareness	tCO2e/ euros of revenues	GHG Protocol
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	tCO2e/ euros of revenues	GHG Protocol
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increase awareness	tCO2e/ euros of revenues and euros invested	GHG Protocol
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Reporting	tCO2e	
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increase awareness	tCO2e per euros of revenue and euros invested	
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

SG 14.7
CC

Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2020	Carbon Intensity of direct-listed equity portfolios	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2020	Carbon intensity relative to the benchmark index	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2020	Share of sustainable development solutions in turnover	
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	2020	Carbon intensity of a direct listed corporate loan portfolio	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

SG 14.8
CC

Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

Ilmarinen's analysis on climate-related risks is integrated into the overall risk management processes. Climate change is a significant and long-term threat to the future of humanity and ecological sustainability. Taking these changes into account is especially important for a long-term investor such as Ilmarinen. Our approach to integrating climate-related risks into our overall risk management is based on some basic assumptions about the impacts of climate change on investments. In our view:

1. Climate change will alter how the economy and companies operate in the coming years.
2. Climate change is linked to business and investment opportunities, for instance in low-carbon technology and in mitigating and adapting to climate change.
3. Climate change is a significant financial risk for investment operations that could be realized, for instance, if legislation increases companies' expenses, investors begin avoiding certain companies or sectors on the basis of estimated climate risks and/or the concrete impacts of climate change weaken companies' operating environment.

The risk management process involves supporting development that promotes climate change mitigation and adaptation measures that are appropriate in relation to legislation and exploiting business opportunities. To accomplish this, our climate policy highlights key areas that we target, monitor and measure. These are:

1. Share of business related to sustainable solutions of the net sales of direct listed equity investments.
2. Share of renewable energy of the electricity production of investee power companies.
3. Investees' reporting on greenhouse gas emissions.
4. Dialogue with investees' on environmental or social issues.
5. Comparison of equity investments to a scenario where global warming is limited to two degrees.
6. Greenhouse gas emission and energy efficiency of real estate investments.
7. Carbon footprint of equity and corporate bond investments.
8. Volume of forest investments.

- Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes 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.
- 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 sector, which influence companies' 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 investment objects. We engage in active dialogue with the companies we have holdings in as part of our executive management meetings and in separately organized events. For our listed investments, we co-operate with international investors in engaging with companies through, among others, the CDP 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 and purposeful suggestions of other shareholders. Shareholders have better opportunities for engagement with companies than debt investors through, for instance, shareholder meetings.

No, we do not engage

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.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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9.8

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.
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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 our Equity, Real Estate and Private Equity investments in a environmental and social theme.

Asset class invested

- Listed equity

% of AUM

20

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

6

- Property

% of AUM

8

- Infrastructure
- Hedge funds
- Forestry
- Cash
- Other (1)

Brief description and measures of investment

Approximately, 10 percent of our total AUM was invested in environmental and social themed areas. Overall our approach to ESG integration has been more on an overarching ESG policy across all asset classes rather than carved out thematic niches of a portfolio.

We have applied a very conservative estimation on thematic investments. Due to the mergers during 2018 we have not been able yet to consolidate all detailed information regarding our holdings.

The themes in the portfolio include, for example, Green Buildings, Forest Investments, SME financing, Health, Water and Climate Change.

No

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
SG 16.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.			

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Private equity	<p>Our direct private equity investments consist of co-investments, where we invest in an individual investee both directly and through a private equity fund. Also with regards to co-investments, the fund management company manages the investment. In co-investments, the sustainability of a private equity fund manager can easily be analysed as part of the investment process. We apply the same principles towards co-investments as we apply to our fund investments, where the focus is in assessing the sustainability policies and processes of the fund manager.</p> <p>In addition, we have direct investments in non-listed equities. We have industry-specific sustainability questions for companies whose business operations entail high sustainability risk for the purchase of non-listed direct equities (same questions apply also to the granting of investment loans). The scope of the evaluation can vary depending on the size, industry and risks of the investment opportunity in question. We also address sustainability issues in our discussions with the management of non-listed companies.</p> <p>Our aim is to exclude those sectors which are excluded in our publicly listed equity space.</p>
Infrastructure	<p>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 sustainability questions for companies whose business operations entail high sustainability risk. The scope of the evaluation can vary depending on the size, industry and risks of the investment opportunity in question.</p>
Forestry	<p>In our forest investments we require compliance with the principles of sustainable forestry. We encourage our investees to certify their forest investments in accordance with sustainable forest management standards.</p>
Cash	<p>We apply our sustainability ratings system also for money market instruments.</p>
Other (1) [as defined in Organisational Overview module]	<p>Ilmarinen's sustainability ratings also apply to derivatives with a single company as the underlying security.</p>

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	Our sustainability rating system and minimum 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	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.
Infrastructure	Our sustainability rating system and minimum criteria applies to our Infrastructure investments.
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	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.
Other (1) [as defined in Organisational Overview module]	Ilmarinen's sustainability ratings also apply to derivatives with a single company as the underlying security.

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.

Yes

SG 18.2

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

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 third parties, which we adapt with analyses from internal and external sources.

In 2018, 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 Bloomberg terminals and other systems used in the investment organization. The ratings steer investment activities so that, for the lowest ratings, there are specific procedures in place based on which some of the investments may be allowed to be carried out. In 2018, our sustainability ratings covers 90 % of our listed equity investments.

At the beginning of 2017, we introduced, on a broad scale, ESG benchmark indices with a focus on responsibility. The ESG index includes the companies with the best sustainability rating in each sector and area 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 new ESG benchmark indices cover roughly half of Ilmarinen's portfolio of listed equities.

