



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 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>		
Service provider 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>		

RI TRANSPARENCY REPORT

2018

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 2018 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 by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO PE 01	Breakdown of investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership	✓	Public							✓
OO PR 01	Breakdown of investments	✓	Private							✓
OO PR 02	Breakdown of assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of investments	✓	Public							✓
OO INF 02	Breakdown of assets by management	✓	Public							✓
OO INF 03	Largest infrastructure	✓	Public							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	-	n/a							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	-	n/a							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
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	-	n/a				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
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	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	-	n/a	✓						
LEI 14	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	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagement methods	-	n/a		✓					
LEA 13	Companies changing practices / behaviour following engagement	-	n/a		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	-	n/a		✓					
LEA 19	Securities lending programme	-	n/a		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	✓	Public		✓					
LEA 24	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	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	-	n/a	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	🔒	n/a	✓						
FI 09	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 10	Thematic investing - assessing impact	🔒	n/a	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	🔒	n/a	✓						
FI 15	Engagement overview and coverage	✓	Public		✓					
FI 16	Engagement method	✓	Public	✓	✓					
FI 17	Engagement policy disclosure	✓	Public	✓	✓					
FI 18	Financial/ESG performance	✓	Public							✓
FI 19	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	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM 1 01.1	Assurance, verification, or review	✓	Public							✓
CM 1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM 1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM 1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM 1 01.5	External assurance	🔒	n/a							✓
CM 1 01.6	Assurance or internal audit	🔒	n/a							✓
CM 1 01.7	Internal verification	✓	Public							✓
CM 1 01 End	Module confirmation page	✓	-							

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 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

543

OO 03 **Mandatory** **Public** **Descriptive** **General**

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

- Yes
- No

OO 03.3 Additional information. [Optional]

Etera Mutual Pension Insurance Company has merged with Ilmarinen since the 1st of January 2018. Therefore we will no longer be reporting on Etera's behalf separately.

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

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

31/12/2017

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

	trillions	billions	millions	thousands	hundreds
Total AUM		39	633	600	000
Currency	EUR				
Assets in USD		47	025	138	233

OO 06 **Mandatory** **Public** **Descriptive** **General**

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

OO 06.1

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

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	10-50%
Fixed income	10-50%	<10%
Private equity	<10%	<10%
Property	10-50%	<10%
Infrastructure	<10%	0
Commodities	0	0
Hedge funds	0	<10%
Forestry	<10%	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	<10%	<10%
Other (2), specify	0	0

'Other (1)' specified

E.g. trading strategy, variance, correlation and volatility of equity, FX or commodity -products; also inflation, interest rate difference and insurance.

OO 06.2

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

OO 06.3

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, that unit is reported integrated with the applicable underlying asset-classes of made investments.

Ilmarinen also has infrastructure, commodities and forestry investments. In line with domestic reporting-requirements, these investments are not reported as separate asset classes.

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Internally managed	SSA	40
	Corporate (financial)	30
	Corporate (non-financial)	25
	Securitised	5
	Total	100%
	Externally managed	SSA
Corporate (financial)		0
Corporate (non-financial)		100
Securitised		0
Total		100%

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

Asset class breakdown	Segregated mandate(s)	Pooled fund(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%
[d] Fixed income – Corporate (non-financial)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[f] Private equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[g] Property	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[j] Hedge funds	<input 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%
[o] 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 to Report Voluntary to Disclose	Public	Peering	General
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OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total</i>	100%

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 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 do not engage with governments.

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.

Fixed income Corporate (non-financial) – engagement

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

Fixed income Corporate (securitised) – engagement

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

OO 11

Mandatory

Public

Gateway

General

OO 11.1

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

Listed equity

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

Fixed income - SSA

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

Fixed income - corporate (financial)

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

Fixed income - corporate (non-financial)

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

Fixed income - securitised

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

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]

E.g. trading strategy, variance, correlation and volatility of equity, FX or commodity -products; also inflation, interest rate difference and insurance.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<div data-bbox="560 338 1474 427" style="background-color: #0070C0; color: white; padding: 5px;">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <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 checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial)	<div data-bbox="560 651 1474 763" style="background-color: #0070C0; color: white; padding: 5px;">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <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 checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Private equity	<div data-bbox="560 992 1474 1081" style="background-color: #0070C0; color: white; padding: 5px;">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <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
Property	<div data-bbox="560 1305 1474 1395" style="background-color: #0070C0; color: white; padding: 5px;">Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <ul style="list-style-type: none"> <input 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 incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Hedge funds	<div data-bbox="560 1619 1474 1709" style="background-color: #0070C0; color: white; padding: 5px;">Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <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)	<div data-bbox="560 1933 1474 2000" style="background-color: #0070C0; color: white; padding: 5px;">Other (1) - ESG incorporation addressed in your external manager</div>

selection, appointment and/or monitoring processes
<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 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 analyses 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 is for the private equity, private debt and infrastructure funds that we invest in to avoid investing in sectors in which we do not make direct listed investments. When drawing up fund contracts, we aim to exclude the investments of certain industries.

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.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

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

Direct - Other asset classes with dedicated modules

- Private Equity
- Property
- Infrastructure

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

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

Closing module

- Closing module

Peering questions

OO PE 01	Mandatory to Report Voluntary to Disclose	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.
------------	--

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	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total	100%

Other investment strategy, specify

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 02

Mandatory to Report Voluntary to Disclose

Public

Gateway

General

**OO PR
02.1**

Provide a breakdown of your organisation's property assets based on who manages the assets.

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<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

Voluntary

Public

Descriptive

General

**OO PR
03.1**

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

Types	Main property types (by AUM)
Largest property type	<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.
--------------------	--

- 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

**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 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
Second 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
Third largest infrastructure sector	<input 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 checked="" type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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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"/> 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 and related issues

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

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. Taking these changes into account is especially important for a long-term operator such as Ilmarinen. Changes always increase business risks, while at the same time also creating new opportunities. We continuously develop our investment operations with the goal of establishing a systematic approach for taking climate change impacts into account.

The risks inherent in climate change can be realised in investment operations when the operating environment becomes challenging for companies due to global warming. The value of investments may also fluctuate as a result of rapidly changing views in the markets on the impacts of climate risks, and as a result of legislation that creates new expenses. In Finland, for example, the government has outlined that coal will be phased out in energy production through legislation by 2030.

**SG 01.3b
CC**

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

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

The Climate Policy steering our investment operations was adopted in 2016 and updated in October 2017. The policy helps us to reach our investment targets and take into account the limits the climate sets on the economy. In the Climate Policy, we have set concrete targets for mitigating climate change over the next few years. The Climate Policy also guides the investee companies and asset managers to take sustainability aspects better into account.

We automatically give a weak sustainability rating to companies for which coal related to energy production accounts for at least 30% of their net sales or energy production, in cases where at least 30% of the company's net sales comes from energy production. We give a weak sustainability rating if the company in question does not have a credible plan for reducing the use of coal. We also chart the new business opportunities offered by climate change.

Describe how these risks and opportunities serve as an input to your investment strategies or products and the related time periods used.

