



# RI TRANSPARENCY REPORT

## 2014/15

Ilmarinen Mutual Pension Insurance Company



UNEP Finance Initiative  
Changing finance, financing change



United Nations Global Compact

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

## 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 2014-15 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 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	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Public							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Public							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓					✓	
SAM 07	Appointment considerations (listed assets)	✓	Private				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	✓	Public		✓					
SAM 10	Selection processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	🔒	n/a	✓					✓	
SAM 13	Description of RI considerations in 'other' asset classes	🔒	n/a	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	-	n/a		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	⚙	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

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 engagement activities	✓	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	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Public	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Public	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	-	n/a	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					



Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Public							✓
PR 02	Breakdown of assets by management	✓	Public							✓
PR 03	Largest property types	✓	Public							✓
PR 04	Description of approach to RI	✓	Public	✓					✓	
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 06	Fund placement documents and RI	⚡	n/a	✓			✓		✓	
PR 07	Formal commitments to RI	⚡	n/a				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Public	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 12	ESG issues impact in selection process	✓	Public	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	-	n/a	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	

# Ilmarinen Mutual Pension Insurance Company

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
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**OO 01.1** Select the category which best represents your primary activity.

- ☐ 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 or endowment
- ☐ Development finance institution
- ☐ Reserve - sovereign or government controlled fund
- ☐ Other, specify

OO 02	Mandatory	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

534

OO 03	Mandatory	Descriptive	General
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**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
- ☒ No

OO 04	Mandatory	Gateway/Peering	General
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**OO 04.1** Indicate the year end date for your reporting year.

31/12/2014

**OO 04.2**

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

	trillions	billions	millions	thousands	hundreds
Total AUM		34	195	500	000
Currency	EUR				
Assets in USD		44	847	096	496

**OO 04.5**

Indicate the level of detail you would like to provide about your asset class mix.

- ☒ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- ☐ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06****Mandatory****Descriptive****General****OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☐ Publish our asset class mix as percentage breakdown
- ☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	10-50%
Fixed income – corporate	10-50%	<10%
Fixed income – government	10-50%	0
Fixed income – other	<10%	0
Private debt	<10%	0
Private equity	<10%	<10%
Property	<10%	<10%
Infrastructure	<10%	0
Commodities	0	0
Hedge funds	0	<10%

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

'Other (1)' specified

#### Currency and other hedging assets

- ☐ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 07	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 07.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.
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	% of externally managed assets
Segregated mandate(s)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Pooled fund(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
<i>Total externally managed assets</i>	100%

OO 07.2	Indicate the proportion of your externally managed assets in fund-of-funds.
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	% of externally managed assets
Fund-of-funds	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
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 type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Ilmarinen's mission is to safeguard the statutory employee pension cover of employees and self-employed persons, as well as to manage the investment assets that cover future pensions. The core values that guide our activities are responsibility, openness and succeeding together. Ilmarinen's ownership policy is based on the company's basic task and values.

The primary objective of our investment activities is to maximise the long-term return on pension fund assets without exposing the working capital to a higher level of risk than that determined by the Board of Directors. The Board of Directors is responsible for investment activities, and has delegated investment-related decision-making to the CEO, the Chief Investment Officer and the investment organisation. The company's investment organisation is responsible for the preparation of decisions and the implementation of investment activities.

Ilmarinen invests employee pension funds pursuant to legislation and the investment guide-lines and regulations issued by the Finnish Financial Supervisory Authority in such a way that the funds will, under all circumstances, be sufficient to cover the company's underwriting reserves. Ilmarinen considers it important that its investment targets should operate in a socially acceptable manner. In assessing acceptability, Ilmarinen carries out examination based on legislation and international norms, among other things. The principles for responsible investment are described separately under each asset class within our ownership policy as different asset classes will allow for different actions and processes to take place.

In order to achieve the objectives set for its investment activities, Ilmarinen invests its pension assets in various asset categories, such as equities, fixed-income instruments and real estate, and provides financing for companies. Various asset classes have their own special characteristics that have been taken into account in Ilmarinen's ownership policy.

Ilmarinen is a major institutional investor in the financial markets. Our investments are long-term in nature, and we aim to maximise their long-term value. We require that the companies we invest in operate in a way that increases their ownership value. A company that acts in a responsible and socially acceptable manner also takes into

consideration other stakeholder groups, such as the employees, sub-contractors, financiers and customers, in addition to complying with the principles of sustainable development with respect to the environment.

The goal of Ilmarinen's ownership policy is to communicate about the company's investment principles openly and transparently. With the help of its ownership policy, companies and funds that are the target of investment get information about Ilmarinen as an investor, and about requirements that it sets for investment targets. Ilmarinen also has a goal to give its customers and other interest groups information on how Ilmarinen acts as an owner.

A target company's operations must be sufficiently transparent. Comprehensive reporting is the most important transparency indicator. In addition to financial reporting, companies must report on their governance and responsibility principles, as well as how these are applied.

Ilmarinen's Principles for Responsible Investment are a key aspect of the company's investment activities. Ilmarinen is a signatory to the UN Principles for Responsible Investment, according to which investors take environmental and social and governance issues into consideration in their investment decisions. Ilmarinen's investment activities are guided by three main principles:

1. a minimum requirement of responsibility based on international norms,
2. active ownership
3. integrated sustainability analysis.

These principles are complied with in the various asset classes, taking into account any restrictions resulting from legislation.

Ilmarinen has set minimum requirements for its direct investments. According to these requirements the companies it owns must, in addition to national legislation, comply with, for example, the following norms and agreements:

- UN Global Compact
  - o e.g. respect for human rights, including equal treatment regardless of race, religion, social origin or gender
- ILO Conventions
- OECD Guidelines for Multinational Enterprises
  - o guidelines on, for example, rules for working life, sustainable development, issues concerning the responsibility of financiers of investment projects, and environmental issues
- UN Convention of the Rights of the Child
- Other key international agreements ratified by Finland, including the Ottawa Landmine Ban Convention

The targets of investment are expected to follow the aforementioned agreements and norms. If a company that operates as an investment target is seen to have acted against the principles of responsible investment, Ilmarinen will endeavour through its own action, either on its or own in collaboration with other investors, to bring the undesirable activity to an end. If the measures do not have the desired result, or if success is uncertain, the company in question will be excluded from the investment targets of Ilmarinen.

## Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.		
<div><input checked="" type="checkbox"/> We incorporate ESG issues into investment decisions on our internally managed assets</div> <div><input checked="" type="checkbox"/> We engage with companies on ESG issues via our staff, collaborations or service providers</div> <div><input checked="" type="checkbox"/> We cast our (proxy) votes directly or via service providers</div> <div><input checked="" type="checkbox"/> We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes</div> <div><input type="checkbox"/> None of the above</div>			
OO 11	Mandatory	Gateway	General

**OO 11.1**

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☒ Fixed Income – other
- ☒ Private debt
- ☒ Private equity
- ☒ Property
- ☒ Infrastructure
- ☒ Cash
- ☐ Other (1)
- ☐ None of the above

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

Currency and other hedging assets

**OO 11.2**

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- ☒ Fixed income – corporate
- ☒ Private equity
- ☒ Property
- ☒ Hedge funds
- ☐ None of the above

**OO 12****Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

**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 - Corporate
- ☐ Fixed Income - Government

#### 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
- ☐ Private Equity
- ☐ Property
- ☐ Hedge funds

### **Closing module**

- ☒ Closing module

# Ilmarinen Mutual Pension Insurance Company

## Reported Information

### Public version

### Overarching Approach

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- ☒ Yes  
☐ No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- ☒ Yes  
☐ No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Ilmarinen's Principles for Responsible Investment are a key aspect of the company's investment activities. Ilmarinen is a signatory to the UN Principles for Responsible Investment, according to which investors take environmental and social and governance issues into consideration in their investment decisions. Ilmarinen's investment activities are guided by three main principles:

1. a minimum requirement of responsibility based on international norms,
2. active ownership
3. integrated sustainability analysis.

These principles are complied with in the various asset classes, taking into account any restrictions resulting from legislation.