The introduction of the ESG benchmark indices takes responsibility a step further in day-to-day investment operations. The performance of Ilmarinen's investments is internally partly compared against the benchmark index. The ESG benchmark indices correspond better than before to Ilmarinen's own sustainability ratings, and the purpose of the new benchmark indices is to encourage our portfolio managers to place an even greater emphasis on responsible companies in their investment decisions.

Another exciting development that we have been working on in 2018, is in increasing ESG options in the passive investment space. We have co-developed a cost efficient ESG ETF offering that helps us achieve an active ESG approach in our passive investment strategies.

In 2018 we have also been building on from our previous success, with an ambitious new concept, where we approach responsible investment topics using thematic approach instead of the more traditional asset class based approach. In a more complex and data-rich investment ecosystem, it is important that we not only take advantage of progressive concepts, but more importantly continue assessing companies' impact, beyond standard ESG practices and impacts. In 2018 we have been developing a thematic approach to our responsible investment principles. By continuing to use the UN Sustainable Development Goals (SDGs) as a useful impact tool, we are expanding our capabilities to assess companies that are positively impacting society beyond ESG related compliance and investing. Furthermore, in 2018, Ilmarinen's Board approved our Environmental, Human Rights and Governance guidelines. This further integrates and measure our impact of our Responsible Investment approach, in particular the Human Rights component (Societal factor) in our Investment decision process.

Additionally, we have been co-developing a concept with respect to investment objectives in the area of impact investing. "Transitional Investing", is an innovative new development, which touches on the idea of generating measurable social or environmental benefits, as well as long-term financial returns. This is an area that we will be collaboratively expanding on, in more detail in 2019.

Throughout 2018, TCFD (Task Force on Climate-related Financial Disclosure) has grown into a significant alternative to reporting on climate risks and opportunities. From our point of view, it is important to obtain relevant, timely, comparable and readily transparent carbon emissions information related to our investment targets as recommended by the TCFD. TCFD is an international disclosure framework that helps companies incorporate climate-related financial disclosures into their reporting. The TCFD's objective is to improve climate-related disclosures not only for investees but also for investors. The comparison of Ilmarinen's operations with the TCFD's requirements are based on three sub-areas: governance (G), strategy (S) and risk management (R). In addition to these, metrics and targets have been specified separately (M).

For more information on our integration of TCFD recommendation please read page 28 onwards of our 2018 Sustainability report.

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

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership
- Other

Frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.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	
	<p>Disclosure to public and URL</p> <p><input type="radio"/> Broad approach to ESG incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used</p>
	<p>Frequency</p> <p><input type="checkbox"/> Quarterly or more frequently</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>https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf</p>
	<p>URL</p> <p>https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.pdf</p>

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

- Details on the overall engagement strategy
- Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
- Number of engagements undertaken
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the progress achieved and outcomes against defined objectives
- Examples of engagement cases
- 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.)
- Details on whether the provided information has been externally assured
- Outcomes that have been achieved from the engagement
- Other information

Frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/nec-annual-engagement-report-2018.pdf>

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.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

- Disclose all voting decisions
- Disclose some voting decisions
- Only disclose abstentions and votes against management

Frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc/when requested

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/omistajapolitiikka/aanestykset2018.pdf>

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.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>https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf</p>
	<p>URL</p> <p>https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.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

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other

Frequency

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

URL

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.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 type="checkbox"/>	
Thematic	<input checked="" type="checkbox"/>			<input type="checkbox"/>	
Integration	<input checked="" type="checkbox"/>			<input type="checkbox"/>	
None of the above	<input type="checkbox"/>			<input checked="" type="checkbox"/>	

Passive investment strategies

Passive investment strategies	Listed Equity				
Screening	<input type="checkbox"/>				
Thematic	<input type="checkbox"/>				
Integration	<input type="checkbox"/>				
None of the above	<input checked="" type="checkbox"/>				

SAM 01.2

Additional information. [Optional]

While we do not require our investment funds to conduct screening of portfolios, 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. 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. In addition, we must not invest in loans from countries for which investment is prohibited on the basis of EU financial sanctions.

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 other criteria for investment

decisions. In 2018, we were involved in co-developing ESG passive investment products that were cost-efficient. The result are cost-efficient ESG ETF products, with our investments to be realized in 2019.

Selection

SAM 02 **Mandatory** **Public** **Core Assessed** **PRI 1**

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

	LE		FI - Corporate (non-financial)				
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"/>				

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

Definition of roles and responsibilities are in our RI policy.

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 type="checkbox"/>		<input 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 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 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 type="checkbox"/>				
Review and agree manager's ESG risk framework	<input checked="" type="checkbox"/>		<input 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 ESG ratings.

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 type="checkbox"/>			<input 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"/>				

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

We don't set specific targets. However, we require the external managers to demonstrate an extensive level of due diligence on their Responsible Investment procedures and/or policies. In addition, we monitor their commitments and expect our external managers to provide the latest developments on their Responsible Investment responsibilities.

SAM 03

Mandatory

Public

Additional Assessed

PRI 2

SAM 03.1

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

Engagement

	LE				
Review the manager's engagement policy	<input checked="" type="checkbox"/>				
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>				
Ensure whether engagement outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>				
Other engagement issues in your selection process specify	<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 checked="" 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

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

Monitoring

SAM 05

Mandatory

Public

Core Assessed

PRI 1

SAM 05.1

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

	LE		FI - Corporate (non-financial)				
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>		<input 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 type="checkbox"/>				
ESG portfolio characteristics	<input type="checkbox"/>		<input type="checkbox"/>				
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>		<input type="checkbox"/>				
Information on any ESG incidents	<input checked="" type="checkbox"/>		<input type="checkbox"/>				
Metrics on the real economy influence of the investments	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				
PRI Transparency Reports	<input type="checkbox"/>		<input type="checkbox"/>				
PRI Assessment Reports	<input type="checkbox"/>		<input 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 type="checkbox"/>			<input 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

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 external managers we are invested in.