Specific Guidance:

Asset Owners

This can be described from the perspective of the total fund or investment strategy or individual investment strategies for various asset classes.

Investment Managers

This can be described from the perspective of all investments strategies and products or individual investment strategies and products for clients

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

Other RI considerations, specify (1)

Other RI considerations, specify (2)

SG 01.4

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

At Ilmarinen, ESG analysis is part of investee 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 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.

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. The ESG index is based on ratings created 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 early in the year.

No

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 01.1 and SG 01.2:

- A policy, or similar document, that: Sets out your overall approach to responsible investment; or
- Formalised guidelines on environmental factors; or
- Formalised guidelines on social factors; or
- Formalised guidelines on governance factors.
-

The PRI recognises that RI "policies" can take many different forms and can have a variety of titles. Please see the explanatory notes for this indicator to see further explanation of this and further guidance.

- This policy/document should cover more than 50% of your AUM

If you have any questions or need support please contact reporting@unpri.org or call on + 44 (0) 203 714 3187.

SG 02	Mandatory	Public	Core Assessed	PRI 6
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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.
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Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
--	-----

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf>

Attachment (will be made public)

Formalised guidelines on environmental factors

	URL/Attachment
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URL

URL

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

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

URL/Attachment

- URL

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf>

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

URL/Attachment

- URL

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/omistajapolitiikka/ownership-policy.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-policy.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-policy.pdf>

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf>

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/omistajapolitiikka/ownership-policy.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.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/ilmastoperiaatteet-10_2017_en.pdf

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

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

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf>

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf>

Attachment

Reporting

URL/Attachment

URL

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf>

Attachment

Climate-related issues

URL/Attachment

URL

URL

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

Attachment

Climate change and related issues

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

URL

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

No

SG 02.4	Additional information [Optional].
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In our responsible investment policy, we wish to openly communicate the kinds of principles and policies we comply with when making investment decisions. In addition, we have an ownership policy where we openly communicate the expectations that we set for the companies that we own. In our climate policy, we describe our approach and set our goals specifically related to climate.

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.
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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 behaviour at Ilmarinen. The above-mentioned person's employment, governing body membership or representation in a company other than Ilmarinen may also not influence decisionmaking 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.

No

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 ownership policy 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 and CEO and representatives of the investment, legal and communications functions. It convened 3 times during 2017.

Governance and human resources

SG 07**Mandatory****Public****Core Assessed****General****SG 07.1**

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

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 Head of Non-Listed Investments

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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The investment division is responsible for operational sustainability analyses and their integration into the selection process as well as the sustainability monitoring of our investments.

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

Number

1.6

SG 07.4	Additional information. [Optional]
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We have 1 full time responsible investment specialist, and in addition we had in 2017 two analyst trainee working on ESG for 7 months in total. Individual portfolio managers have responsibilities with regards to RI activities and taking ESG-issues into consideration when making investment decisions. They also bring forward ESG issues in company meetings and attend AGMs as Ilmarinen's representatives.

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 07.1:

- A role implementing responsible investment: Individuals with implementation roles are those charged with implementing specific aspects of the organisation's responsible investment practices, for example, conducting ESG-related research, incorporating ESG issues into investment strategies, voting shareholdings, engaging with companies and policy makers;
- This can be an internal staff or an external role;
- They do not have to be a dedicated RI/ESG investment staff (captured in 07.3); and
- They do not have to be allocating the majority of their time to RI/ESG activities.
-
- Senior level oversight and accountability for RI implementation: Individuals with oversight roles are those with management or governance responsibility for ensuring that the organisation implements its policies, and achieves its objectives and targets in relation to responsible investment performance; and
- "Senior level" includes the roles: Chief level staff, head of department, CEO, CIO, Investment Committee and Board members or trustees.
-

If you have any questions or need support please contact reporting@unpri.org or call on + 44 (0) 203 714 3187.

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

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

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 2017 we participated in collaborative engagement activities by co-signing letters to companies requesting them to report to CDP and sending out these letters to Finnish companies.

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 2017 we participated in 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 2017 we participated in 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
- EVCA – Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

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

- Basic
- Moderate
- Advanced
- 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

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 2017, in accordance with the policy, we joined the Climate Action 100+ co-operation that will be 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. At the early stage, the initiative involves 225 investors with combined investment assets of more than EUR 26.3 trillion dollars.

- 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 participated in the activities of the Finnish Climate Leadership Coalition (former Climate Leadership Council), and our President and CEO Timo Ritakallio was a member of the association's Board of Directors. In his speech given at the autumn meeting of the association, Ritakallio pointed out that investors have many opportunities to mitigate climate change.

- Other collaborative organisation/initiative, specify

Climate partners, City of Helsinki

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 joined 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 are managed by PRI signatories.

%

80

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 organized about ESG 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)
- Other, specify
- No

Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

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

SG 12.1

Indicate whether your organisation uses investment consultants.

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

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

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

SG 13.1

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

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

Is this scenario analysis based on a 2°C or lower scenario?

- Yes
- No
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

SG SG
13.1a CC

Please describe the resilience of your organisation's strategy, considering different future climate scenarios.

Strategy affected	Changes to strategy	Description of scenario and time-horizon	How analysis has been used
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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

Ilmarinen decided to adopt ESG benchmark indices in direct listed equity selection from 2017 onwards (applies to over 50 % of listed equity investments).

- We do not consider ESG issues in strategic asset allocation

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1 Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.

The environmental and social impacts and governance of business operations influence companies' profit, expenses and reputation. Accordingly, they are important also in terms of return on investment and risks. Ilmarinen has an influence on companies as an investor especially when we make decisions to participate in share or bond issues.

In order to integrate sustainability analysis into its investment activities, Ilmarinen uses a responsible investment 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 sustainability as well as already realised 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.

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

The ratings also include an estimate of the company's climate impacts, including:

- the climate risks of the investees and how they are managed by the investee companies
- the opportunities climate change presents for the investee companies' business

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

- Changing demographics
- Climate change and related issues

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

	Definition	Description of material climate-related issues
Short term	1-2 years	Changes in regulation
Medium term	3-5 years	Extreme weather conditions impacting business environment
Long term	Over 5 years	Physical impacts of climate change affecting businesses

SG 14.3

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

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.4

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

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

**SG 14.4a
CC**

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

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology	Metric Trend	Limitations / Weaknesses
Climate-related targets	Minority	Property GHG emission intensity reduction	tCO2e/m2	GHG protocol	Reducing	
Weighted average carbon intensity	Majority	Increase awareness	tCO2e / euros of revenue	GHG protocol	Reducing	Scope 3 emissions not included
Carbon footprint (scope 1 and 2)	Majority	Increase awareness	tCO2e / euros of revenue	GHG protocol	Reducing	Scope 3 emissions not included
Portfolio carbon footprint	Majority	Increase awareness	tCO2e/ euros of revenue and euros invested	GHG protocol	Reducing	Scope 3 emissions not included
Total carbon emissions	Majority	Reporting	tCO2e	GHG protocol		Low comparability
Carbon intensity	Majority	Increase awareness	tco2e per euros of revenue and euros invested	ghg protocol		Scope 3 emissions not included
Exposure to carbon-related assets						

**SG 14.4b
CC**

Please describe in further detail your key targets.

