



| LEA 02 | Disclosures Monetary | Reason Gateway | Principle PRI 1,2,3 |
|---|---|--|---------------------------|
| <p>Type of engagement Individual/ internal staff engagements</p> | <p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments <input checked="" type="checkbox"/> To engage internal ESG expertise <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments <input checked="" type="checkbox"/> To engage internal ESG expertise <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff | |
| <p>Type of engagement Collaborative engagements</p> | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments <input checked="" type="checkbox"/> To engage internal ESG expertise <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments <input checked="" type="checkbox"/> To engage internal ESG expertise <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff | |
| <p>Type of engagement Service provider engagements</p> | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments <input checked="" type="checkbox"/> To engage internal ESG expertise <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff | <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional or different investments <input checked="" type="checkbox"/> To engage internal ESG expertise <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff | |

RI TRANSPARENCY REPORT

2014/15

Taaleritehdas

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 | 🔒 | n/a | | | | | | | ✓ |
| OO 08 | Breakdown of AUM by market | ✓ | Private | | | | | | | ✓ |
| OO 09 | Additional information about organisation | ✓ | Private | | | | | | | ✓ |
| 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 | ✓ | Private | | | | | | | ✓ |
| 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 | ✓ | Private | | | | ✓ | ✓ | ✓ | |
| OA 13 | ESG issues in strategic asset allocation | ✓ | Private | ✓ | | | | | | |
| OA 14 | Allocation of assets to environmental and social themed areas | ✓ | Private | ✓ | | | | | | |
| OA 15 | ESG issues for internally managed assets not reported in framework | ✓ | Private | | | | | | | ✓ |
| OA 16 | ESG issues for externally managed assets not reported in framework | 🔒 | n/a | | | | | | | ✓ |
| 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 | ✓ | Private | | | | | | | ✓ |

| 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 | ✓ | Private | ✓ | | | | | | |
| LEI 02 | Description of ESG incorporation | ✓ | Private | ✓ | | | | | | |
| LEI 03 | Percentage of each incorporation strategy | ✓ | Public | ✓ | | | | | | |
| LEI 04 | Type of ESG information used in investment decision | ✓ | Private | ✓ | | | | | | |
| LEI 05 | Information from engagement and/or voting used in investment decision-making | ✓ | Private | ✓ | | | | | | |
| 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 | ✓ | Private | ✓ | | | | | | |
| LEI 09 | Types of sustainability thematic funds/mandates | 🔒 | n/a | ✓ | | | | | | |
| LEI 10 | Description of ESG integration | ✓ | Private | ✓ | | | | | | |
| LEI 11 | Review ESG issues while researching companies/sectors | ✓ | Public | ✓ | | | | | | |
| LEI 12 | Processes to ensure integration is based on robust analysis | ✓ | Private | ✓ | | | | | | |
| LEI 13 | Aspects of analysis ESG information is integrated into | ✓ | Private | ✓ | | | | | | |
| LEI 14 | ESG issues in index construction | 🔒 | n/a | ✓ | | | | | | |
| LEI 15 | How ESG incorporation has influenced portfolio composition | ✓ | Private | ✓ | | | | | | |
| LEI 16 | Incorporation of ESG issues has improved financial/ESG performance and reduced risk | ✓ | Private | ✓ | | | | | | |
| LEI 17 | Examples of ESG issues that affected your investment view / performance | ✓ | Private | ✓ | | | | | | |
| 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 | - | n/a | | ✓ | | | | | |
| 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 | 🔒 | n/a | | ✓ | | | | | |
| LEA 06 | Objectives for engagement activities | 🔒 | n/a | | ✓ | | | | | |
| 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 | ✓ | Private | ✓ | ✓ | | | | | |
| LEA 10 | Tracking number of engagements | ✓ | Public | | ✓ | | | | | |
| LEA 11 | Number of companies engaged with, intensity of engagement and effort | ✓ | Private | | ✓ | | | | | |
| LEA 12 | Engagements on E, S and/or G issues | ✓ | Private | | ✓ | | | | | |
| LEA 13 | Companies changing practices / behaviour following engagement | ✓ | Private | | ✓ | | | | | |
| LEA 14 | Examples of ESG engagements | ✓ | Private | | ✓ | | | | | |
| LEA 15 | Disclosure of approach to ESG engagements | ✓ | Public | | ✓ | | | | ✓ | |
| LEA 16 | Description of approach to (proxy) voting | 🔒 | n/a | | ✓ | | | | | |
| LEA 17 | Typical approach to (proxy) voting decisions | 🔒 | n/a | | ✓ | | | | | |
| LEA 18 | Percentage of voting recommendations reviewed | 🔒 | n/a | | ✓ | | | | | |
| LEA 19 | Confirmation of votes | 🔒 | n/a | | ✓ | | | | | |
| LEA 20 | Securities lending programme | 🔒 | n/a | | ✓ | | | | | |
| LEA 21 | Informing companies of the rationale of abstaining/voting against management | 🔒 | n/a | | ✓ | | | | | |
| LEA 22 | Percentage of (proxy) votes cast | 🔒 | n/a | | ✓ | | | | | |
| LEA 23 | Proportion of ballot items that were for/against/abstentions | 🔒 | n/a | | ✓ | | | | | |
| LEA 24 | Shareholder resolutions | 🔒 | n/a | | ✓ | | | | | |
| LEA 25 | Examples of (proxy) voting activities | 🔒 | n/a | | ✓ | | | | | |
| LEA 26 | Disclosing voting activities | 🔒 | n/a | | ✓ | | | | ✓ | |