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				
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input checked="" type="checkbox"/>				
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input checked="" type="checkbox"/>				
Information on any escalation strategy taken after initial unsuccessful dialogue	<input checked="" type="checkbox"/>				
Alignment with any eventual engagement programme done internally	<input checked="" type="checkbox"/>				
Information on the engagement activities' impact on investment decisions	<input checked="" type="checkbox"/>				
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>				
None of the above	<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
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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]

This number does not include all the external fund management engagements. As some managers include proxy voting within their engagements, others are unable for the time being track the number of their engagement but have promised to develop their systems during 2019.

Outputs and outcomes

SAM 08	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SAM 08.1	Describe how you ensure that best RI practice is applied to managing your assets
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- Encourage improved RI practices with existing investment managers

	Measures
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We have discussed RI practices with investment managers and encouraged them to develop their own processes.

- Move assets over to investment managers with better RI practices
- Other, specify
- None of the above

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
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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.
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- Add Example 1

Topic or issue	Systematic development of our RFP/ due-diligence including the questionnaire.
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 have added questions related to Cannabis.
Outcomes	The outcomes are constantly evolving and supports us to evaluate certain responsible investment questions on the RFPs we send to our external managers.

- Add Example 2
- 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

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ESG incorporation in actively managed listed equities

Implementation processes


LEI 01	Mandatory	Public	Gateway	PRI 1
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LEI 01.1


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

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	 90
---------------------------------------------------------------------	-------------------------------------------------------------------------------------------

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

Percentage of active listed equity to which the strategy is applied	 10
---------------------------------------------------------------------	--------------------------------------------------------------------------------------------

- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

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

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

According to 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 responsibility issues. This way we are carrying out our basic task and securing pension assets also for future generations.

At Ilmarinen, ESG analysis has been fully integrated into the selection of investees. Therefore, when selecting investees, our portfolio managers view sustainability ratings 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 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 2018, our sustainability ratings coverage increased to 90 percent (In 2017 this was 88 per cent) of our listed equity investments.

We continue to run our ESG benchmark indices with a focus on responsibility, which we established in 2017. The ESG index includes the companies with the best sustainability rating in each sector and area 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 new ESG benchmark indices cover roughly 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 sustainable companies in their investment decisions.

In 2018, we have been co-developing a new ETF that tracks the MSCI ESG index as we acknowledged, the limited ESG options when it came to cost efficient, passive investment strategies.

Climate change is a significant and long-term threat to the future of humanity and ecological sustainability. It will alter how the economy and many companies operate in the coming years, given the physical and transitional risks. Taking these risks as well as seeking opportunities into account, is especially important for us, as a long-term responsible investor. We continuously develop our investment operations with the goal of establishing a progressive and systematic approach for taking environmental, societal and company governance impacts into account.

In 2018, we continued working to reach our investment targets set out in the 2016-2020 climate policy roadmap. In the Climate Policy, we set ourselves concrete targets based on the 2016-2020 roadmap. The Climate Policy also aims to guide the investee companies and asset managers to take corporate responsibility aspects better into account. In addition, we have implemented a TCFD-light framework, which integrates TCFD recommendations into our measures and disclosure of our carbon-related investments. The TCFD, provides a framework that aids the integration of financial reporting of climate risks/opportunities into corporate reporting and brings to the forefront the need for more prudent climate risk scenario analysis. As our 2016-2020 climate roadmap policy is coming to a close, we are preparing a roadmap that will continue to apply TCFD reporting recommendations in our new climate policy targets.

In our view, climate change entails not only risks but also opportunities for investors. Climate change opens up new business opportunities, for instance, 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 relates, for example, to renewable energy, clean water or improving resource efficiency. It is our belief that companies that come up with solutions to global challenges as part of their business can enjoy faster growth than the markets and can thus also be good investments. As part of our Climate Policy, we for example, set as a goal to raise the share of our investments towards solutions that contribute to the SDG's, which have many climate change targets. Furthermore, all investments must also meet financial criteria. We have already invested extensively in companies that meet our targets. These solutions accounted for 7.9 per cent of the net sales of our listed equity investees at the end of 2018.

Throughout 2018, we identified investees that promote the goals of sustainable development. Sustainable development solutions also include business related to nutrition, prevention of contagious diseases, water supply and education, among other things. Moreover, we have been developing a thematic approach to our responsible investment principles. By continuing to use the UN Sustainable Development Goals (SDGs) as a useful impact tool, we are expanding our capabilities to assess companies that are positively impacting society beyond ESG related compliance and investing. These developments has also been the start of creating innovative concepts with respect to investment objectives in the area impact investing. Furthermore, in 2018, Ilmarinen's Board approved our Environmental, Human Rights and Governance guidelines. This further integrates and measure our impact of our Investment approach, in particular the Human Rights component (societal factor) in our Investment decision process.

LEI 02	Voluntary	Public	Additional Assessed	PRI 1
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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 if 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 brokers who provide comprehensive and in-depth company analysis, which includes ESG information.

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
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LEI 03.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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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 in-house Responsible Investment/ESG specialists discuss the key developments of engagement processes and information obtained from the companies with the portfolio managers. In addition, our service provider goes through the engagements they are leading on our behalf as well as collaborative engagements with the key portfolio managers 1-2 times per year.

ESG specialists assess the resolutions of general meetings and discuss any resolutions that are not in line with Ilmarinen's ownership policy with the head of listed equities and where relevant, also with the respective portfolio managers.

(A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
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LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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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 cluster munitions and anti-personnel mines. We also do not invest in companies that manufacture components for nuclear weapons or in companies manufacturing tobacco products (more than 50 per cent of net sales from tobacco) and in companies dependent on coal, unless the company has a credible plan for reducing its consumption of coal in the future. According to our definition, if a company's share of coal accounts for at least 30 per cent of their net sales or energy production, we therefore cannot invest in that company.