Targettype	Time Frame	Base Year	KPI	Target Methodology	Limitations / Weaknesses	Attachments
<input type="radio"/> Absolute target <input checked="" type="radio"/> Intensity target	2020	2016	Real estate carbon intensity			
<input type="radio"/> Absolute target <input type="radio"/> Intensity target						

SG 14.5

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

Annual sustainability report (GRI)

**SG 14.7
CC**

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

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

Please describe

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. Taking these changes into account is especially important for a long-term operator such as Ilmarinen. Changes always increase business risks, while at the same time also creating new opportunities. We continuously develop our investment operations with the goal of establishing a systematic approach for taking climate change impacts into account.

The risks inherent in climate change can be realised in investment operations when the operating environment becomes challenging for companies due to global warming. The value of investments may also fluctuate as a result of rapidly changing views in the markets on the impacts of climate risks, and as a result of legislation that creates new expenses. In Finland, for example, the government has outlined that coal will be phased out in energy production through legislation by 2030.

Description may include:

- How you determine the significance of climate-related risks in relation to other risks.
- Whether you consider existing and emerging regulatory requirements related to climate change.
- A description of processes for assessing the potential size and scope of identified climate-related risks.
- Definitions of risk terminology used or references to existing risk classification frameworks used.
- How decisions to mitigate, transfer, accept and/or control climate-related risks are made in managing processes.

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

**SG 14.8
CC**

Describe your processes for prioritising climate-related risks.

The Climate Policy steering our investment operations was adopted in 2016 and updated in October 2017. The policy helps us to reach our investment targets and take into account the limits the climate sets on the economy. In the Climate Policy, we have set concrete targets for mitigating climate change over the next few years. The Climate Policy also guides the investee companies and asset managers to take sustainability aspects better into account.

We automatically give a weak sustainability rating to companies for which coal related to energy production accounts for at least 30% of their net sales or energy production, in cases where at least 30% of the company's net sales comes from energy production. We give a weak sustainability rating if the company in question does not have a credible plan for reducing the use of coal. We also chart the new business opportunities offered by climate change.

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

Please describe

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 organised events.

For our listed investments, we co-operate with international investors in engaging with companies through, among others, the CDP.

Describe these engagement activities.

Specific Guidance:

Investment Managers

You may like to include a description on how you identify and assess material climate-related risks for each product or investment strategy.

No, we do not engage

SG 14.10 CC	Describe how you use data from climate-related disclosures.
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The climate risks and opportunities of investments have been included in Ilmarinen's sustainability ratings. We use the ratings to evaluate investees in listed investments. The ratings also include an estimate of the company's climate impacts.

In addition to a comprehensive sustainability assessment, we also take into account the coal-dependency of operations in the sustainability ratings. 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 cases where at least 30% of the company's net sales comes from energy production. In this context, coal only refers to coal used for energy production (thermal coal). When assessing the net sales limit in terms of coal, we take into account the net sales from both mining and energy production. We can invest in companies that exceed the coal limit only if the company in question has a credible plan to reduce its coal use in future.

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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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>
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 - Corporate (non-financial)	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.
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>
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.
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Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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We have made the integration of sustainability aspects into investment operations more systematic by adopting responsible investment 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.

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. Sustainability ratings already cover 88 % 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.

The response to this indicator could relate to any aspects of your responsible investment processes, activities, outputs or outcomes that you consider to represent significant developments and progress in the practice of responsible investment in general or in a particular market or asset class.

Illustrative examples include:

- the introduction of longer holding periods (or portfolio turnover limits) to encourage longer-term thinking;
- new ways of delivering information or reports to clients;
- the development of innovative KPIs or performance measurement tools (e.g., to track the carbon intensity or other ESG characteristics of portfolios or to link these to financial performance);
- the use of new engagement approaches that deliver better ESG or financial outcomes; and/or
- new partnerships or collaborations.

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6
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SG 19.1	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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Fixed income

- 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
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- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input type="radio"/> Broad approach to RI incorporation <input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used
Frequency	<input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested
URL	https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf

Listed equity - Engagement

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/nec-annual-engagement-report-2017.pdf
URL	https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf

Listed equity – (Proxy) Voting

- 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	
<ul style="list-style-type: none"><input type="radio"/> Explain all voting decisions<input type="radio"/> Explain some voting decisions<input type="radio"/> Only explain abstentions and votes against management<input checked="" type="radio"/> No explanations provided	
Frequency	
<ul style="list-style-type: none"><input type="checkbox"/> Quarterly<input type="checkbox"/> Biannually<input checked="" type="checkbox"/> Annually<input type="checkbox"/> Less frequently than annually<input type="checkbox"/> Ad hoc/when requested	
URL	
https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/omistajapolitiikka/ilmarisen-osallistuminen-yhtiokokouksiin-ja-aanestykset-2017.pdf	
URL	
https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/sustainability_report_2017_final.pdf	

Listed equity - Incorporation

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf	
URL	
https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/sustainability_report_2017_final.pdf	

Property

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input checked="" type="checkbox"/> ESG information on how you select property investments <input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf
URL	https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/taloudellisia-tietoja/vuosikertomus/sustainability_report_2017_final.pdf

Selection, Appointment and Monitoring

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

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

Listed Equity and Fixed Income Strategies

SAM 01	Mandatory	Public	Gateway	PRI 1
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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				
Screening	<input checked="" type="checkbox"/>				
Thematic	<input checked="" type="checkbox"/>				
Integration	<input checked="" type="checkbox"/>				
None of the above	<input 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.

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 fulfil Ilmarinen's other criteria for investment decisions.

Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
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SAM 02.1 Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE						
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>						
ESG incorporation requirements	<input checked="" type="checkbox"/>						
ESG reporting requirements	<input checked="" type="checkbox"/>						
Other	<input checked="" type="checkbox"/>						
No RI information covered in the RFPs	<input type="checkbox"/>						

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

definition of roles and responsibilities in RI

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

ESG people/oversight

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

Process/portfolio construction/investment valuation

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

SAM 02.4

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

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

SAM 03	Mandatory	Public	Additional Assessed	PRI 2
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SAM 03.1 Indicate how your organisation typically evaluates the manager’s active ownership practices in the majority of the manager selection process.

Engagement

	LE				
Review the manager’s engagement policy	<input type="checkbox"/>				
Review the manager’s engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>				
Ensure that engagement outcomes feed back into the investment decision-making process	<input type="checkbox"/>				
Other engagement issues in your selection process specify	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>				

(Proxy) voting

	LE
Review the manager's voting policy	<input type="checkbox"/>
Review the manager's ability to align voting activities with clients' specific voting policies	<input type="checkbox"/>
Review the manager's process for informing clients about voting decisions	<input type="checkbox"/>
Ensure that voting outcomes feed back into the investment decision-making process	<input 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"/>
None of the above	<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
- 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
- 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								
ESG objectives linked to investment strategy	<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"/>								
Compliance with investment restrictions and any controversial investment decisions	<input type="checkbox"/>								
ESG portfolio characteristics	<input type="checkbox"/>								
How ESG materiality has been evaluated by the manager in the monitored period	<input type="checkbox"/>								
Information on any ESG incidents	<input type="checkbox"/>								
Metrics on the real economy influence of the investments	<input type="checkbox"/>								
PRI Transparency Reports	<input type="checkbox"/>								
PRI Assessment Reports	<input type="checkbox"/>								
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>								
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>								
None of the above	<input type="checkbox"/>								

SAM 05.2

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

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

For example, if you require your external managers to undertake carbon portfolio monitoring, you are strongly encouraged to report this here.