We also have internal guidelines on insider information, related party transactions, hospitality and managing conflicts of interest.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

- ☒ Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/omistajapolitiikka/ownership-policy-2014.pdf>

- ☐ No

**OA 02.3**

Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- ☒ Yes
- ☐ Yes, all
- ☒ Yes, some

**OA 02.4**

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Code of Conduct	<a href="http://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/code-of-conduct/">http://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/code-of-conduct/</a>
Guidelines against bribery and corruption	<a href="http://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/anti-bribery-principles/">http://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/anti-bribery-principles/</a>
Sourcing policy	<a href="http://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/ilmarinens-sourcing-policy/">http://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/ilmarinens-sourcing-policy/</a>
Insider information	<a href="http://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/insider-information/">http://www.ilmarinen.fi/en/ilmarinen/the-way-we-work/insider-information/</a>

☐ No

**OA 03****Mandatory****Core Assessed****PRI 1,2****OA 03.1**

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input checked="" type="checkbox"/> Other, specify <b>Integration</b> <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**OA 03.2**

Comment on any variations or exceptions in the coverage of your responsible investment policy.  
[Optional]

We have two exceptions where responsible investment guidelines do not have a role. The first exception relates to the loans to customers which is a specific item in the Finnish pension system and it is governed by legislation. Our customers are entitled to take out loans based on their past pension payments provided that the necessary guarantees are in place. We are not allowed to include any ESG-screens beyond legislation. The second exception relates to currencies and other hedging assets not covered in the PRI asset allocation table. These types of loans and hedging activities are a fraction of the overall AuM and as we are bound by legislation within the loans, we therefore feel appropriate to say that our ownership policy covers all AuM.

**OA 04**

**Mandatory**

**Core Assessed**

**General**

**OA 04.1**

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

☒ Yes

**OA 04.2**

Describe your policy on managing potential conflicts of interest in the investment process.  
[Optional]

We have clear internal guidelines approved by our board of directors and monitored also by our Compliance Officer.

☐ No

## Objectives and strategies

**OA 05**

**Mandatory**

**Gateway/Core Assessed**

**General**

**OA 05.1**

Indicate if your organisation sets objectives for its responsible investment activities.

☒ Yes

**OA 05.2**

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- ☒ At least once per year
- ☐ Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☐ Quarterly
- ☒ Biannually
- ☐ Annually
- ☐ Every two years or less
- ☐ It is not reviewed
- ☐ No

**Governance and human resources****OA 07****Voluntary****Descriptive****General****OA 07.1**

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Our ownership policy is a document approved by our board of director's. The document is updated approximately once a year. We also have an ownership steering committee chaired by the CEO with other members being the CIO, Head of Non-Listed Investments (also Deputy CIO), Head of Listed Securities and Head of RI. The Head of RI coordinates RI activities within the investment department with portfolio managers being responsible for evaluating company and sector level ESG factors.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

**OA 08****Mandatory****Gateway/Core Assessed****General****OA 08.1**

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 Listed Securities**
    - ☒ 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
  - ☐ Investment analysts
  - ☒ 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
  - ☐ Other role, specify
  - ☐ Other role, specify

**OA 08.2**

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

Number

1

**OA 08.3**

Additional information. [Optional]

We have 1 full time responsible investment specialist, but individual portfolio managers have responsibilities with regards to RI activities. They are in charge of 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.

## Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

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

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

Co-chair and member of the Reporting and Technical Assessment Committee in 2014

- ☐ Asian Corporate Governance Association  
☐ Association for Sustainable & Responsible Investment in Asia  
☐ Australian Council of Superannuation Investors  
☒ CDP Climate Change

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

- ☒ Basic  
☐ Moderate  
☐ Advanced  
☒ CDP Forests

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

- ☒ Basic  
☐ Moderate  
☐ Advanced  
☒ CDP Water



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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced
- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☒ 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

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

Founding member of Finsif, Ilmarinen's Head of RI is a board member at Finsif, actively participating in Finsif events

- ☐ 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 Co-operation

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]

Founding member, actively participating in meetings and company meetings

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

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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☒ Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
---------	----------------------------------------------------------------------------------------------------------------------------------------------------

- ☐ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☐ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☐ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI
- ☒ Other, specify

Provided information and internal resources for various academic studies, although not financial support.

Also wrote blogs and other types of informal papers on RI.

☐ No

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
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OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
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☒ Yes

- ☒ Yes, individually
- ☒ Yes, in collaboration with others

OA 12.2	Select the methods you have used.
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- ☒ Endorsed written submissions to governments, regulators or standard-setters developed by others
- ☐ Drafted your own written submissions to governments, regulators or standard-setters
- ☒ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

**OA 12.3**

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

☒ Yes, publicly available☐ No☐ No**OA 12.4**

Additional information.

The submissions were made on behalf of trade associations or based on discussions led by government officials.

**ESG issues in asset allocation****OA 14**

Voluntary

Descriptive

PRI 1

**OA 14.1**

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

☒ Yes**OA 14.3**

Please specify which thematic area(s) you invest in and provide a brief description.

Area

☒ Clean technology (including renewable energy)

Asset class invested

☒ Listed equity☒ Fixed income - corporate☐ Fixed income - government☐ Fixed income - other☐ Private debt☒ Private equity☒ Property☐ Infrastructure☐ Hedge funds☐ Cash☒ Green buildings

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private debt
- ☒ Private equity
- ☒ Property
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Cash
- ☒ Sustainable forestry

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private debt
- ☐ Private equity
- ☐ Property
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Cash
- ☒ Sustainable agriculture

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private debt
- ☐ Private equity
- ☐ Property
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Cash
- ☐ Microfinance
- ☐ SME financing
- ☐ Social enterprise / community investing
- ☐ Affordable housing
- ☒ Education

	Asset class invested
--	----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private debt
- ☐ Private equity
- ☐ Property
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Cash
- ☒ Global health

Asset class invested
----------------------

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private debt
- ☐ Private equity
- ☐ Property
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Cash
- ☐ Water
- ☐ Other area, specify
- ☐ No

OA 14.4	Additional information.
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Many of these issues are part of our overall approach, not a specific item. Green buildings for example is a key issue for us, but we will not invest only in green buildings. We aim to invest in great, profitable buildings that are also green. Therefore it is difficult to provide exact allocation numbers to this question. We have a few strict, thematic investments within our external fund manager portfolio, but they account less than 1% of our total AuM.

## Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
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OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.		
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - government	
Fixed income - other	We require that our fixed income corporate investments follow the same basic RI guidelines as our equity investments. This means that as a minimum standard our investments must comply not just with national legislation but also international norms as explained in our public ownership policy. In addition to our minimum standard our portfolio managers will incorporate ESG-issues into their investment decision making process. To help them cope with the multitude of items and themes we have a full time RI specialist and external data/ service providers. We also do engagement within our fixed income portfolio companies/ entities.
Private debt	The private debt is formed mostly of a specific item in the Finnish pension system, called loans to customers. We are not allowed to have special ESG screens or other requirements beyond legislation within this type of investments.
Private equity	
Infrastructure	
Cash	With cash and money market investments we have the same minimum requirements as we have with other asset classes. The banks, financial institutions that hold our cash and MM positions (including the companies whose MM instruments we hold) must follow national legislation and international norms.

OA 16	Voluntary	Descriptive	General
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OA 16.1	Describe how you address ESG issues for externally managed assets for which you are not required to report because your assets are below the minimum threshold.
---------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - corporate	The same minimum requirements as we have for our externally managed listed equity investments.
Private equity	
Property	The same minimum requirements as we have for our externally managed listed equity investments.
Hedge funds	The same minimum requirements as we have for our externally managed listed equity investments.

## Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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<b>OA 19.1</b>	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
----------------	-----------------------------------------------------------------------------------------------------------------------------

☒ Yes

<b>OA 19.2</b>	Indicate who has reviewed, validated and/or assured your reported information.
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- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☐ Validated by internal audit or compliance function
- ☐ Assured by an external independent provider, specify name

<b>OA 19.3</b>	Describe the steps you have taken to review, validate and/or assure the content of your reported information.
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Our reported information has been reviewed by our CEO.

☐ No



# Ilmarinen Mutual Pension Insurance Company

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

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

## Overview

<b>SAM 01</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 1-6</b>
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**SAM 01.1** Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

RI considerations are important in investment manager selection, appointment and monitoring. Before making any investments as part of our due diligence process we ask prospective managers questions on their views towards ESG, RI and on their ESG capabilities including but not limited to engagement, proxy voting, ESG research and RI policies. During the investment we regularly ask our managers how they are compliant with their policies, on their votings, engagements etc. We also screen our managers twice a year just as we screen our direct holdings. This means that as we have set out a minimum standard on ESG-factors (national legislation and international norms) we require our investment managers to uphold the same criteria as our direct equity and fixed income holdings. We do not extend the screening to the portfolio level of our managers but the investment management companies themselves must abide by our requirements.