We expect the companies we own to comply, in addition to national legislation, the principles of the UN Global Compact and international norms concerning human rights, labour rights, the environment and corruption. 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. 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 7.9 per cent of the net sales of our listed equity investees at the end of 2018.

- 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 suspicions thereof.

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 2018, 100 per cent of our direct listed equity investments, 100 per cent of our listed corporate bond investments and 54 per cent of our total investment assets had been screened for norm violations. By collaborating and utilizing third party sustainability 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 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 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 or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
- None of the above

LEI 05.2

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

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

LEI 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. Individual analysts are also contacted to discuss an individual company and its rating/ research outcome. Decisions to exclude companies based on ESG ratings are discussed with portfolio managers and the engagement potential is assessed before making exclusion decisions related to violation of Global Compact and related international norms.

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 funds' screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other, specify
Our sustainability ratings analysis are available to our portfolio managers alongside the company's financial performance. Moreover, our annual sustainability report is externally assured.
- 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 tags the security (applies to both equity and fixed) should the ESG rating performance breach our internal threshold. 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.

However, we believe that holding discussions with our investees with the goals of improving sustainability and addressing controversies is more beneficial. If an investee fails to comply with 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 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. We carry out the engagement process both alone and together with our service provider and other investors. In our international investments we engage with companies particularly as part of the Nordic Engagement Cooperation, which includes a Swedish, Danish and Norwegian investor in addition to Ilmarinen.

(B) Implementation: Thematic

LEI 07	Mandatory	Public	Descriptive	PRI 1
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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 relates, for example, to renewable energy, clean water or improving resource efficiency.

In 2018, we identified 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 financial criteria. We have already invested extensively in companies that meet our

targets. These solutions accounted for 7.9 per cent of the net sales of our listed equity investees at the end of 2018.

(C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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LEI 08.1 Indicate the ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.

ESG issues	Proportion impacted by analysis
Environmental	<div style="background-color: #0070c0; color: white; padding: 2px;">Environmental</div> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Social	<div style="background-color: #0070c0; color: white; padding: 2px;">Social</div> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Corporate Governance	<div style="background-color: #0070c0; color: white; padding: 2px;">Corporate Governance</div> <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, sustainability analysis has been integrated into the selection of investees and thus it is not a separate function. When selecting investees, our portfolio managers view corporate responsibility ratings in our databases along with financial information. The basis of the rating system is a combination of ESG sustainability ratings and engagement research created by third party service 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 sustainability as well as already realized controversies and norm violations in corporate responsibility. Investing in companies with lower ratings always requires a separate permit, which can only be granted based on a more detailed assessment. To continue improving on our current process, our sustainability ratings coverage for our listed equity investments is now at 90%. In the previous year we had a 88% coverage rate.

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 a 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 was incorporated into investment decisions
- Other, specify
- None of the above

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

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 and/or portfolio construction.

- 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 10.4 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.

- Screening

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

We exclude certain investments entirely from our investable universe (for example, companies that manufacture arms prohibited by international treaties, including nuclear weapons, cluster munitions and antipersonnel mines). Investing in companies with lower ESG ratings always requires a separate permit, which can only be granted based on a more detailed assessment carried out by the Responsible Investment team. Sustainability ratings already cover 90 per cent of our listed equity investments.

Specify the percentage reduction (+/- 5%)

- Thematic

Describe any alteration to your investment universe or other effects.

Throughout 2018, we identified investees that provided solutions to the UN Sustainable Development Goals (SDGs). In our Climate 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 7.9 per cent of the net sales of our investees at the end of 2018. In 2018 we have been developing a thematic approach to our responsible investment principles. By continuing to use the UN SDGs as a useful impact tool, we are expanding our capabilities to assess companies that are positively impacting society beyond ESG related compliance and investing.

Integration of ESG factors

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Engagement / Voting
- Other, specify
- None of the above

LEI 12.2

Additional information.[Optional]

At the beginning of 2017, we introduced, on a broad scale, ESG benchmark indices with a focus on responsibility. The ESG index includes the companies with the best sustainability rating in each sector and area 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 new ESG benchmark indices cover roughly half of Ilmarinen's portfolio of listed equities.

The introduction of the ESG benchmark indices takes responsibility a step further in day-to-day investment operations. The ESG benchmark indices correspond better than before to Ilmarinen's sustainability ratings, and the purpose of the new benchmark indices is to encourage our portfolio managers to place an even greater emphasis on responsible companies in their investment decisions.

In 2018, we have been collaboratively co-developing new cost efficient ESG Leaders ETFs, that track the MSCI ESG indices. These investments will be realized in 2019.

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.

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

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
- Method 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

Please describe

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 providers role in implementing organisation's active ownership policy
- Description of considerations included in service provider selection and agreements
- Identification of key ESG frameworks 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]

On Engagement: We have separate guidelines on engagement in addition to the engagement policy. The guidelines refer to method, transparency and strategies as well as to the use of service providers.

On Voting: We have separate guidelines on voting in addition to the engagement policy. The guidelines refer to method, transparency and strategies as well as to the use of service providers.

Engagement

LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
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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) 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) 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) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input 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.

- Discuss the topic (or ESG issue(s)) of engagement
- Discuss the rationale for engagement
- Discuss the objectives of the engagement
- Select the companies to be engaged with
- Discuss the frequency/intensity of interactions with companies
- Discuss next steps for engagement activity
- Participate directly in certain engagements with your 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:

Depending on how the engagements is done, our approach and role vary. If it is a purely service provider led engagement, we will have a more passive approach with the majority of cases. These kind of engagements are not counted as engagement in our sustainability reporting as we do not have an active role.