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

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

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

- Encourage improved RI practices with existing investment managers

Measures

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.

- Add Example 1
- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- We are not able to provide examples

ESG incorporation in actively managed listed equities

Implementation processes

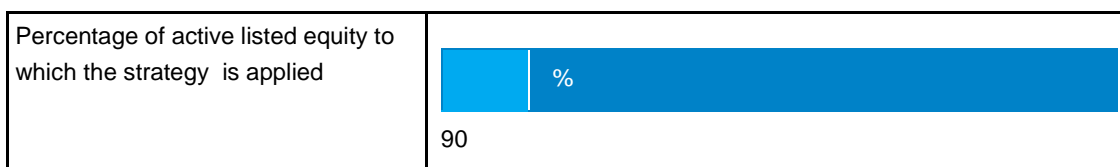
LEI 01	Mandatory	Public	Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

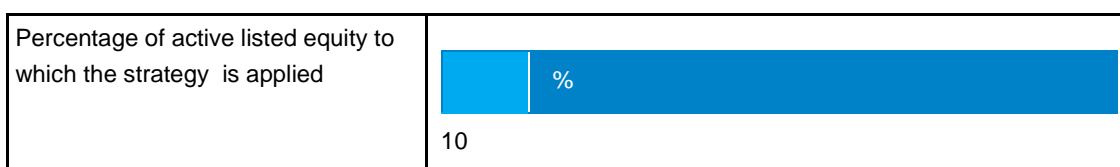
LEI 01.1 Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)

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



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



- 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 and social 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 integrated into the selection of investees, so it is not a separate function. 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 realised 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. Sustainability ratings already cover 88 per cent 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 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.

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. Taking these changes into account is especially important for a long-term operator such as Ilmarinen. We continuously develop our investment operations with the goal of establishing a progressive and systematic approach for taking climate change impacts into account.

In 2016, we adopted a Climate Policy, which will help us to reach our investment targets and take into account the limits set by the climate on the economy. In the Climate Policy, we set ourselves concrete targets for

mitigating climate change over the next few years. The Climate Policy also aims to guide the investee companies and asset managers to take corporate responsibility aspects better into account.

In our view, climate change entails not only risks but also opportunities for investors. Climate change opens up 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. 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.

In 2017, 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. 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 financial criteria. We have already invested extensively in companies that meet our targets. These solutions accounted for 7.5 per cent of the net sales of our investees at the end of 2017. This is 1.8 percentage points more than in the previous year.

May include a discussion of the following:

- The main ESG strategies in use, and the motivation for its use.
- Who is responsible for the implementation of these strategies.
- How your ESG incorporation strategies differ (e.g. by sector, geography, etc.).
- If relevant, how combinations of strategies are used.

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

- Raw ESG company data

Indicate who provides this information

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

Indicate who provides this information

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

Indicate who provides this information

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

Indicate who provides this information

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

Indicate who provides this information

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

LEI 02.2	Provide a brief description of the ESG information used, highlighting any different sources of information across your ESG incorporation strategies.
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We have developed Ilmarinen's sustainability ratings. The basis of the sustainability 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 realised controversies and norm violations.

In addition, we use analysis specific to climate impacts and sustainable development goals. We annually review the carbon footprint of our portfolio and also include indicators of green-brown exposure, such as the share of different types of energy sources. As part of assessing the climate risks of our investments, we have compared our equity investments against the target of limiting the global increase in temperature to a maximum of two degrees Celsius in line with the Paris Agreement. The analysis was performed by the 2° Investing Initiative.

LEI 02.3	Indicate if you incentivise brokers to provide ESG research.
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- Yes
- No

LEI 02.5	Additional information.[Optional]
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We prefer brokers who provide comprehensive an in-depth company analysis.

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 ESG specialist discusses 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 specialist assesses the resolutions of general meetings and discusses 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, companies dependent on coal are those whose share of coal accounts for at least 30 per cent of their net sales or energy production when at least 30 per cent of the company's net sales comes from energy production.

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. 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.

Also, we exclude companies whose total ESG rating is below our internal threshold.

Describe which ESG screens are used, for which funds and whether they are used in combination with other screens.

- Positive/best-in-class screening

Screened by

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

Description

In 2017, we identified investees that promote the goals of sustainable development. Sustainable development solutions also include business related to climate impacts, prevention of contagious diseases and water supply, among other things. 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 financial criteria. We have already invested extensively in companies that meet our targets. These solutions accounted for 7.5 per cent of the net sales of our investees at the end of 2017. This is 1.8 percentage points more than in the previous year. The percentage is affected by changes in the solutions' share of the investee's net sales and changes in the value of Ilmarinen's investments in the companies. We will continue identifying these investees in 2018.

Describe which ESG screens are used, for which funds and whether they are used in combination with other screens.

- 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 the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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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 2016, 98 per cent of our direct listed equity investments, 96 per cent of our listed corporate bond investments and 46 per cent of our total investment assets had been screened for norm violations. 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.

We report on our exclusion criteria in our responsible investment policy, as well as in our sustainability report. The policy is reviewed approx. once a year.

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.
- 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 chased to the source 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
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- 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
 The sustainability ratings and the related sustainability analysis and possible changes are available to our portfolio managers alongside the company's financial figures (Bloomberg)
- None of the above

LEI 06.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
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A stock that is on our exclusion list needs to be sold.

If we have a holding that no longer meets our criteria, we are faced with two options: engagement or exclusion. Engagement is our preferred strategy, but if proved not adequate, our last option is exclusion.

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

LEI 07.2	Describe your organisation's processes relating to sustainability themed funds. [Optional]
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While we do not have separate theme funds, we have both environmentally and socially themed investments in our sector/country/other theme portfolios. In our view, climate change 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. 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.

In 2017, we identified investees that promote the goals of sustainable development. 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 financial criteria. We have already invested extensively in companies that meet our targets. These solutions accounted for 7.5 per cent of the net sales of our investees at the end of 2017. This is 1.8 percentage points more than in the previous year. The percentage is affected by changes in the solutions' share of the investee's net sales and changes in the value of Ilmarinen's investments in the companies. We will continue identifying these investees in 2018.

May include a discussion of the following:

- How these themes are defined
- Whether the application/interpretation of the themes differs by sector, geography, etc.

- Any other factors that are considered in the investment process and how the thematic elements relate to the overall process.