<b>SAM 02</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**SAM 02.1** Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

☐ Yes

☒ No

<b>SAM 03</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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**SAM 03.1** Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)**

## Overview

<b>SAM 04</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Gateway/Peering</b>	<b>General</b>
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**SAM 04.1**

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

## Listed equity (LE)

Type of strategy	As % of externally managed listed equity
Passive	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

**SAM 05****Mandatory****Gateway****PRI 1,2****SAM 05.1**

Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

## Active investment strategies

Active investment strategies	LE		
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

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

**SAM 05.2**

Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	<b>LE</b>	
We engage directly or via service providers on our externally managed assets	<input type="checkbox"/>	
We require our external managers to engage on our behalf	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	

**SAM 05.3**

Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	<b>LE</b>	
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input type="checkbox"/>	
We require our external managers to cast our (proxy) votes on our behalf	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	

**SAM 05.4**

Additional information. [Optional]

We do not require all of our external managers to do all of the activities but we have different approaches on RI activities and external managers.

**Selection**
**SAM 06**

**Mandatory**

**Core Assessed**

**PRI 1-6**

**SAM 06.1**

Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

**General**

	<b>LE</b>		
Review the manager's responsible investment policies	<input checked="" type="checkbox"/>		
Discuss managers' governance and management of responsible investment activities	<input checked="" type="checkbox"/>		
Meet staff with responsible investment responsibilities to assess their skills and competence	<input type="checkbox"/>		
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>		
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>		
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>		
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	<input checked="" type="checkbox"/>		
Discuss the type of ESG reporting you expect	<input type="checkbox"/>		
Assign specific weighting to ESG factors in your manager evaluation	<input checked="" type="checkbox"/>		
Other general aspects in your selection process, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

**ESG incorporation**

	LE		
Evaluate the quality and coverage of ESG research used by managers	<input type="checkbox"/>		
Assess how the manager incentivises brokers to provide ESG research	<input type="checkbox"/>		
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input checked="" type="checkbox"/>		
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input checked="" type="checkbox"/>		
Evaluate index providers' ESG incorporation when designing the index	<input type="checkbox"/>		
Other ESG incorporation issues in your selection process, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Engagements

	LE	
Discuss the managers' engagement processes	<input checked="" type="checkbox"/>	
Discuss the role managers have played in influencing companies' ESG practices and performance	<input checked="" type="checkbox"/>	
Discuss how information gained through engagement is incorporated into investment decision-making	<input checked="" type="checkbox"/>	
Other engagement issues in your selection process, specify	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	

#### (Proxy) voting

	<b>LE</b>
Discuss the managers' voting processes	<input checked="" type="checkbox"/>
Discuss how information gained through research for (proxy) voting is used in investment-decision making	<input type="checkbox"/>
Other (proxy) voting issues in your selection process, specify	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

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

We have a very extensive RI RfP for potential fund managers. Any fund manager that fails to provide adequate responses to the RfP or subsequent questions rising from the RfP responses will not advance to the next stage. Those that make it to the next round will have to provide RI information in our yearly DD questionnaire. The issues covered in our initial RfP and the subsequent yearly DDs include for example RI policies, staff competencies, ESG research, proxy voting, engagements and reporting.

## Monitoring

<b>SAM 08</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
<b>SAM 08.1</b>	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:		
	General		

	LE		
Include responsible investment as a standard agenda item at performance review meetings	<input type="checkbox"/>		
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>		
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input checked="" type="checkbox"/>		
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>		
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted risk or volatility	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>		
Other general aspects of your monitoring, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### ESG incorporation

	LE		
Request information on ESG incorporation in specific investment decisions	<input checked="" type="checkbox"/>		
Other ways you monitor ESG incorporation, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Engagements



	LE	
Review the ESG information relevant to the engagements	<input type="checkbox"/>	
Discuss the number of engagements and their comprehensiveness	<input checked="" type="checkbox"/>	
Discuss the type of role played (i.e. leading or supporting)	<input checked="" type="checkbox"/>	
Review the progress of ongoing engagements and/or outcomes of completed engagements	<input type="checkbox"/>	
Other ways you monitor engagement activities, specify	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

(Proxy) voting

	LE
Review the number or percentage of votes cast	<input checked="" type="checkbox"/>
Request an explanation of reasons for votes cast	<input type="checkbox"/>
Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes	<input checked="" type="checkbox"/>
Review the number of resolutions on ESG issues filed or co-filed	<input checked="" type="checkbox"/>
Discuss the changes in company practice (outcomes) that have been achieved from voting activities	<input type="checkbox"/>
Other ways you monitor (proxy) voting activities, specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

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

We have a very extensive RI RfP for potential fund managers. After the decision has been made to invest with a particular fund manager we have regular meetings and have an annual DD that covers many ESG issues such as changes in the RI policies, staff competencies, ESG research, proxy voting, engagements and reporting.

**SAM 09**

**Mandatory**

**Core Assessed**

**PRI 2**

<b>SAM 09.1</b>	For the listed equities where you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.
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☒ We track or collect this information

	Votes cast (to the nearest 5%)
--	--------------------------------

	%
--	---

0

	Specify the basis on which this percentage is calculated
--	----------------------------------------------------------

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

<b>SAM 09.2</b>	Additional information. [Optional]
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We ask, track and collect this information but as our asset managers report in various ways (percentage of possible meetings or percentage of AuM that was voted upon) it would be very time consuming to report an aggregated number. For 2014 the votes casted percentage varied between 0% and 100% for individual asset managers.

## Outputs and outcomes

<b>SAM 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Descriptive</b>	<b>PRI 1-6</b>
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<b>SAM 14.1</b>	Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.
-----------------	--------------------------------------------------------------------------------------------------------------------

	%
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65

## Communication

<b>SAM 16</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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<b>SAM 16.1</b>	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
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- ☐ Yes, we disclose information publicly
- ☐ Yes, we disclose information to clients/beneficiaries only
- ☒ We do not proactively disclose information to the public and/or clients/beneficiaries

**SAM 16.4**

Additional information. [Optional]

We would disclose this type of information if asked. We have disclosed proactively in our annual report and our client magazine but not systematically. We have also discussed our approach in seminars and other public speeches.

# Ilmarinen Mutual Pension Insurance Company

## Reported Information

### Public version

#### Direct - Listed Equity Incorporation

## PRI disclaimer

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

## Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
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### LEI 01.1

Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

### Strategies

☒ Passive

	% of internally managed listed equities
--	-----------------------------------------

☒ <10%

#### Report on your strategies that represent <10% of listed equities

☐ Yes

☒ No

☐ 10-50%

☐ >50%

☒ Active – quantitative (quant)

	% of internally managed listed equities
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☒ <10%

#### Report on your strategies that represent <10% of listed equities

☐ Yes

☒ No

☐ 10-50%

☐ >50%

☒ Active – fundamental and other active strategies

	% of internally managed listed equities
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☐ <10%

☐ 10-50%

☒ >50%

LEI 02	Voluntary	Descriptive	PRI 1
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Ilmarinen's Principles for Responsible Investment are a key aspect of the company's investment activities. Ilmarinen is a signatory to the UN Principles for Responsible Investment, according to which investors take environmental and social and governance issues into consideration in their investment decisions. Ilmarinen's investment activities are guided by three main principles:

1. a minimum requirement of responsibility based on international norms,
2. active ownership
3. integrated sustainability analysis.

These principles are complied with in the various asset classes, taking into account any restrictions resulting from legislation.

#### **Minimum requirement for responsibility based on international norms**

Ilmarinen has set minimum requirements for its direct investments. According to these requirements the companies it owns must, in addition to national legislation, comply with, for example, the following norms and agreements:

- UN Global Compact
  - o e.g. respect for human rights, including equal treatment regardless of race, religion, social origin or gender
- ILO Conventions
- OECD Guidelines for Multinational Enterprises
  - o guidelines on, for example, rules for working life, sustainable development, issues concerning the responsibility of financiers of investment projects, and environmental issues
- UN Convention of the Rights of the Child
- Other key international agreements ratified by Finland, including the Ottawa Landmine Ban Convention

The targets of investment are expected to follow the aforementioned agreements and norms. If a company that operates as an investment target is seen to have acted against the principles of responsible investment, Ilmarinen will endeavour through its own action, either on its or own in collaboration with other investors, to bring the undesirable activity to an end. If the measures do not have the desired result, or if success is uncertain, the company in question will be excluded from the investment targets of Ilmarinen.

#### **Active ownership and integrated sustainability analysis**

With respect to active ownership and integrated sustainability analysis, Ilmarinen takes into account the special characteristics of the types of ownership, and for that reason, the matter shall be dealt with in greater detail in connection with each type of ownership. With listed equity Ilmarinen is an active owner, for example, in the following ways:

- ☐ by being well prepared when participating in the Annual General Meetings of companies
- ☐ by promoting professional governance and management of the companies it owns by actively taking part in the Board member selection process
- ☐ by maintaining regular contact with the management of the companies
- ☐ by co-operating with other shareholders

Ilmarinen's investment organisation analyses corporates, credits and government bonds also taking into account responsibility and sustainability perspectives. The investment organisation uses an integrated model in its sustainability analysis, which means portfolio managers and analysts evaluate responsibility criteria as a part of normal investment operations. Depending on the industry and company, the portfolio managers and analysts make use of various information channels to help them in their work, for example reports and research that focus on responsible investment.