In other engagement cases, we carry out the engagement process more actively, either alone or together with our service provider and other investors. In our international investments we engage with companies particularly as part of the Nordic Engagement Cooperation (NEC), which includes a Swedish, a Norwegian and a Danish investor in addition to Ilmarinen. We also engage with companies as part of collaborative engagements through e.g CDP. In all of all the active engagement process we require a written agenda with strategy and steps to follow the cases.

LEA 03

Mandatory

Public

Core Assessed

PRI 2

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.

Yes

LEA 03.2

Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal engagements	<div style="background-color: #0070C0; color: white; padding: 2px;">Internal / Individual 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 type="checkbox"/> Consultation with clients/beneficiaries <input 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 checked="" type="checkbox"/> Other, specify <div style="background-color: #808080; color: white; padding: 2px;">specify</div> <p>Information received from various stakeholders.</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;">Collaborative engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues from 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 type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of 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 type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagements.

Service Provider engagements	Service Provider engagements
	<input checked="" type="checkbox"/> Geography / market of the companies <input checked="" type="checkbox"/> Materiality of 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 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 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 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]

Active ownership is an integral part of Ilmarinen's investment operations. We engage with the companies we own in a number of ways. The focal point of active ownership is Finnish ownership and direct engagement, which we implement, for instance, by participating in Nomination Committees, by voting in General Meetings and through regular communication with companies' management. In the case of indirect ownership, fund management companies are responsible for active ownership. We regularly ask them about the implementation of active ownership, whether in writing or in meetings.

In addition to this policy, Ilmarinen has public ownership guidelines, approved by the responsible investment executive committee, which include more detailed insight into, for example, changes in the capital structure and Board elections.

The policy applies to our investments in both Finnish and foreign companies. Ilmarinen expects the companies it owns to follow local corporate governance codes and international recommendations for good governance, if possible considering the operating environment and the company's size and position. In Finland this applies to compliance with the Finnish Corporate Governance Code issued by the Securities Market Association in 2015 and its updates. It is important in our view that companies present clear justifications for any non-compliance with local corporate governance codes. We expect non-listed companies to follow local corporate governance codes as applicable and whenever possible.

Different markets have their own corporate governance codes, legislation and local practices when it comes to ownership. These local guidelines may be mutually conflicting and companies may find it difficult to fully follow Ilmarinen's policies in addition to the other requirements. Different practices and legislation exist for the handling and approval of, for example, remuneration plans, depending on the marketplace. In situations such as these, it may be prudent to look at the whole picture rather than the differences in the smaller details.

Each year, we report online on how the Ownership Policy has been implemented, in accordance with the law. Additionally, we report extensively on our investment operations and our responsibility work as part of the Financial Statements, Report on Operations and the Sustainability Report.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1	Indicate if you monitor and/or review engagement outcomes.
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Individual / Internal engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes 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 via collaborative engagement activities.
Service provider engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in majority of cases <input type="radio"/> Yes, in minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes carried out by our service providers.

LEA 05.2

Indicate if you do any of the following to monitor and review the progress of engagement activities.

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 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 continuous basis <input type="checkbox"/> Other; specify
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 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 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.

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 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 investment organisation decides on the companies to be subjected to the engagement process and on the procedures regarding its own engagements and which collaborations to join. We also continue to collaborate closely in the Nordic Engagement Cooperation (NEC).

Link to NEC 2018 annual report: <https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/nec-annual-engagement-report-2018.pdf>

In addition, 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

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 information and insights collected through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing 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 in-house Responsible Investments/ESG specialists discuss the key developments of engagement processes and information obtained from the companies with the portfolio managers. In addition, our service provider goes through the engagements they are leading on our behalf as well as collaborative engagements with the key portfolio managers one to two times per year.

ESG specialists assess the resolutions of general meetings and discuss any resolutions that are not in line with Ilmarinen's ownership policy with the head of equity selection and where relevant, also with the respective portfolio managers.

LEA 08 **Mandatory** **Public** **Gateway** **PRI 2**

LEA 08.1 Indicate if 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 our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Service provider 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

LEA 08.2 Additional information. [OPTIONAL]

We utilise GES now part of Sustainalytics's investment services as our engagement service provider. We only 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 (2018), we have done collaborative engagements through Nordic Engagement Cooperation (NEC) and CDP. Individual engagement numbers are also published as part of our reporting.

We ask our external fund managers on their engagements and proxy voting.

Outputs and outcomes

LEA 09 **Mandatory to Report Voluntary to Disclose** **Public** **Core Assessed** **PRI 2**

LEA 09.1 Indicate the proportion of companies from your listed equities portfolio with which your organisation engaged with 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"/>	32	6
Collaborative engagements	<input type="checkbox"/>	99	18
Service provider engagements	<input type="checkbox"/>	5	1

LEA 09.2

Indicate the proportion 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 for which you were a 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 that you had some involvement in 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.

- 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 the 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