(C) Implementation: Integration of ESG issues

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

ESG issues	Proportion impacted by analysis
Environmental	<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #0070c0; margin-right: 5px;"></div> <div style="background-color: #0070c0; color: white; padding: 2px 5px;">Environmental</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>
Social	<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #0070c0; margin-right: 5px;"></div> <div style="background-color: #0070c0; color: white; padding: 2px 5px;">Social</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>
Corporate Governance	<div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #0070c0; margin-right: 5px;"></div> <div style="background-color: #0070c0; color: white; padding: 2px 5px;">Corporate Governance</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </p>

LEI 08.2 Additional information. [Optional]

At Ilmarinen, sustainability analysis has been integrated into the selection of investees, so 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 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 already realised 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. Sustainability ratings already cover 88 per cent of our listed equity investments.

LEI 09	Voluntary	Public	Additional 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.
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- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products

LEI 09.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.
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- <10%
- 10-50%
- 51-90%
- >90%

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

- Third-party ESG ratings are updated regularly.

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

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

- A periodic review of the internal research is carried out

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

- ESG risk profile of a portfolio against benchmark

- Other, specify

- None of the above

LEI 09.5	Describe how ESG information is held and used by your portfolio managers.
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- 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%
- 11-50%
- 51-90%
- 90%

 Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

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

 Quality of management

Proportion of actively managed listed equity exposed to investment analysis

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

 Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

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

 Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

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

LEI 10.2a 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 tools (discount rates, terminal value)
- Other adjustments to fair value projections, specify

LEI 10.3 Describe how you integrate ESG information into portfolio weighting.

Certain sub-sectors are excluded from our universe. Companies need to meet a minimum ESG threshold to be included in the portfolio.

LEI 10.4a Describe the methods you have used to adjust the income forecast / valuation tool

We have adjusted the discount rate applied based on high ESG risks, where deemed appropriate.

- Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis

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

LEI 10.2b 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 tools (discount rates, terminal value)
- Other adjustments to fair value projections, specify

LEI 10.4b Describe the methods you have used to adjust the income forecast / valuation tool

We have adjusted the discount rate applied based on high ESG risks, where deemed appropriate.

- Other, specify

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. Investing in companies with lower ratings always requires a separate permit, which can only be granted based on a more detailed assessment. Sustainability ratings already cover 88 per cent of our listed equity investments.

Thematic

Describe any alteration to your investment universe or other effects.

In 2017, we identified investees that promote the goals of sustainable development. 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 financial criteria. We have already invested extensively in companies that meet our targets. These solutions accounted for 7.5 per cent of the net sales of our investees at the end of 2017. This is 1.8 percentage points more than in the previous year. The percentage is affected by changes in the solutions' share of the investee's net sales and changes in the value of Ilmarinen's investments in the companies. We will continue identifying these investees in 2018.

Integration of ESG issues

Select which of these effects followed your ESG integration:

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

Engagement

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 a formal engagement policy.

Yes

LEA 01.2 Attach or provide a URL to your engagement policy.

Attachment provided:

URL provided:

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/responsible-investment-policy.pdf>

LEA 01.3 Indicate what your engagement policy covers:

- Conflicts of interest
- Insider information
- Alignment with national stewardship code requirements
- Due diligence and monitoring process
- Prioritisation of engagements
- Transparency of engagement activities
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

LEA 01.4 Provide a brief overview of your organization's approach to engagement

If a company we own systematically fails to comply with the UN Global Compact principles, we will deepen our dialogue into an engagement process that aims at ending the undesirable activity and at the adoption of responsible procedures. If the undesirable activity does not end as a result of the engagement process, our last resort is to exit from our ownership in the company.

Ilmarinen's investment organisation decides on the companies to be subjected to the engagement process and on the procedures. We engage with companies both alone and together with our service provider and other investors. We participate in Nordic Engagement Cooperation, through which we engage with companies jointly with Norwegian KLP, Danish PFA and Swedish Folksam. We publish a separate annual report pertaining to this engagement work on our website.

We also engage with companies in relation to General Meetings. We participate in the nomination processes of the Board members of a number of Finnish listed companies. In addition, 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.

Guidance on this indicator available in Explanatory Notes.

No

LEA 02	Mandatory	Public	Gateway	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 type="checkbox"/> Other, specify <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 type="checkbox"/> Other, specify <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"/> Other, specify <input type="checkbox"/> We do not engage via service providers

LEA 02.2	Additional information. [Optional]
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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, a Norwegian and a Danish investor in addition to Ilmarinen. We also engage with companies as part of collaborative engagements through CDP.

Process

Process for engagements run internally

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

LEA 03.1

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

Yes

LEA 03.2

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

- Geography / market of the companies
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts that have already occurred.
- As a response to divestment pressure
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- As a follow-up from a voting decision
- Client request
- Other, describe

No

LEA 04**Mandatory****Public****Core Assessed****PRI 2**

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

LEA 04.1

Indicate if you define specific objectives for your engagement activities.

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

LEA 04.2

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

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3

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

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

Process for engagements conducted via collaborations

LEA 05**Mandatory****Public****Core Assessed****PRI 2**

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

LEA 05.1

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

Yes

LEA 05.2

Describe the criteria used to identify and prioritise collaborative engagements.

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

No

LEA 06**Mandatory****Public****Core Assessed****PRI 2**

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

LEA 06.1

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

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

LEA 06.2

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

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3

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

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

LEA 06.4

Additional information. [Optional]

We used a third-party service provider for the collaborative engagement through NEC, who works with us in formulating engagement timelines, milestones and goals etc.

May include a discussion of the following;

- How collaborative engagement objectives are defined.
- How progress of collaborative engagement activities are tracked, including how you monitor action taken by companies.
- How the decision to terminate or escalate a collaborative engagement programme or activity is made.
- How insights from collaborative engagement are incorporated into investment decision-making.
- How lessons learned are tracked and integrated into future engagement programmes.
- Any relevant examples.

Process for engagements conducted with/on your behalf by service providers

LEA 07	Mandatory	Public	Core Assessed	PRI 2,4
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 07.1	Indicate if you play a role in the engagement process that your service provider conducts on your behalf.
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Yes

LEA 07.2	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
- We play no role in engagements that our service provider conducts.

No

May include a discussion of the following:

- Your role in setting engagement/active ownership objectives.
- How you monitor/oversee service provider activities.
- Any joint engagement conducted with the service provider.

LEA 08	Mandatory	Public	Core Assessed	PRI 2,6
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LEA 08.1	Do you monitor and review the outcomes of the engagement activities undertaken by your service providers on your behalf?
-----------------	--

Please select all that apply

- Yes, periodically
- Yes, ad hoc basis
- We do not monitor or review them

General processes for all three groups of engagers

LEA 09	Mandatory	Public	Additional Assessed	PRI 1,2
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LEA 09.1

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

Type of engagement	Insights shared
Individual/Internal staff engagements	<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 09.2

Additional information. [Optional]

Our in-house ESG specialist discusses 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 specialist assesses the resolutions of general meetings and discusses 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.

May include a discussion of the following:

- How you decide what information to pass to investment decision-makers.
- What you expect investment decision-makers to do with the insights you pass on.
- How you monitor their use of insights you passed on.
- Whether ESG data collected through engagement feeds into an internal ratings tool/platform.