## **ESG incorporation in actively managed listed equities**

### **Implementation processes**

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1	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.
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**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 + Integration strategies
- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☒ All three strategies combined

Percentage of actively managed listed equities to which each strategy or combination of strategies is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> <div>100</div>
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- ☐ No incorporation strategies applied

	Total actively managed listed equities
--	----------------------------------------

100%

LEI 03.2	Describe your primary reasons for choosing a particular ESG incorporation strategy.
----------	-------------------------------------------------------------------------------------

We screen 100% of our direct equity holdings twice a year against the minimum standard that we have set in our ownership policy. In addition to that individual portfolio managers will look at esg-factors within their portfolio companies as we believe this is the most efficient way to do good portfolio management. ESG-factors have a financial link (direct or indirect) and therefore it makes sense that it is the responsibility of the portfolio manager, and not that of an "outsider", to incorporate and integrate ESG into investment decision making. Individual portfolio managers can look at and identify themes within their sectors but it is within the discretion of individual and/ or teams, not a pre-requisite stemming from the ownership policy.

LEI 04	Voluntary	Additional Assessed	PRI 1
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LEI 04.1	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

**Indicate who provides this information**

- ☒ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ 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



<b>LEI 04.3</b>	Indicate if you incentivise brokers to provide ESG research.
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☒ Yes

<b>LEI 04.4</b>	Describe how you incentivise brokers.
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We've requested brokers to provide more ESG research as part of their mainstream research. We incentivise them by doing trades with brokers that provide us with good quality research that is needed in investment decision making.

☐ No

<b>LEI 05</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 05.1</b>	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.

## (A) Implementation: Screening

<b>LEI 06</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 06.1</b>	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

☐ Positive/best-in-class screening

☒ Norms-based screening

### Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☐ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

Description
We do not exclude sectors, unless the sector has been included in some convention ratified by the Finnish state.

<b>LEI 06.2</b>	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 have set out a minimum standard on our investments based on national legislation and international norms. Twice a year we open our portfolios to an external service provider to check that our portfolio is in line with our ownership policy. When a company fails to meet our criteria, we prefer to start an engagement process instead of excluding a company. We believe that international norms provide a good sounding board to universally accepted rules and regulations. They are not bound by religious views, individual ethical considerations and/ or moral opinions based on cultural backgrounds. With almost 900 000 customers there are plenty of differing views on individual items.

The screening criteria is part of our ownership policy. The policy is reviewed approx. once a year and it is approved by our Board of Director's. When the new policy is approved, we put out a press release stating the most significant changes. We also try to write an article in our client magazine on our ownership policy efforts and report in our annual report on our activities.

<b>LEI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 07.1</b>	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
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- ☒ 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
- ☐ Company ESG information/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
- ☐ Other, specify
- ☐ None of the above

LEI 07.2	Additional information. [Optional]
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We request external service providers to publish the data they have used in their research and analysis. Periodically the data is chased to the source to check the accuracy. Individual analysts are also contacted to discuss an individual company and its rating/ research outcome. Any decision to exclude a company based on its ESG-scoring is discussed with the portfolio manager. Individual portfolio managers can challenge the findings of external service providers and bring forward their own findings for an internal committee meeting to decide on the proper course of action. The ownership steering committee can also review an individual case to determine whether a company fulfills the ownership criteria or not.

LEI 08	Voluntary	Additional Assessed	PRI 1
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LEI 08.1	Indicate which processes your organisation uses to ensure that fund criteria are not breached
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- ☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
- ☒ Systematic
  - ☐ Occasional
- ☐ 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
- ☒ Other, specify
- Our stakeholders can look at our holdings as they are published as part of our annual reporting.
- ☐ None of the above

LEI 08.2	If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.
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If we have a holding that does not meet our criteria, we are faced with two options: engagement or exclusion. In cases where we feel that engagement will not work, we will start to sell our positions. We will not perform a fire sale but reduce our exposure in a timely manner without causing disruptions to the market.

## (B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1
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LEI 09.1	Indicate the type of sustainability thematic funds or mandates that your organisation manages.
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- ☐ Environmentally themed funds
- ☐ Socially themed funds
- ☒ Combination of themes

**LEI 09.2**

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

We have extensive RI policies covering our holdings, therefore our special thematic holdings are only a fraction of our overall holdings. These are selected partly based on increasing our own in-house capabilities in understanding these issues. If found successful the ideas can be spread out to cover more holdings thus becoming more mainstream rather than thematic.

**(C) Implementation: Integration of ESG issues****LEI 10**

Voluntary

Descriptive

PRI 1

**LEI 10.1**

Describe how you integrate ESG factors into investment decision making processes.

Ilmarinen's investment organisation analyses companies, corporate and government bonds by also taking into account responsibility and sustainability perspectives. The investment organisation uses an integrated model in its sustainability analysis, which means portfolio managers and analysts evaluate responsibility criteria as a part of normal investment operations. Depending on the industry and company, the portfolio managers and analysts make use of various information channels to help them in their work, for example reports and research that focus on responsible investment.

**LEI 11**

Mandatory

Core Assessed

PRI 1

**LEI 11.1**

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

**LEI 12**

Voluntary

Additional Assessed

PRI 1

**LEI 12.1**

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

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

**LEI 12.2**

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

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

**LEI 13****Mandatory to Report Voluntary to Disclose****Core Assessed****PRI 1****LEI 13.1**

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

- ☒ (Macro) economic analysis
  - ☐ Systematically
  - ☒ Occasionally
- ☒ Industry analysis
  - ☒ Systematically
  - ☐ Occasionally
- ☒ Analysis of company strategy and quality of management
  - ☒ Systematically
  - ☐ Occasionally
- ☐ Idea generation
- ☐ Portfolio construction
- ☒ Fair value/fundamental analysis
  - ☒ Systematically
  - ☐ Occasionally

**LEI 13.2**

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

- ☒ Adjustments to income forecasts (sales, earnings, cash flows)
- ☒ Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- ☐ Other adjustments to fair value projections, specify
- ☐ Other, specify

## Outputs and outcomes

**LEI 15****Voluntary****Descriptive****PRI 1****LEI 15.1**

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 use norm based screening as the preferred method to determine the minimum standard on ESG issues. We prefer to do engagement over exclusion, hence the emphasis is not on maintaining an extensive list of excluded companies but rather to maintain good quality engagements to improve the performance and reduce risks related to the companies we invest in. However, we do have a certain number of non-investable companies as we have evaluated any engagement with these companies to be unsuccessful for various reasons.

- ☐ Thematic
- ☒ 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

## Communication

**LEI 18****Mandatory****Core Assessed****PRI 2,6****LEI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- ☒ We disclose it publicly

Provide URL

<http://www.ilmarinen.fi/en/ilmarinen/investments/responsibility-in-investment-operations/>

Provide URL

<http://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/omistajapolitiikka/ownership-policy-2014.pdf>

**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

**LEI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

**LEI 18.4**

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

**LEI 18.7**

Additional information. [Optional]

We disclose our ownership policy and activities related to it on our website (responses to the previous PRI questionnaires, PRI report 2013 and the 2014 report will be published as well, annual report, articles in our client magazine, blogs etc).

# Ilmarinen Mutual Pension Insurance Company

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

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## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
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LEA 01.1	Provide a brief overview of your organisation's approach to engagement.
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If an investment target does not comply with Ilmarinen's responsibility principles, Ilmarinen will try to initiate an engagement process. The engagement goal is to put an end to the undesirable activity by means of active dialogue. The intention of the engagement process is not to transfer the target company's operative management to the investors, but rather to expose the risk factors that will weaken the company's value. Ilmarinen strives to carry out engagement processes in co-operation with other investors, thus ensuring a higher probability of success. The engagement process includes several stages:

- \* Recognition and analysis of the situation, and drawing up an agenda
- \* Contacting other investors
- \* Drawing up an engagement process plan
- \* Contacting the target company
- \* Discussions, company visits, on-site visits etc.
- \* A satisfactory outcome for all parties at the end of the process, or termination of ownership

We do not set strict time limits on the engagement process, since the topics of the process can vary, for example from drawing up human rights policies to changes in production methods. The development and progress of the engagement process are verified at regular intervals so that the grounds for continuing the process can be determined. If the process does not result in a satisfactory outcome for Ilmarinen, it must exit from ownership and refrain from purchases. Engagement processes may also be carried out in companies in which Ilmarinen is not an owner. These companies may represent interesting investment targets, but there are problems in the compliance with Ilmarinen's responsibility criteria. During the engagement process, securities purchases are permitted.