LEA 11**Voluntary****Public****Descriptive****PRI 2****LEA 11.1**

Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

- Add Example 1

ESG Topic	<p>Climate Change, Human rights, Health and Safety, Sustainability reporting, Water risks, Labour practices and supply chain management, Other</p> <p><input type="checkbox"/> Executive Remuneration</p> <p><input checked="" type="checkbox"/> Climate Change</p> <p><input checked="" type="checkbox"/> Human rights</p> <p><input type="checkbox"/> Company leadership issues</p> <p><input type="checkbox"/> Pollution</p> <p><input type="checkbox"/> General ESG</p> <p><input type="checkbox"/> Diversity</p> <p><input type="checkbox"/> Shareholder rights</p> <p><input checked="" type="checkbox"/> Health and Safety</p> <p><input checked="" type="checkbox"/> Sustainability reporting</p> <p><input checked="" type="checkbox"/> Water risks</p> <p><input checked="" type="checkbox"/> Labour practices and supply chain management</p> <p><input type="checkbox"/> Anti-bribery and corruption</p> <p><input type="checkbox"/> Deforestation</p> <p><input type="checkbox"/> Aggressive tax planning</p> <p><input type="checkbox"/> Cyber security</p> <p><input type="checkbox"/> Other governance</p> <p><input type="checkbox"/> Plastics</p> <p><input checked="" type="checkbox"/> Other</p>
Conducted by	<p><input type="checkbox"/> Individual / Internal</p> <p><input checked="" type="checkbox"/> Collaborative</p> <p><input type="checkbox"/> Service provider</p>
Objectives	<p>Through our Nordic Engagment Cooperation, we have engaged jointly with other Nordic investors on the textile industry questions specifically on sustainable cotton sourcing.</p>
Scope and Process	<p>Contacted four different companies with varying degrees of sustainability thinking within their supply chain processes.</p>
Outcomes	<p><input type="checkbox"/> Company changed practice</p> <p><input type="checkbox"/> Company committed to change</p> <p><input type="checkbox"/> Disclosure / report published</p> <p><input type="checkbox"/> Divestment</p> <p><input type="checkbox"/> Failed/no outcome</p> <p><input type="checkbox"/> Increased understanding / information</p> <p><input type="checkbox"/> Invested in company</p> <p><input checked="" type="checkbox"/> Ongoing</p> <p><input type="checkbox"/> Voting</p> <p><input type="checkbox"/> Other</p>

- Add Example 2
- Add Example 3
- 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 provider(s) 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 provider(s) who make voting decisions on our behalf, except for some pre-defined scenarios where we review and make voting decisions.
- We hire service provider(s) who make voting decisions on our behalf.

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

If 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 2018, we contacted 24 (20% increase from last year) 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]
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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 authorisations 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 inhouse research to develop and complement our voting instructions we use an external service provider.

LEA 14	Voluntary	Public	Additional Assessed	PRI 2
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LEA 14.1	Indicate if your organisation has a securities lending programme.
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- Yes
- No

LEA 14.2	Describe why your organisation does not lend securities.
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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
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LEA 15.1	Indicate the proportion of votes where you or the service providers acting on your behalf have raised concerns with companies ahead of voting.
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- 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) for selected markets
- Vote(s) for selected sectors
- Vote(s) relating to certain ESG issues
- Vote(s) on companies exposed to controversy on specific ESG issues
- Vote(s) for significant shareholdings
- On request by clients
- Other

Explain

voting on proposals that are not in line with our policy

LEA 15.3

Additional information. [Optional]

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 2018, 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 authorisations.

LEA 16

Mandatory

Public

Core Assessed

PRI 2

LEA 16.1

Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.

- 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 do not abstain or vote against management recommendations

LEA 16.2

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

- Votes for selected markets
- Votes for selected sectors
- Votes relating to certain ESG issues
- Votes on companies exposed to controversy on specific ESG issues
- Votes for significant shareholdings
- On request by clients
- Other

Explain

Voting on proposals that are not in line with our policy

LEA 16.3

In cases where your organisation does communicate the rationale for the abstention or the vote 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
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LEA 17.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

41

	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
-----------------	-----------------------------------------------------------

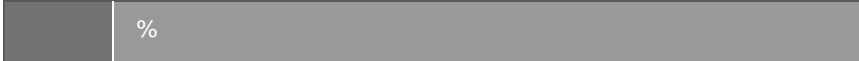


- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in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

LEA 18	Voluntary	Public	Additional Assessed	PRI 2
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LEA 18.1 Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

Yes, we track this information

LEA 18.2 Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

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 you have engaged.

100

LEA 18.4 Additional information. [Optional]

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 2018 of approximately 100 Finnish AGMs, three had actual voting. In addition, we objected in one occasion management resolution without requesting a vote.

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 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 impacts, how the company has acted in the matter compared to its peers and the company's voting recommendation and its grounds. 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.

Ilmarinen attends the annual and extraordinary General Meetings of the companies in which it is a major owner or where participation is otherwise deemed important, for instance due to a theme on the agenda.

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.

Ilmarinen holds discussions with the management and, if need be, the Board of Directors of the companies it owns as part of normal portfolio management. We review the companies' business and financial position in the discussions. The aim is also to advance the companies' sustainability, particularly their adherence to the principles of the UN Global Compact and the UN declarations on human rights, the environment and corruption and the ILO's Declaration on Fundamental Principles and Rights at Work. In Ilmarinen's view, it is important for the strategies of the companies we own to take into account, on a broad scale sustainability factors that are significant to their business operations.

LEA 20	Voluntary	Public	Descriptive	PRI 2
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LEA 20.1

Indicate if 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.


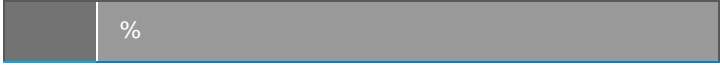


Total number

23

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 vote (i.e. not withdrawn) how many received:

>50%

23

LEA 20.5

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

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

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	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%

Corporate (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%	

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 rating system, where all portfolio managers view sustainability ratings alongside financial figures in their Bloomberg terminals.

These ratings guide investment decisions as some companies are excluded and some require more specific examination of ESG 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 2018.

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
- 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
- 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 a sustainability rating system. 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 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 the lowest ratings, there are specific procedures in place based on which some of the investments may be allowed to be carried out.

In addition, we annually run carbon footprinting 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.