LEA 10**Mandatory****Public****Gateway****PRI 2****LEA 10.1**

Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<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 and cannot estimate our engagements
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 and cannot estimate our engagements

LEA 10.2 Additional information. [OPTIONAL]

We utilise GES Investment Services as our engagement service provider. We only track and follow a limited number of engagements conducted by GES, which are of interest to us based on the company, case in question and our holdings. In addition, during the reporting year, we have done collaborative engagements through Nordic Engagement cooperation and CDP.

May include a discussion of the following:

- The systems in place to track engagement progress.
- A description of the information collected.
- How regularly tracking systems are updated and to whom this information is provided
- Any auditing procedures that occur.

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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LEA 11.1	Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.
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	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 2px;">Number of companies engaged</div> 19	<div style="background-color: #0070C0; color: white; padding: 2px;">Proportion (to the nearest 5%)</div> 5	<div style="background-color: #0070C0; color: white; padding: 2px;">Specify the basis on which this percentage is calculated</div> <input type="radio"/> of the total number of companies you hold <input checked="" type="radio"/> of the total value of your listed equity holdings
Collaborative engagements	66	<div style="background-color: #0070C0; color: white; padding: 2px;">Proportion (to the nearest 5%)</div> 30	<div style="background-color: #0070C0; color: white; padding: 2px;">Specify the basis on which this percentage is calculated</div> <input type="radio"/> of the total number of companies you hold <input checked="" type="radio"/> of the total value of your listed equity holdings
Service provider engagements	5	<div style="background-color: #0070C0; color: white; padding: 2px;">Proportion (to the nearest 5%)</div> 0	<div style="background-color: #0070C0; color: white; padding: 2px;">Specify the basis on which this percentage is calculated</div> <input type="radio"/> of the total number of companies you hold <input checked="" type="radio"/> of the total value of your listed equity holdings

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

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Service provider engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

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

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

LEA 11.4 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 type="radio"/> <10% <input checked="" type="radio"/> None

(Proxy) voting and shareholder resolutions

Overview

LEA 15	Mandatory	Public	Core Assessed	PRI 1,2,3
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

Yes

LEA 15.2 Indicate what your voting policy covers:

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe
- None of the above

LEA 15.3 Attach or provide a URL to your voting policy. [Optional]

URL

<https://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sjoiutukset/omistajapolitiikka/ownership-policy.pdf>

LEA 15.4 Provide a brief overview of your organization's approach to (proxy) voting.

Ilmarinen attends the General Meetings of the companies in which it is a major owner or where participation is otherwise deemed important.

We participate in the nomination processes of the Board members of a number of Finnish listed companies. During the nomination process, we promote the professional governance and management of the companies we own.

Guidance on this indicator available in Explanatory Notes.

No

Process

LEA 16	Mandatory	Public	Descriptive	PRI 2
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LEA 16.1 Indicate how you typically make your (proxy) voting decisions.

Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

Based on

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

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

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 2017, we contacted 20 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 16.3 Additional information.[Optional]

Our responsible investment specialist draws 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. We also promote that both women and men are represented on the Board of Directors of the companies we own. We also use an external service provider as background research for drawing our voting instructions.

May include a discussion of the following;

- Who is involved in making final voting decisions internally.
- Description of criteria used to review service provider's recommendations.
- Any examples of situations in which there is more than one decision-maker or when decisions are made jointly.

LEA 20	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 20.1	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
 - Votes for selected markets
 - Votes relating to certain ESG issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - Other
 - voting on proposals that are not in line with our policy**
- Neither we nor our service provider raise concerns with companies ahead of voting

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

- Yes, in most cases
- Sometimes, in the following cases.
 - Votes in selected markets
 - Votes on certain issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - On request by companies
 - Other
- 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 20.3	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 2017, we contacted 20 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.

You may like to include information on the criteria used to outline which companies are informed of voting decisions before or after voting takes place.

Outputs and outcomes				
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LEA 21	Mandatory	Public	Core Assessed	PRI 2
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LEA 21.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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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

LEA 21.2	Explain your reason(s) for not voting 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)
- On request by clients
- Other

We do not track or collect this information

LEA 22	Mandatory	Public	Additional Assessed	PRI 2
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LEA 22.1	Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.
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- Yes, we track this information
- No, we do not track this information

LEA 23	Voluntary	Public	Descriptive	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

- Yes
- No

May include a discussion of the following:

- The criteria you or your service provider(s) consider prior to supporting an ESG shareholder resolution.
- Whether you internally review all or some of the ESG resolutions filed.
- Whether you outsource entirely the review process to your service provider(s).

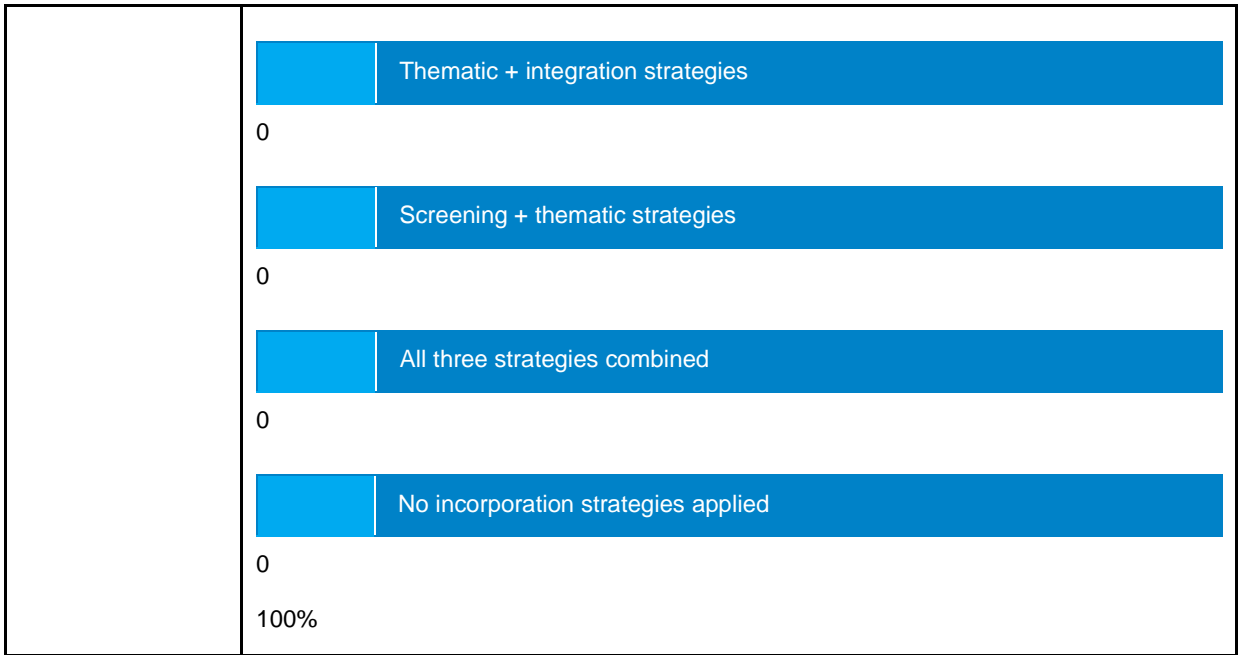
ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
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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.
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SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	100	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	0																		
Screening + integration strategies	100																		
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All three strategies combined	0																		
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Corporate (financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	100								
Strategy	Percentage																		
Screening alone	0																		
Thematic alone	0																		
Integration alone	0																		
Screening + integration strategies	100																		



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

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	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.