| Direct – Private Equity | | | | Principle | | | | | | General |
|-------------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| PE 01 | Breakdown of investments by strategy | ✓ | Private | | | | | | | ✓ |
| PE 02 | Typical level of ownership | ✓ | Private | | | | | | | ✓ |
| PE 03 | Description of approach to RI | ✓ | Private | ✓ | | | | | | ✓ |
| PE 04 | Investment guidelines and RI | ✓ | Public | | ✓ | | | | | |
| PE 05 | Fund placement documents and RI | ✓ | Public | ✓ | | | ✓ | | ✓ | |
| PE 06 | Formal commitments to RI | ✓ | Private | | | | ✓ | | | |
| PE 07 | Incorporating ESG issues when selecting investments | ✓ | Public | ✓ | | | | | | |
| PE 08 | ESG advice and research when selecting investments | ✓ | Private | ✓ | | | | | | |
| PE 09 | ESG issues in investment selection process | ✓ | Public | ✓ | | ✓ | | | | |
| PE 10 | Types of ESG information considered in investment selection | ✓ | Private | ✓ | | ✓ | | | | |
| PE 11 | Encouraging improvements in investees | ✓ | Private | ✓ | ✓ | | | | | |
| PE 12 | ESG issues impact in selection process | ✓ | Private | ✓ | | | | | | |
| PE 13 | Proportion of companies monitored on their ESG performance | ✓ | Public | | ✓ | | | | | |
| PE 14 | Proportion of portfolio companies with sustainability policy | 🔒 | n/a | | ✓ | | | | | |
| PE 15 | Actions taken by portfolio companies to incorporate ESG issues into operations | 🔒 | n/a | | ✓ | | | | | |
| PE 16 | Type and frequency of reports received from portfolio companies | 🔒 | n/a | | ✓ | ✓ | | | | |
| PE 17 | Disclosure of ESG issues in pre-exit | ✓ | Private | | ✓ | | | | | |
| PE 18 | ESG issues affected financial/ESG performance | ✓ | Private | ✓ | ✓ | | | | | |
| PE 19 | Examples of ESG issues that affected your PE investments | ✓ | Private | ✓ | | ✓ | | | | |
| PE 20 | Disclosure of ESG information to public and clients/beneficiaries | ✓ | Public | | | | | | | ✓ |
| PE 21 | Approach to disclosing ESG incidents | ✓ | Private | | | | | | | ✓ |