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

<b>LEA 02.2</b>	Additional information. [Optional]
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We believe strongly that engagement is a dialogue between an investor and a target/ potential target company when the investor has identified an issue that needs to be resolved. The issue in question varies from one company to the next but whatever the issue is (problems with strategy, supply chain, remuneration etc.), it is or has the potential of negatively impacting the target company's value (directly or in-directly). Doing company research should not be considered as engagement.

## Process

### Process for engagements run internally

<b>LEA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 03.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
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☉ Yes

**LEA 03.2**

Describe how you identify and prioritise engagements.

Our Head of RI discusses engagement cases and potential engagement cases with portfolio managers to identify the most critical cases.

☐ No

**LEA 04****Mandatory****Core Assessed****PRI 2****LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

☒ Yes

☐ Yes, for all engagement activities

☒ Yes, for the majority of engagement activities

☐ Yes, for a minority of engagement activities

☐ No

**LEA 04.2**

Indicate if you monitor the actions that companies take following your engagements.

☒ Yes

☒ Yes, in all cases

☐ Yes, in the majority of cases

☐ Yes, in the minority of cases

**LEA 04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

We strive to have an engagement agenda with steps, points of action and goals determined for all engagements. This agenda should be done before the engagement begins. The agenda can be altered during the engagement as more information emerges.

☐ No

**Process for engagements conducted via collaborations****LEA 05****Mandatory****Core Assessed****PRI 2****LEA 05.1**

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

☒ Yes

**LEA 05.2**

Describe how you identify and prioritise collaborative engagements.

Our Head of RI identifies and discusses collaborative engagements with in-house staff. Within the Nordic Engagement Co-operation the identification and prioritising is done in collaboration with the other participants of the co-operation. Some of the cases will be discussed with portfolio managers too.

☐ No

**LEA 06****Mandatory****Core Assessed****PRI 2****LEA 06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

☒ Yes

☒ Yes, for all collaborative engagement activities

☐ Yes, for the majority of collaborative engagement activities

☐ Yes, for a minority of collaborative engagement activities

☐ No

**LEA 06.2**

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

☒ Yes

☒ Yes, in all cases

☐ Yes, in the majority of cases

☐ Yes, in the minority of cases

**LEA 06.3**

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

The majority of our collaborative engagements is done through the Nordic Engagement Co-operation (NEC). Within NEC we have established a procedure with agenda, steps, action points and goals that are looked at on a quarterly basis. We also publish an annual report on NEC engagements (progress, successes, new cases etc.).

☐ No

**Process for engagements conducted with/on your behalf by service providers****LEA 07****Mandatory****Core Assessed****PRI 2,4****LEA 07.1**

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

☒ Yes

**LEA 07.2**

Indicate what role you play in engagements that your service provider conducts on your behalf.

- ☒ Specify the issues for the engagement
- ☒ Specify the objectives for the engagement
- ☒ Select the companies to be engaged with
- ☒ Participate directly in the engagements with your service provider
- ☒ Actively monitor and review the activities of the service provider
- ☐ Other, specify

☐ No

**LEA 08****Mandatory****Core Assessed****PRI 2,6****LEA 08.1**

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- ☒ The subject (or ESG issue(s)) of engagement
- ☒ The objectives of the engagement
- ☒ The rationale for engagement
- ☒ The frequency/intensity of interactions with companies
- ☒ Progress towards achieving engagement goals
- ☒ Outcomes that have been achieved from the engagement
- ☒ Next steps for engagement activity
- ☐ Other, specify
- ☐ None of the above

### General processes for all three groups of engagers

**LEA 09****Voluntary****Additional Assessed****PRI 1,2****LEA 09.1**

Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

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

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
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LEA 10.1	Indicate if you track the number of engagements your organisation participates in.
----------	------------------------------------------------------------------------------------

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"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
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"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Service provider engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, 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 but also our external fund managers do engagements on our behalf as part of their own RI processes. We ask engagement numbers but it is impossible to avoid double counting as the number of holdings is so large.

## Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Core Assessed	PRI 2
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LEA 11.1	Indicate the number of companies with which your organisation engaged during the reporting year.
----------	--------------------------------------------------------------------------------------------------

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	3
Collaborative engagements	19
Service provider engagements	110

LEA 11.2	Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]
----------	-------------------------------------------------------------------------------------------------------

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 checked="" type="radio"/> >50% <input 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 what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]
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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 for which part of your service provider engagements you were highly involved during the reporting year. [Optional]

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

**LEA 11.5**

Additional information. [Optional]

We have published only the engagements clearly done in our name, we have not published external managers' engagements as these numbers run well above a thousand but with double counting. Also in these cases we have not requested the specific engagement and the engagement target has not been aware of our ownership.

**LEA 12**

Voluntary

Additional Assessed

PRI 2

**LEA 12.1**

Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Service provider engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information



LEA 12.2	Provide an estimated breakdown by E, S and/or G issues.		
	Individual / Internal staff engagements		
	% Social only		
30			
	% Overlapping ESG issues		
70			
100%			
	Collaborative engagements		
	% Environmental only		
21			
	% Social only		
36			
	% Overlapping ESG issues		
43			
100%			
	Service provider engagements		
	% Environmental only		
15			
	% Social only		
80			
	% Corporate Governance only		
5			
100%			
LEA 13	Voluntary	Descriptive	PRI 2

<b>LEA 13.1</b>	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

☒ Yes

<b>LEA 13.2</b>	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.
-----------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	Number of company changes or commitments to change
Individual / Internal staff engagements	0
Collaborative engagements	9
Service provider engagements	59

☐ No

<b>LEA 13.3</b>	Additional information.
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A single company can achieve more than one milestone within the reporting period, so the number should not be interpreted as number of companies but as number of changes or commitments to change.

## Communication

<b>LEA 15</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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<b>LEA 15.1</b>	Indicate whether your organisation proactively discloses information on its engagements.
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☒ We disclose it publicly

	provide URL
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[http://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/nec\\_annual\\_engagement\\_report\\_2013.pdf](http://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/vastuullinen-sijoittaminen/nec_annual_engagement_report_2013.pdf)

<b>LEA 15.2</b>	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
-----------------	-------------------------------------------------------------------------------------------------------------

☒ Yes

**LEA 15.3**

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

### Engagement information disclosed

- ☒ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☒ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

**LEA 15.4**

Indicate how frequently you typically report engagements information.

- ☐ Disclosed continuously (prior to and post engagements)
- ☐ Disclosed quarterly
- ☒ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

**LEA 15.8**

Additional information. [Optional]

We publish an annual report on NEC engagements, also we try to publish examples of engagements in our own annual report and client magazine on a regular basis. Previously the breakdowns of engagements had been published as part of the PRI questionnaire responses.

## (Proxy) voting and shareholder resolutions

### Overview

**LEA 16****Voluntary****Descriptive****PRI 2****LEA 16.1**

Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

Ilmarinen attends all of the Annual General Meetings of the domestic companies in which it is a major owner.

It is important to Ilmarinen that, for example,

- \* the shareholders receive information on all the topics that will be addressed at the Annual General Meeting well in advance
- \* any extraordinary motions will be explained in detail in the notice of meeting
- \* the shareholders are presented with the principles of the management's remuneration and compensation plans, and any supplementary pension plans.

The attendance in domestic agm's has been well above 90% for the past 5 years. With foreign holdings we will use proxies or attend meetings if our holding is substantial or due to engagement efforts it is important that we vote/ are present at the meeting or there is such an item on the agenda that we feel it is important that we cast our votes.

We are willing to file or co-file shareholder resolutions if and when needed both with domestic and foreign agm's.

Process			
LEA 17	Mandatory	Descriptive	PRI 2
LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		
	<p>Approach</p> <p><input type="radio"/> We use our own research or voting team and make our own voting decisions without the use of service providers.</p> <p><input checked="" type="radio"/> We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.</p>		
	<p>Based primarily on</p> <p><input type="radio"/> the service provider voting policy signed off by us</p> <p><input checked="" type="radio"/> our own voting policy</p> <p><input type="radio"/> our clients requests or policy</p> <p><input type="radio"/> other, explain</p> <p><input type="radio"/> We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.</p> <p><input type="radio"/> We hire service provider(s) which make voting decisions on our behalf.</p>		
LEA 17.2	Additional information.[Optional]		
	We use our own voting team to make our own voting decisions but we also use external service provider to evaluate our decisions based on international criteria.		
LEA 19	Voluntary	Descriptive	PRI 2

<b>LEA 19.1</b>	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
-----------------	-----------------------------------------------------------------------------------------------------------------------------

- ☒ Obtain confirmation that votes have been received by the company:
- ☒ for a majority of votes
  - ☐ for a minority of votes
- ☐ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☐ None of the above

<b>LEA 19.2</b>	Provide additional information on your organisation's vote confirmation efforts.
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We attend the vast majority of meetings in person, hence we know that in case of voting our votes are being counted for.