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)	Securitized
Environmental data	<input type="checkbox"/>	<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"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<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

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 realised 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 do annual carbon footprinting 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 cannot be included in our investments, unless they present a credible plan to reduce coal dependency.

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

- 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 of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- 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 a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' 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.

Select all that apply

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

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

FI 05	Mandatory	Public	Descriptive	PRI 1
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FI 05.1	Indicate why you conduct negative screening.
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SSA

	SSA
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- For legal reasons
- For non-legal reasons

Corporate (financial)

	Corporate (fin)
--	-----------------

- For legal reasons
- For non-legal reasons

Corporate (non-financial)

	Corporate (non-fin)
--	---------------------

- For legal reasons
- For non-legal reasons

Securitised

	Securitized
--	-------------

- For legal reasons
- For non-legal reasons

FI 05.2	Describe your approach to ESG-based negative screening of issuers from your investable universe.
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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. We also do not invest in companies that manufacture arms prohibited by international treaties, including cluster munitions and anti-personnel mines and nuclear weapons. Furthermore, we do not invest 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 (30 % threshold).

We do not invest in the government bonds of countries that, according to the public statement of the Financial Action Task Force (FATF), do not meet the international obligations for combatting money laundering and terrorism financing. In addition, we do not invest in the bonds of governments in which it is prohibited to invest based on the EU's economic sanctions

FI 07	Mandatory	Public	Core Assessed	PRI 1
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FI 07.1	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"/> Checks are 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 every 2 years. <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 regularly 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 (e.g. Bloomberg terminals). <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Checks are 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 every 2 years. <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 regularly 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"/> Checks are 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 every 2 years. <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 regularly 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, including norm violations, which can lead to exclusion or requiring specific assessment before investment <input type="checkbox"/> None of the above

FI 07.2	Additional information. [Optional]
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We continuously develop further our technical implementation of the sustainability rating system, which is integrated e.g. in our Bloomberg terminals 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.

(C) Implementation: Integration

FI 11	Mandatory	Public	Descriptive	PRI 1
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FI 11.1	Describe your approach to integrating ESG into traditional financial analysis.
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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 11.2	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
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We use classification methods, particularly when investing in emerging market government bonds, including criteria linked to corruption and the implementation of laws.

	Corporate (financial)
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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)
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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.

Securitized

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 12	Mandatory	Public	Core Assessed	PRI 1
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FI 12.1	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into security weighting decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is a standard part of internal credit ratings or assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is regularly featured in internal research notes or similar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is a standard feature of ongoing portfolio monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis features in all internal issuer summaries or similar documents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 13	Mandatory	Public	Additional Assessed	PRI 1
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FI 13.1 Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	<input checked="" type="checkbox"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input checked="" type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Securitised	<input checked="" type="checkbox"/> Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 13.2 Please provide more detail on how you review E, S and 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.

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.

Securitised

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 15	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
FI 15.1	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)	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 15.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>
Securitised	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div style="background-color: #0070C0; color: white; padding: 5px;"> FI 15.2 Indicate your motivations for conducting engagement (Securitized fixed income assets). </div> <p> <input type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>

FI 16	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 16.1	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.)
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Select all that apply

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

FI 16.2

Indicate how your organisation prioritises engagements with issuers

Select all that apply

		Corporate (non-financial)	Securitised
Based on potential materiality of ESG factors		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Based on systemic risks (e.g. low-carbon transition) to global portfolios		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Based on our exposure (holdings)		<input type="checkbox"/>	<input type="checkbox"/>
Other		<input type="checkbox"/>	<input type="checkbox"/>

FI 16.3

Indicate when your organisation conducts engagements with issuers.

Select all that apply

		Corporate (non-financial)	Securitised
Engagements are conducted pre-investment		<input type="checkbox"/>	<input type="checkbox"/>
Engagements are conducted post-investment		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe		<input type="checkbox"/>	<input type="checkbox"/>

FI 16.4

Indicate how your organisation conducts engagements with issuers.

Select all that apply

			Corporate (non-financial)	Securitised
We systematically engage prior to ESG-related divestments			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities			<input type="checkbox"/>	<input type="checkbox"/>
We engage in reaction to ESG issues which have already affected the issuer			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Investment and ESG analysts systematically conduct ESG-related engagements together			<input type="checkbox"/>	<input type="checkbox"/>
Other, describe			<input type="checkbox"/>	<input type="checkbox"/>

FI 16.5

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

			Corporate (non-financial)	Securitised
We conduct engagements with individual issuers			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We conduct engagements within sectors and industries.			<input type="checkbox"/>	<input type="checkbox"/>
We conduct engagements on specific ESG themes (e.g. human rights)			<input type="checkbox"/>	<input type="checkbox"/>
Other, describe			<input type="checkbox"/>	<input type="checkbox"/>

FI 16.6

Indicate how your organisation shares the outcomes of the engagements internally.

Select all that apply

			Corporate (non-financial)	Securitised
We have a systematic process to ensure the outcomes of engagements are made available			<input type="checkbox"/>	<input type="checkbox"/>
We occasionally make the outcomes of engagements available			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe			<input type="checkbox"/>	<input type="checkbox"/>
We do not make this information available			<input type="checkbox"/>	<input type="checkbox"/>
We do not share the outcomes of the engagements internally			<input type="checkbox"/>	<input type="checkbox"/>

FI 17	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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FI 17.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

- Yes
- No

Outputs and outcomes

FI 18	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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FI 18.1 Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We measure whether incorporating ESG impacts funds' reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts financial returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts funds' ESG performance	<input type="checkbox"/>	<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"/>	<input checked="" type="checkbox"/>

Overview

PR 01	Mandatory	Public	Core Assessed	PRI 1-6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

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.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.

Ilmarinen's RPI is included in responsible investments policy of Ilmarinen. The RPI is a framework for investment process and KPI's 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. For the year 2017 Ilmarinen extended the carbon footprint measurement to include also the direct international property holdings. The reduction of carbon footprint is one of the KPI's under the RPI. In 2016 the measurement included the property holdings in Finland.

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.

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.

Pre-investment (selection)

PR 04	Mandatory	Public	Gateway/Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

PR 04.2	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.
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As a significant property owner and developer in Finland with nearly 4000 residential apartments to let and hundreds of office, retail and logistics property locations, Ilmarinen pays close attention to ESG issues in property investment selection.

Ilmarinen considers location as the most important criteria for real estate investment. The second is ensuring rental cashflow from the property. The other aspects to consider are letting, technical, environmental, financial and legal.

Ilmarinen has extensive internal guidelines on property investments, project development and renovations that take into account ESG issues. The issues are such as 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 carefully investigated during the investment's due diligence process or stated in the beginning of renovation and project development process.

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 2017, we started up a project with the goal of attaining LEED certification for a total of 12 of our existing properties. These include several valuable old properties in the centre of Helsinki and Kiinteistö Oy Helsingin Lepakko in Ruoholahti, where Ilmarinen's head office is located. 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.