FI 03

Mandatory

Public

Additional Assessed

PRI 1

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

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 04.2	Describe your approach to screening for internally managed active fixed income
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We have excluded from our investments tobacco and coal producers (30 % threshold 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 biannually and reports any detected norm violations or suspicions thereof. This screening covers Ilmarinen's direct investments in listed equities, corporate bonds 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 to 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 06	Mandatory	Public	Core Assessed	PRI 1
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FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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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; margin-top: 5px;">other description</div> sustainability ratings integrated in the investment database used by portfolio managers. <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; margin-top: 5px;">other description</div> Information on ESG opportunities is available on sustainability ratings, 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; margin-top: 5px;">other description</div> We integrate corporate governance, engagement research and ratings which, including norm violations and could lead to exclusions or require further assessment before an investment decision. <input type="checkbox"/> None of the above

FI 06.2 Additional information. [Optional]

We continuously develop further our technical implementation of the sustainability rating system, which is integrated and viewed by our portfolio managers alongside financial figures. The ratings and the related sustainability 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.

(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:

- 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)

	%
--	---

100

- Other

FI 07.2 Describe your organisation's approach to thematic fixed income investing

In 2018 we have been developing a thematic approach to our responsible investment principles. By continuing to use the UN Sustainable Development Goals (SDGs) as a useful impact tool, we are expanding our capabilities to assess companies/fixed income investments that are positively impacting society beyond ESG related compliance and investing.

Additionally, we have been co-developing a concept with respect to investment objectives in the area impact investing (both equities and fixed income investments). "Transitional Investing", is a innovative new development, which touches on the idea of generating measurable positive societal, including environmental benefits with long-term financial market returns. So for example, SDG impact would be part of transitional investments. This is an area that we will be collaboratively expanding on, in more detail in 2019.

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..

- 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 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 third parties, which we adapt with analyses from internal and external sources.

In 2018, 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 Bloomberg terminals and other systems used in the investment organization. The ratings steer investment activities so that, for the lowest ratings, there are specific procedures in place based on which some of the investments may be allowed to be carried out.

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 service providers, which we adapt with in-house analyses 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.

FI 10.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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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 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 realised 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 realised 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 type="checkbox"/>	<input 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 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 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 type="checkbox"/>	<input type="checkbox"/>	<input 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	<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 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. In addition, we must not invest in loans from countries for which investment is prohibited on the basis of EU financial sanctions.

Corporate (financial)

In order to integrate sustainability analysis into its investment activities, Ilmarinen uses a responsible investment rating system. The ratings steer investment activities so that, for the lowest ratings, there are specific procedures in place based on which some of the investments may be allowed to be carried out.

Corporate (non-financial)

In order to integrate sustainability analysis into its investment activities, Ilmarinen uses a responsible investment rating system. The ratings steer investment activities so that, for the lowest ratings, there are specific procedures in place based on which some of the investments may be allowed to be carried out.

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.

Category	Proportion of assets
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="border: 1px solid black; padding: 5px;"> <p>FI 14.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)</p> <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 type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </div>

FI 14.3 Additional information.[OPTIONAL]

In the majority of cases we are also a shareholder.

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

FI 15.2

Indicate how your organisation prioritises engagements with issuers.

Select all that apply

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

FI 15.3

Indicate when your organisation conducts engagements with issuers.

Select all that apply

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

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

We proactively educate ourselves and follow academic research on various topics surrounding sustainable finance in fixed income investments as well as integrating best practices as recommended by the Green Bond Principles.

FI 15.4

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

			Corporate (non-financial)
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer.			<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"/>
We engage on specific ESG themes across issuers and industries (e.g., human rights).			<input checked="" type="checkbox"/>
Other, describe			<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 (non-financial)
Ensuring regular cross-team meetings and presentations.			<input checked="" type="checkbox"/>
Sharing engagement data across platforms that is accessible to ESG and investment teams.			<input checked="" type="checkbox"/>
Encouraging ESG and investment teams to join engagement meetings and roadshows.			<input checked="" type="checkbox"/>
Delegating some engagement dialogue to portfolio managers/credit analysts.			<input checked="" type="checkbox"/>
Involving portfolio managers when defining an engagement programme and developing engagement decisions.			<input checked="" type="checkbox"/>
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements.			<input checked="" type="checkbox"/>
Considering active ownership as a mechanism to assess potential future investments.			<input checked="" type="checkbox"/>
Other, describe			<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"/>

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 fixed income just as well as 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 type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

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

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible_investment_policy_2019.pdf

Attach Document

No

PR 01.3

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

Ilmarinen's RPI is included in responsible investments policy of Ilmarinen. In 2018 we have been developing a thematic approach to our responsible investment principles. By continuing to use the UN Sustainable Development Goals (SDGs) as a useful impact tool, we are expanding our capabilities to assess properties that are positively impacting society beyond ESG related compliance and investing.

The RPI is a framework for investment process and KPI's (which are externally 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. They 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 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.

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 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

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 2, description

We select our real estate investments such that they are located near good public transit connections.

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

Environmental example 3, description

The indoor air quality, as on the attributes of indoor environmental quality, is one of the most important factors to the customer satisfaction. Customer satisfaction is considered as an important indicator for selecting a responsible lessor.

- 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 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’s 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 2018 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 3,600 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
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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.
----------------	------------------------------------------------------------------------------------------------------------------

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.
----------------	-----------------------------------------------------------------------------------------------------------------

- 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 new target is set for the year 2025, aiming for 11 600 MWh/a measured energy saving actions in total. The agreement includes intermediate target for year 2020 with 7 730 MWh/a measured energy saving actions. After the merger with Etera the target has changed to 8 186 MWh/a per 2025 and 12 454 per 2025.