<b>LEA 20</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>LEA 20.1</b>	Indicate if your organisation has a securities lending programme.
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- ☐ Yes
- ☒ No

<b>LEA 20.3</b>	Additional information. [Optional]
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We do not lend our securities.

<b>LEA 21</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- ☒ Yes, in most cases
- ☐ Sometimes, in the following cases:
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

## Outputs and outcomes

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 22.1</b>	For listed equities where you and/or your service provider has 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%)
--	--------------------------------

	%
--	---

57

	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

<b>LEA 22.2</b>	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Our voting policy states that we are active in our home markets with over 90% of AGMs being voted upon. We only vote at those foreign AGMs where we have a significant holding or the issues presented are such that it is important for us to vote.

☐ We do not track or collect this information

<b>LEA 23</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 23.1</b>	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
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☒ Yes, we track this information

<b>LEA 23.2</b>	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
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Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div> <div></div> <div>%</div> </div> <p>99</p>
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> <p>1</p>
Abstentions	<div> <div></div> <div>%</div> </div> <p>0</p>

100%

☐ No, we do not track this information

**LEA 23.4** Additional information.

Our public voting record for our votes during 2014 proxy season:  
<http://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/omistajapolitiikka/yhtiokokoukset2014.pdf>

We voted for almost all management proposals, only twice we voted against. The other voting was for a shareholder proposal which the management was not supporting.

LEA 24	Voluntary	Descriptive	PRI 2
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**LEA 24.1** Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

☒ Yes

**LEA 24.2** Indicate the number of ESG shareholder resolutions you filed or co-filed.

Total number

16

**LEA 24.3** Indicate what percentage of these ESG shareholder resolutions.

Went to vote	<div><div></div><div>%</div></div> <div>100</div>
Were withdrawn due to changes at the company and/or negotiations with the company	<div><div></div><div>%</div></div> <div>0</div>
Were withdrawn for other reasons	<div><div></div><div>%</div></div> <div>0</div>

Total

100%

**LEA 24.4** Of the ESG shareholder resolutions that you filed or co-filed and that were put to vote (i.e. not withdrawn) how many received:

>50% approval

15

50-20% approval

1

☐ No

## Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

LEA 26.1

Indicate if your organisation proactively discloses information on your voting activities.

☒ We disclose it publicly

provide URL

<http://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/omistajapolitiikka/yhtiokokoukset2014.pdf>

LEA 26.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

LEA 26.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☒ All voting decisions
- ☐ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

Indicate what level of explanation you provide

- ☒ Explain all voting decisions
- ☐ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided



**LEA 26.4**

Indicate how frequently you typically report voting information.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

**LEA 26.8**

Additional information. [Optional]

We provide our votings on a monthly basis, often after the meetings. In Finland the majority of agm's are without voting, in cases there has been a vote, we have disclosed how we have voted. We will provide further details in case any explanation is requested from us.

# Ilmarinen Mutual Pension Insurance Company

## Reported Information

### Public version

#### Direct - Fixed Income

## PRI disclaimer

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

## Overview

FI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
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FI 01.1	Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.
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	Fixed income – corporate
--	--------------------------

### Strategies

- ☐ Passive
- ☐ Active – quantitative (quant)
- ☒ Active - fundamental and other active strategies

	Percentage of internally managed fixed income - corporate
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- ☐ <10%
- ☐ 10-50%
- ☒ >50%

## ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
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FI 03.1	Provide a brief overview of how you incorporate ESG issues in fixed income investments.
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	Fixed Income - Corporate
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We follow the same basic guidelines for our fixed income investments than in our direct equity investments. Ilmarinen's Principles for Responsible Investment are a key aspect of the company's investment activities. Ilmarinen is a signatory to the UN Principles for Responsible Investment, according to which investors take environmental and social and governance issues into consideration in their investment decisions. Ilmarinen's investment activities are guided by three main principles:

1. a minimum requirement of responsibility based on international norms,
2. active ownership
3. integrated sustainability analysis.

These principles are complied with in the various asset classes, taking into account any restrictions resulting from legislation.

Ilmarinen has set minimum requirements for its direct investments. According to these requirements the companies it owns must, in addition to national legislation, comply with, for example, the following norms and agreements:

- UN Global Compact
  - o e.g. respect for human rights, including equal treatment regardless of race, religion, social origin or gender
- ILO Conventions
- OECD Guidelines for Multinational Enterprises

o guidelines on, for example, rules for working life, sustainable development, issues concerning the responsibility of financiers of investment projects, and environmental issues

- UN Convention of the Rights of the Child
- Other key international agreements ratified by Finland, including the Ottawa Landmine Ban Convention

The investment targets are expected to follow the aforementioned agreements and norms. If a company that operates as an investment target is seen to have acted against the principles of responsible investment, Ilmarinen will endeavour through its own action, either on its own or in collaboration with other investors, to bring the undesirable activity to an end. If the measures do not have the desired result, or if success is uncertain, the company in question will be excluded from Ilmarinen's investment targets.

## Fixed Income - Corporate

### Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
FI 04.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.		

#### ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 100
-------------------------------------------------------------------------------------------------	-------------------------------------------

- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed fixed income - corporate
-------------------------------------------------

100%

**FI 04.2**

Describe your primary reasons for choosing a particular incorporation strategy.

We screen 100% of our direct fixed income corporate holdings twice a year against the minimum standard that we have set in our ownership policy. In addition to that individual portfolio managers will look at esg-factors within their portfolio companies as we believe this is the most efficient way to do good portfolio management. ESG-factors have a financial link (direct or indirect) and therefore it makes sense that it is the responsibility of the portfolio manager, and not that of an "outsider", to incorporate and integrate ESG into investment decision making. Individual portfolio managers can look at and identify themes within their sectors but it is within the discretion of individual and/ or teams, not a pre-requisite stemming from the ownership policy.

**FI 05****Voluntary****Additional Assessed****PRI 1****FI 05.1**

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

**Type of ESG information**☒ Raw ESG company data

Describe who provides this information.

ESG research provider, in-house

☒ Issuer-related analysis or ratings

Describe who provides this information.

ESG research provider, in-house, sell-side

☒ Sector-related analysis or ratings

Describe who provides this information.

ESG research provider, in-house, sell-side

☒ Country-related analysis or ratings

Describe who provides this information.

ESG research provider, in-house, sell-side

☒ Screened bond list

Describe who provides this information.

ESG research provider

☒ ESG issue-specific analysis or ratings

Describe who provides this information.

ESG research provider, in-house

☐ Other, specify

## (A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1
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FI 06.1

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

### Type of screening

- ☐ Negative/exclusionary screening
- ☐ Positive/best-in-class screening
- ☒ Norms-based screening

### Screened by

- ☒ UN Global Compact Principles
- ☒ Universal Declaration of Human Rights
- ☒ International Labour Organization Conventions
- ☐ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

Description

We do not exclude sectors, unless the sector has been included in some convention ratified by the Finnish state.

FI 06.2

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.

We have set out a minimum standard on our investments based on national legislation and international norms. Twice a year we open our portfolios to an external service provider to check that our portfolio is in line with our ownership policy. When a company fails to meet our criteria, we prefer to start an engagement process instead of excluding a company. We believe that international norms provide a good sounding board to universally accepted rules and regulations. They are not bound by religious views, individual ethical considerations and/or moral opinions based on cultural backgrounds. With almost 900 000 customers there are plenty of differing views on individual items.

The screening criteria is part of our ownership policy. The policy is reviewed approx. once a year and it is approved by the Board of Directors. When the new policy is approved, we put out a press release stating the most significant changes. We also try to write an article in our client magazine on our ownership policy efforts and report in our annual report on our activities.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1

Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- ☒ Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- ☒ Issuers 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 issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☐ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 07.2

Additional information. [Optional]

We request external service providers to publish the data they have used in their research and analysis. Periodically the data is chased to the source to check the accuracy. Individual analysts are also contacted to discuss an individual company and its rating/ research outcome. Any decision to exclude a company based on its ESG-scoring is discussed with the portfolio manager. Individual portfolio managers can challenge the findings of external service providers and bring forward their own findings for an internal committee meeting to decide on the proper course of action. The ownership steering committee can also review an individual case to determine whether a company fulfills the ownership criteria or not.

FI 08	Voluntary	Additional Assessed	PRI 1
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FI 08.1

Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.