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.
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ESG issues

- Environmental

List up to three typical examples per E, S and G issue

- 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

Description [OPTIONAL]

Location determines the critical environmental factors for transportation. Location is also the most important attribute for real estate.

List up to three typical examples per E, S and G issue

- 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

Description [OPTIONAL]

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

List up to three typical examples per E, S and G issue

- 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

Description [OPTIONAL]

Energy consumption is the key to manage and reduce carbon footprint.

- Social

List up to three typical examples per E, S and G issue

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

Description [OPTIONAL]

Ilmarinen provides only healthy and safety buildings for it's customers.

List up to three typical examples per E, S and G issue

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

Description [OPTIONAL]

Accessibility is considered based on the availability of public transportation (metro and tram/railway are preferred) to the location and how the floor plates can be divided and accessed from the lobby (horizontally and vertically). In addition, the design guidelines for residential buildings are monitored by The Finnish Association of People with Physical Disabilities.

List up to three typical examples per E, S and G issue

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

Description [OPTIONAL]

Occupier satisfaction is a function of premises that support the operations of the client, good indoor quality and customer service. During the selection process the floor plans and the level of HVAC systems are evaluated. The level of occupier satisfaction is published in the sustainability report.

- Governance

List up to three typical examples per E, S and G issue

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

Description [OPTIONAL]

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

List up to three typical examples per E, S and G issue

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

Description [OPTIONAL]

Technical, environmental, legal and tax issues are assessed in the due diligence process.

List up to three typical examples per E, S and G issue

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

Description [OPTIONAL]

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

No

PR 05	Voluntary	Public	Additional Assessed	PRI 1,3
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

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

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

PR 06.1

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

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

PR 06.2

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

- 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

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

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%
 - >25% to 50%
 - >0% to 25%
- 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%
 - >25% to 50%
 - >0% to 25%
- 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
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- >75% to 100%
- >50% to 75%
- >25% to 50%
- >0% to 25%

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.
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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 eg. for energy consumption and customer satisfaction to measure manager's performance in the area. KPIs are monitored on a yearly basis. Otherwise Ilmarinen uses business plans, regular meetings and periodic reporting to monitor and measure third party property managers.

In 2017 Ilmarinen extended the carbon footprint measurement to include also 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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New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

Ilmarinen exceeded the energy savings target in the national energy efficiency agreement which ended at the of 2016. The total amount of energy saving actions carried out during 2008-2016 was 8 600 MWh. The amount exceeded the target for 30 %. The result was based on savings projects in several properties that included, among other things, rebuilding the lighting system, cooling systems and the controls of the building's technical systems.

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.

In addition to energy savings Ilmarinen pays attention to water use. The water intensity of buildings in use has been declining. 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.

During 2016 Ilmarinen restructured the property management operations. One key element was to introduce Energy Management function as a separate entity to manage, develop and report energy efficiency. Energy Manager has made a long-term energy-efficiency plan for each property with the goal of further improving the management of energy savings measures and of ensuring that energy issues are taken into account in connection with all repairs. We will continue improving the management of daily energy consumption by connecting more properties to the energy manager's remote management system. In 2016 we also started the ESCO project aimed at energy savings in the Graniittitalo building and decided to install 601-kWp solar power system to shopping center Puuvilla in Pori and 17-kWp system to residential building in Helsinki

In the letting activities Ilmarinen has set controls to prevent shadow economy, money laundering and other ways of using premises for criminal purposes.

No

Property monitoring and management

PR 09

Mandatory

Public

Core Assessed

PRI 2,3

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

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: 2017/1,08 - 2016/1,03 (vacancy reduced in 2017) Domestic Commercial: 2017/0,22 - 2016/0,24 International RE: 0,39 Residential: 2017/145 - 2016/136 Commercial: 2017/176 - 2016/174 International RE: 2017/132 Domestic RE: 2017/35 - 2016/36 International RE: 2017/48

Social

Target/KPI	Progress Achieved
Customer satisfaction	The overall customer satisfaction (1-5/excellent): 2017/3,81 - 2016/3,67

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 2017 accounted 114 t CO2e/million euro (2016/137).

During the building maintenance phase, the largest climate impacts stem from energy consumption. For the year 2017 Ilmarinen extended the carbon footprint measurement to include also the direct international property holdings. The reduction of carbon footprint is on 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. During 2017, we started up a project with the goal of

attaining LEED certification for a total of 12 of our existing properties. These include several valuable old properties in the centre of Helsinki and Kiinteistö Oy Helsingin Lepakko in Ruoholahti, where Ilmarinen's head office is located. 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.

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 (instructions updated during 2016) 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 is at a good level, at 3.81 (on a scale of 1-5). 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
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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.
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Add certification scheme, rating and benchmark 1

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

Add certification scheme, rating and benchmark 2

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

Add certification scheme, rating and benchmark 3

No

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

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

PR 10.4 Additional information.

As property developers, we require at least a LEED Gold or corresponding environmental label for a commercial building. The label sets strict requirements on the selection of building materials, energy efficiency, water consumption, indoor air quality and the location of the building, for example.

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 2017, we started up a project with the goal of attaining LEED certification for a total of 12 of our existing properties. These include several valuable old properties in the centre of Helsinki and Kiinteistö Oy Helsingin Lepakko in Ruoholahti, where Ilmarinen's head office is located. 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.

Property developments and major renovations

PR 11	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.

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

extensive warranty periods (beyond the minimum 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 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 2017 we started charting the accessibility of our properties together with the Finnish Association of People with Physical Disabilities. 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 ageing 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
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

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

PR 12.3	Additional information. [Optional]
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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.

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 choose 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 2017 the debate on housing cost continued while house prices continued rising, especially in Helsinki region. Ilmarinen held e.g. media meetings where topic was discussed.

Outputs and outcomes

PR 15	Voluntary	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.

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 has not 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 2 722 Mwh/year
Activities undertaken to influence the investment and the outcomes	For example: Energy saving project (ESCO), renewing the lightning and HVAC systems, optimizing the use of the building systems.

Add Example 2

ESG issue	Environmental / Reducing the water consumption
Types of properties affected	Domestic direct holdings (Residential and Commercial)
Impact (or potential impact) on investment	The water intensity of buildings in use has been declining (m3/m2/year): Domestic Residential: 2017/1,08 - 2016/1,03 (vacancy reduced in 2017) Domestic Commercial: 2017/0,22 - 2016/0,24 International RE: 0,39 (measurement stated 2017)
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 2016 and 2017. The results have been carefully monitored and actions taken to be able to increase the satisfaction even more.
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

Assurance

CM 1 01.1	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

CM 1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:			
	<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <input checked="" type="radio"/> Whole PRI Transparency Report has been internally verified <input type="radio"/> Selected data has been internally verified <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			

CM 1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM 1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?			
	<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report			

CM 1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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CM 1 01.3	We undertook third party assurance on last year's PRI Transparency Report			
	<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report, or we did not have such a report last year.			

CM 1 01.4, 10-12	Mandatory	Public	Descriptive	General
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CM 1 01.4

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

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

CM 1 01.7

Mandatory

Public

Descriptive

General

CM 1 01.7

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)