In 2018 Ilmarinen reported 2 760 MWh/a saving's and cumulatively 9 133 MWh/a. Hence, the cumulative savings are more than the target for 2020, Ilmarinen has 95 % of the 2020 target, since some of the actions will be outdated according to the agreement. For the target 2025 Ilmarinen has achieved 67 % 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 at the same level as in 2017. 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

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: 2018/1,09 - 2017/1,08 <w:br />Domestic Commercial: 2018/0,21 - 2017/0,22 <w:br />International RE: 2018/0,47 - 2017/0,39 Residential: 2018/142 - 2017/145 <w:br />Commercial: 2018/180 - 2017/176 <w:br />International RE: 2018/156 - 2017/132 Domestic RE: 2018/27 - 2017/35 <w:br />International RE: 2018/68 - 2017/48

- Social

Target/KPI	Progress Achieved
Overall customer satisfaction with our premises	The overall customer satisfaction (1-5/excellent): 2018/3,83 - 2017/3,81

- 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 2018 accounted 124 t CO2e/million euro (2018/114).

During the building maintenance phase, the largest climate impacts stem from energy consumption. In 2018, 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 2018, we continue to be focus on attaining LEED certification for 12 of our existing properties. Ilmarinen was one of the first companies to be included in the LEED Volume Programme v4 rating programme. The program resulted in one certification, when LEED Gold was awarded to Ilmarinen's Head Quarter, located in Helsinki. In addition three construction projects where certified: REDI Shopping centre (LEED Platinum), Mikonkatu 9, Helsinki (LEED Gold) and Shopping centre Karuselli (LEED Gold).

In relation to our actions related to reducing the Carbon Foot-printing of our property investments in 2018, 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 %, was installed a virtual power plant, making the building an operator comparable to a reserve power plant. The building operates actively on the energy market by being flexible in its consumption in accordance with market needs. Today Sello is the largest electricity storage facility, integrated into a building, in Northern Europe. The virtual power plant helps Sello to achieve significant energy savings and reduce the carbon footprint. In 2018, the first solar power plant was installed to a residential building owned by Ilmarinen. The building is located in Airut-ecoblock in Jätkäsaari Helsinki. The plant has 17 kWp capacity and the estimated annual production is 15 MWh. Ilmarinen continues to utilize solar power further. At the moment, three 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 3.83 in 2018. 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.

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.
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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 2018, we continued applying LEED Gold 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. During 2018, we started up a project with the goal of attaining LEED certification for a total of 12 of our existing properties. Ilmarinen was one of the first companies to be included in the LEED Volume Programme v4 rating programme. The program resulted in one certification, when LEED Gold was awarded to Ilmarinen building headquarters, located in Helsinki. In addition three construction projects were certified in 2018: REDI Shopping centre (LEED Platinum), Mikonkatu 9, Helsinki (LEED Gold) and Shopping centre Karuselli (LEED Gold).

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]
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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 2018 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 3,600 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 2018 Ilmarinen reported 2 760 MWh/a saving's and cumulatively 9 133 MWh/a. Hence, the cumulative savings are more than the target for 2020, Ilmarinen has 95 % of the 2020 target, since some of the actions will be outdated according to the agreement. For the target 2025 Ilmarinen has achieved 67 % 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 at the same level as in 2017. 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.

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 2018 Ilmarinen was involved in the debate of expanding the pedestrian areas in Helsinki city centre. Ilmarinen is one of the major real estate owner in the Helsinki city centre and the issues will effect the residents, tenants visitors and real estate owners in the area. 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 %, was installed a virtual power plant, making the building an operator comparable to a reserve power plant. The building operates actively on the energy market by being flexible in its consumption in accordance with market needs. Today Sello is the largest electricity storage facility, integrated into a building, in the Northern Europe. The virtual power plant helps Sello to achieve significant energy savings and reduce the carbon footprint. In 2018 the first solar power plant was installed to a residential building owned by Ilmarinen. The building is located in Airut-ecoblock in Jätkäsaari Helsinki. The plant has 17 kWp capacity and the estimated annual production is 15 MWh. Ilmarinen continues to utilize solar power further. At the moment, three residential buildings are designed to include solar power plant.

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.
----------------	--------------------------------------------------------

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 2 760 MWh/year in 2018 (2018/2722).
Activities undertaken to influence the investment and the outcomes	<p>In 2018 Ilmarinen reported 2 760 MWh/a saving's and cumulatively 9 133 MWh/a. Hence, the cumulative savings are more than the target for 2020, Ilmarinen has 95 % of the 2020 target, since some of the actions will be outdated according to the agreement. For the target 2025 Ilmarinen has achieved 67 % 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> <p>Domestic Residential: 2018/1,09 - 2017/1,08 Domestic Commercial: 2018/0,21 - 2017/0,22 International RE: 2018/0,47 - 2017/0,39</p>
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	The level of overall customer satisfaction has been improving between . The results have been carefully monitored and actions taken to be able to increase the satisfaction even more. The overall customer satisfaction figures for 2018: 3,83.
Activities undertaken to influence the investment and the outcomes	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 satisfactor.

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

CM 01	Mandatory	Public	Additional Assessed	General
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CM 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

CM 02	Mandatory	Public	Descriptive	General
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CM 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.

CM 03	Mandatory	Public	Descriptive	General
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CM 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

CM 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]

https://www.ilmarinen.fi/siteassets/liitepankki/Ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.pdf

Link to external assurance provider's report [URL]

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.pdf

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

CM 03.5 Additional information [OPTIONAL]

External assurance report is on page 53 of our Sustainability report.

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.pdf

CM 04

Mandatory

Public

Descriptive

General

CM 04.1 Do you plan to conduct third party assurance of this year's PRI Transparency report?

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

CM 05

Mandatory

Public

Descriptive

General

CM 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.

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

Please provide:

Link to external assurance provider's report [URL]

https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/2018/yritysvastuuraportti-2018_en.pdf

Attach a file

[File 1:Internal CIO sign off letter.pdf](#)

CM 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).

CM 07	Mandatory	Public	Descriptive	General
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CM 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)