- ☒ Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:
  - ☒ Systematic
  - ☐ Occasional
- ☐ Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria
- ☐ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

FI 08.2

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

If we have a holding that does not meet our criteria, we are faced with two options: engagement or exclusion. In cases where we feel that engagement will not work, we will start to sell our positions. We will not perform a fire sale but reduce our exposure in a timely manner without causing disruptions to the market.

## (C) Implementation: Integration of ESG factors

FI 10	Voluntary	Descriptive	PRI 1
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FI 10.1	Describe how you integrate ESG issues into investment decision-making processes.
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Ilmarinen's investment organisation analyses corporate and government bonds also taking into account responsibility and sustainability perspectives. The investment organisation uses an integrated model in its sustainability analysis, which means portfolio managers and analysts evaluate responsibility criteria as a part of normal investment operations. Depending on the industry and company, the portfolio managers and analysts make use of various information channels to help them in their work, for example reports and research that focus on responsible investment.

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 12	Voluntary	Descriptive	PRI 1
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**FI 12.1**

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

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

**FI 12.2**

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

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

## Outputs and outcomes

**FI 15****Voluntary****Descriptive****PRI 1****FI 15.1**

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

### Fixed Income - Corporate

- ☒ Narrow down or prioritise the investment universe
- ☒ Buy / sell / weight decisions
- ☐ Other, specify

## Communication

**FI 18****Mandatory****Core Assessed****PRI 2,6****FI 18.1**

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- ☒ We disclose it publicly

	Provide URL
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<http://www.ilmarinen.fi/en/ilmarinen/investments/responsibility-in-investment-operations/>

	Provide URL
--	-------------

<http://www.ilmarinen.fi/siteassets/liitepankki/ilmarinen/sijoitukset/omistajapolitiikka/ownership-policy-2014.pdf>

<b>FI 18.2</b>	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
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☒ Yes

<b>FI 18.3</b>	Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.
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- ☐ Broad approach to ESG incorporation
- ☒ Detailed explanation of ESG incorporation strategy used

<b>FI 18.4</b>	Indicate how frequently you typically report this information.
----------------	----------------------------------------------------------------

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

☐ No

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

<b>FI 18.7</b>	Additional information. [Optional]
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We disclose our ownership policy and activities related to it on our website (responses to the previous PRI questionnaires, PRI report 2013 and also the 2014 report will be available from our website, annual report, articles in our client magazine, blogs....)

## Engagement in fixed income investments

### Fixed Income - Corporate

FI 19	Voluntary	Descriptive	PRI 2
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**FI 19.1**

Indicate if you engage with corporate issuers.

☒ Yes**FI 19.2**

Describe your organisation's approach to engagement in corporate fixed income.

If an investment target does not comply with Ilmarinen's responsibility principles, Ilmarinen will try to initiate an engagement process. The engagement goal is to put an end to the undesirable activity by means of active dialogue. The intention of the engagement process is not to transfer the target company's operative management to the investors, but rather to expose the risk factors that will weaken the company's value. Ilmarinen strives to carry out engagement processes in co-operation with other investors, thus ensuring a higher probability of success. The engagement process includes several stages:

- \* Recognition and analysis of the situation, and drawing up an agenda
- \* Contacting other investors
- \* Drawing up an engagement process plan
- \* Contacting the target company
- \* Discussions, company visits, on-site visits etc.
- \* A satisfactory outcome for all parties at the end of the process, or termination of ownership

We do not set strict time limits on the engagement process, since the topics of the process can vary, for example from drawing up human rights policies to changes in production methods. The development and progress of the engagement process are verified at regular intervals so that the grounds for continuing the process can be determined. If the process does not result in a satisfactory outcome for Ilmarinen, it must exit from ownership and refrain from purchases. Engagement processes may also be carried out in companies in which Ilmarinen is not an owner. These companies may represent interesting investment targets, but there are problems in the compliance with Ilmarinen's responsibility criteria. During the engagement process, securities purchases are permitted.

☐ No

# Ilmarinen Mutual Pension Insurance Company

## Reported Information

### Public version

#### Direct - Property

## PRI disclaimer

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

## Overview

PR 01	Mandatory to Report	Voluntary to Disclose	Gateway/Peering	General
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### PR 01.1

Provide a breakdown of your organisation's internally managed property investments by equity and debt.

#### Property investments instruments

☒ Equity investments

Property investment instruments	Percentage of your internally managed property investments (in terms of AUM)
Equity investments	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10%

### PR 01.2

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

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

☐ Debt investments

#### Total 100%

☐ N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity or debt in property on their behalf

PR 02	Mandatory to Report	Voluntary to Disclose	Gateway/Peering	General
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### 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 checked="" type="radio"/> >50% <input 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%
<b>Total</b>	<b>100%</b>

PR 03	Voluntary	Descriptive	General
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

PR 03.2

Additional information.

In addition Ilmarinen's portfolio includes hotels, logistics, elderly care and parking properties.

PR 04

Voluntary

Descriptive

PRI 1-6

PR 04.1

Provide a brief overview of your organisation's approach to responsible investment in property where you have equity stakes.

Ilmarinen is a long-term real estate investor that complies with responsible investment principles in its own operations and expects responsible and socially acceptable operating practices from its customers and partners.

The minimum requirements set for responsible real estate investments comply with Ilmarinen's main principles for responsible investment that includes following national legislation, authority instructions and international norms. In addition to these minimum requirements, Ilmarinen takes good care of the company's real estate base and develops it in accordance with the principles of sustainable development.

Ilmarinen pays particular attention to the energy efficiency, environmental sustainability, and ecological nature of the real estate properties, as well as the sustainability of the properties throughout their life cycle. As a responsible property owner, Ilmarinen endeavours to ensure that the companies it hires take care of their employer obligations and strive for exemplary occupational safety and health.

Ilmarinen also strives to be a forerunner in real estate development and construction by constantly trying to find the most environmentally sustainable solutions for its sites. Whenever possible, Ilmarinen takes part in the development work and co-operation of responsible real estate investment issues in Finland.

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1	Indicate if your organisation has a Responsible Property Investment (RPI) policy.
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☒ Yes

PR 05.2	Provide a URL if your RPI policy is publicly available. [Optional]
---------	--------------------------------------------------------------------

<http://www.ilmarinen.fi/en/ilmarinen/investments/ownership-policy/>

☐ No

PR 05.3	Additional information. [Optional]
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Ilmarinen considers ownership policy and internal investments principles as a policy for RPI.

## Pre-investment (selection)

PR 08	Mandatory	Gateway	PRI 1
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PR 08.1	Indicate if your organisation typically incorporates ESG issues when selecting property investments.
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☒ Yes

PR 08.2	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]
---------	--------------------------------------------------------------------------------------------------------------------------------

As a significant property owner and developer in Finland with nearly 5000 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.

☐ No

PR 09	Voluntary	Descriptive	PRI 1,4
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<b>PR 09.1</b>	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the property investment selection process.
----------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- ☒ Internal staff
  - ☒ Specify role
    - Valuation (rents, yields, tenant risk)
  - ☒ Specify role
    - Technical, Letting
  - ☒ Specify role
    - Legal
- ☒ External resources
  - ☒ Environmental advisors
  - ☐ Social advisors
  - ☐ Corporate governance advisors
  - ☒ Regulatory and/or legal advisors
  - ☒ Other, specify type of advisors/roles
    - Tax
- ☐ No use of internal or external advice on ESG issues

<b>PR 09.2</b>	Additional information.
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Depending on the investment Ilmarinen uses external advisors in due diligence process for legal, technical, environmental and tax issues.

<b>PR 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,3</b>
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<b>PR 10.1</b>	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 of environmental issues
--	-----------------------------------------------------------

Location, public transportation (incl. rail services)  
 Building condition, convertibility, lifecycle and sustainability  
 Energy efficiency, environmental classification

- ☒ Social

	List up to three typical examples of social issues
--	----------------------------------------------------

Health and safety (eg. healthy interior and accident frequency in construction process)  
 Customer satisfaction - work space satisfaction.  
 Effective space solutions that meet the needs of the business requirements.

- ☒ Governance

List up to three typical examples of governance issues

Tenant risks  
Legal issues  
Reputation risks

PR 11	Voluntary	Additional Assessed	PRI 1,3
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PR 11.1	Indicate what type of ESG information your organisation typically considers during your property investment selection process.
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- ☒ Raw data from the target property asset/company
- ☒ Appraisals/audits
- ☒ Benchmarks/ratings against similar property asset
- ☒ Country level data/benchmarks
- ☒ Data aligned with established property reporting standards, industry codes and certifications
- ☒ International initiatives, declarations or standards
- ☒ Data from engagements with stakeholders (e.g. tenants and local community surveys)
- ☒ Information from external advisers
- ☐ Other, specify
- ☐ We do not track this information

PR 11.2	Additional information.
---------	-------------------------

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.

PR 12	Voluntary	Additional Assessed	PRI 1
-------	-----------	---------------------	-------

PR 12.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- ☒ ESG issues helped identify risks and/or opportunities for value creation
- ☒ ESG issues led to the abandonment of potential investments
- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☒ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☒ ESG issues were considered but did not have an impact on the investment selection process
- ☐ Other, specify
- ☐ We do not track this potential impact

## Selection, appointment and monitoring third-party property managers

PR 13	Mandatory	Core Assessed	PRI 4
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**PR 13.1**

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

☒ Yes

**PR 13.2**

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
  - ☒ For all third party property managers
  - ☐ For a majority of property managers
  - ☐ For a minority of property managers
- ☒ Contractual requirements when appointing property managers includes ESG issues
  - ☒ For all third party property managers
  - ☐ For a majority of property managers
  - ☐ For a minority of property managers
- ☒ Monitoring of property managers covers ESG responsibilities and implementation
  - ☒ For all third party property managers
  - ☐ For a majority of property managers
  - ☐ For a minority of property managers

**PR 13.3**

Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]

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 regular meetings and periodic reporting to monitor and measure third party property managers.

**PR 13.4**

Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]

The majority of Ilmarinen's properties are managed (property management) by Oventia Oy. Oventia adopts Ilmarinen's targets for responsible property management through active communication and education to update personnel knowledge. Oventia has stated strategy for environmental issues and is using WWF Green Office environmental management system in its operations. Oventia is a member of Green Building Council Finland. Green Building Council Finland belongs to the worldwide Green Building Council network. The Green Building Council network brings together knowledge and expertise in sustainable development and also represents its members in the field both domestically and internationally.

☐ No

## Post-investment (monitoring and active ownership)

## Overview

PR 14	Mandatory	Gateway	PRI 2
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PR 14.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
---------	-----------------------------------------------------------------------------------------------------------------------------------------------

☒ Yes

PR 14.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
---------	------------------------------------------------------------------------------------------------------------------------------------------------------------------

- ☒ We consider ESG issues in property monitoring and management
- ☒ We consider ESG issues in property developments and refurbishments
- ☒ 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 14.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]
---------	----------------------------------------------------------------------------------------------------------------------------------------------------------

In property maintenance Ilmarinen requires from the contractors 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 regularly monitor energy and water consumption, to manage and reduce the consumption. Audits are performed in order to survey and implement more energy efficient use of the buildings and buildings' technical equipment. In renovations and tenant improvements, we constantly look for the possibility of implementing more energy efficient solutions. All of our properties for rent have an energy performance certificate.

Ilmarinen has participated since 2008 in the energy efficiency program for both commercial and residential buildings. The target is to find 9 % energy savings from the average consumption levels of 2001-2005. Ilmarinen has so far achieved 97 % of the target. The program runs until the end of 2016.

Ilmarinen takes part in domestic energy saving week. During that week we inform our tenants about energy saving issues and offer additional information on subject.

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

☐ No

## Property monitoring and management

PR 15	Mandatory	Core Assessed	PRI 2,3
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PR 15.1	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)

<b>PR 15.2</b>	Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------

#### ESG issues

☒ Environmental

	List up to three example targets per issue
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Energy consumption

Environmental certifications for new buildings

Waste management

☒ Social

	List up to three example targets per issue
--	--------------------------------------------

Customer satisfaction

☒ Governance

	List up to three example targets per issue
--	--------------------------------------------

Corruption and bribery prevention

Black market economy and tax avoidance prevention

Controls for letting activity

☐ We do not set and/or monitor against targets

<b>PR 15.3</b>	Additional information. [Optional]
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Controls for letting activity - Ilmarinen uses Dow Jones sanction lists for security monitor.

<b>PR 16</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>PR 16.1</b>	Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks
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☒ Yes

<b>PR 16.2</b>	List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.
----------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------

☒ Add certification scheme, rating and benchmark 1

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

☒ Add certification scheme, rating and benchmark 2

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

☐ Add certification scheme, rating and benchmark 3

☐ No

PR 16.3	Additional information.
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On all new property developments we will seek LEED or equivalent certification. When appropriate we will seek similar certifications on old buildings when planning for major renovations.

Ilmarinen's first Leed Platinum property was completed in 2013.

Ilmarinen has participated since 2008 in energy efficiency program for both commercial and residential buildings. The target is to find 9 % energy savings which are calculated from the average consumption levels from 2001 to 2005. Ilmarinen has so far achieved 97 % of the target. The program runs until the end of 2016

## Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2
-------	-----------	---------------	-------

PR 17.1	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
---------	-------------------------------------------------------------------------------------------------------------------

- ☒ >90% of active developments and refurbishments
- ☐ 51-90% of active developments and refurbishments
- ☐ 10-50% of active developments and refurbishments
- ☐ <10% of active developments and refurbishments
- ☐ N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

<b>PR 17.2</b>	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
<input checked="" type="checkbox"/>	Minimum environmental site selection requirements
<input checked="" type="checkbox"/>	Minimum environmental site development requirements
<input checked="" type="checkbox"/>	Sustainable construction materials
<input checked="" type="checkbox"/>	Minimum water efficiency requirements
<input checked="" type="checkbox"/>	Minimum energy efficiency requirements
<input checked="" type="checkbox"/>	Energy generation from on-site renewable sources
<input checked="" type="checkbox"/>	Waste management plans at sites
<input checked="" type="checkbox"/>	Health and safety management systems at sites
<input checked="" type="checkbox"/>	Construction contractors comply with sustainability guidelines
<input checked="" type="checkbox"/>	Other, specify extensive warranty periods (beyond the minimum set by legislation), improved building quality, stakeholder dialogues, supply chain issues

<b>PR 17.3</b>	Additional information. [Optional]
Ilmarinen has extensive internal guidelines on 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 stated to the project group in the beginning of renovation and project development process.	

## Occupier engagement

PR 18	Mandatory	Core Assessed	PRI 2
PR 18.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.		
<div><div><input type="radio"/></div>&gt;90% of occupiers</div> <div><div><input checked="" type="radio"/></div>51-90% of occupiers</div> <div><div><input type="radio"/></div>10-50% of occupiers</div> <div><div><input type="radio"/></div>&lt;10% of occupiers</div>			
(in terms of number of occupiers)			

<b>PR 18.2</b>	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
----------------	---------------------------------------------------------------------------------------------------------------------------------

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

<b>PR 18.3</b>	Additional information. [Optional]
----------------	------------------------------------

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

<b>PR 19</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PR 19.1</b>	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- ☐ >90% of leases or MoUs
- ☐ 51-90% 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)

<b>PR 19.2</b>	Additional information.
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We believe that clients will choose properties that take environmental issues into consideration.

## Community engagement

<b>PR 20</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PR 20.1</b>	Indicate in respect of what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.
----------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- ☐ >90% of property assets
- ☐ 51-90% of property assets
- ☐ 10-50% of property assets
- ☒ <10% of property assets

(in terms of number of property assets)

<b>PR 20.2</b>	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.
----------------	----------------------------------------------------------------------------------------------------------------------------------

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

## Outputs and outcomes

<b>PR 21</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>PR 21.1</b>	Indicate if your organisation measures whether your approach to ESG issues in property investments has affected financial and/or ESG performance.
----------------	---------------------------------------------------------------------------------------------------------------------------------------------------

- ☐ We measure whether our approach to ESG issues impacts funds' financial performance
- ☐ We measure whether our approach to ESG issues impacts funds' ESG performance
- ☒ None of the above

<b>PR 21.2</b>	Describe how you are able to determine these outcomes.
----------------	--------------------------------------------------------

Ilmarinen believes that tenants will choose environmentally efficient buildings and locations as their preferred premises.

## Communication

<b>PR 23</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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<b>PR 23.1</b>	Indicate if your organisation proactively discloses ESG information on your property investments.
----------------	---------------------------------------------------------------------------------------------------

- ☒ Disclose publicly

provide URL

[http://www.ilmarinen.fi/Production/en/ilmarinen/05\\_financial\\_information/index.jsp](http://www.ilmarinen.fi/Production/en/ilmarinen/05_financial_information/index.jsp)

**PR 23.2**

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 23.3**

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

☒ Yes

**PR 23.4**

Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients/beneficiaries.

☐ ESG information on how you select property investments

☐ ESG information on how you monitor and manage property investments

☒ Information on your property investments' ESG performance

☒ Other, specify

blogs

**PR 23.5**

Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients/beneficiaries.

☐ Quarterly or more frequently

☒ Semi annually

☐ Annually

☐ Every two years or less frequently

☐ Ad-hoc, specify

☐ No

☐ Disclose to clients/beneficiaries only

☐ No proactive disclosure to the public or to clients/beneficiaries