Taaleritehdas

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
 10-50%
 >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Wealth management services of all kind

% of assets under management (AUM) in ranges

- <10%
 10-50%
 >50%

Execution and advisory services

OO 01.2

Additional information. [Optional]

Taaleritehdas sees wealth management from a wider perspective: in addition to traditional investments in securities, our product range covers ownership and the utilisation of rapid market opportunities. Only the customer knows which of his or her investments are included in which category. Considering wealth management, it is essential to identify and understand this difference for each customer because the customer's relationship with his or her investments and the solutions offered vary accordingly.

In addition, our wealth management package includes various partnership services, from the management of housing assets to competitive bidding for corporate insurance.

Holdings

Holdings are permanent for the customer, they are not discontinued every day, and there is a deeper relationship: investments can be changed every day, holdings cannot. By nature, Taaleritehdas capital funds are holdings in the customer's portfolio.

Furthermore, Taaleritehdas capital funds enable investments in objects and business functions that would otherwise be inaccessible to individual investors.

Investing

Our portfolio management provides customers with traditional and professional investment services by proxy or through a consultant. Investment solutions can be packaged into portfolio solutions (where the customer holds the instruments directly) or fund solutions.

We offer solutions for the following:

Allocation investments where the core of the service is formed by the strong global market understanding of Taaleritehdas. Investments are carried out quickly and easily using ETF instruments.

Investments based on informative benefits where our portfolio managers specialise in a specific region or investment method and make investments according to their expertise (e.g. value investments or the Turkish fund).

Utilisation of market opportunities

The investment market never sleeps: everything that happens has an impact on the investment market in one way or another. Every day, there are possibilities for buying or selling securities or opportunities for completely new securities, such as structured investment products. A typical feature of these products is that the window of opportunity is only open for a short time, ranging from minutes to a few weeks.

Our broking service and team of structured products will serve customers in this area.

Partnership services

Wealth management services offered through our partners:

Management of housing assets, Asuntoverstas
Gold as an investment object, Kultataaleri
Funding, competitive bidding for financial institutions
Taxation
Corporate insurance, Vakuutusvahti

| | | | |
|--------------|------------------|----------------|----------------|
| OO 02 | Mandatory | Peering | General |
|--------------|------------------|----------------|----------------|

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

Finland

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

- 1
- 2-5
- 6-10
- >10

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

| | |
|--|-----|
| | FTE |
|--|-----|

180

| | |
|----------------|------------------------------------|
| OO 02.4 | Additional information. [Optional] |
|----------------|------------------------------------|

Offices in Helsinki, Turku, Tampere, Pori, Oulu and Istanbul, Turkey and Nairobi, Kenya.

| | | | |
|--------------|------------------|--------------------|----------------|
| OO 03 | Mandatory | Descriptive | General |
|--------------|------------------|--------------------|----------------|

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

- Yes
- No

| | | | |
|--------------|------------------|------------------------|----------------|
| OO 04 | Mandatory | Gateway/Peering | General |
|--------------|------------------|------------------------|----------------|

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

31/12/2014

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 | | 2 | 934 | 128 | 074 |
| Currency | EUR | | | | |
| Assets in USD | | 3 | 848 | 083 | 077 |

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 broad ranges

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

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

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

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.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

OO 10.3

Additional information. [Optional]

At Taaleritehdas responsible investment means that we take into account both social, environmental and corporate governance issues. In our investment processes we include corporate governance also in that we don't make any incentive fee agreements with ETF-funds or asset managers.

| 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
- Commodities
- Forestry
- Cash
- None of the above

OO 11.3

Additional information. [Optional]

Taaleritehdas is a first Finnish member of IPA, which is Russia's leading association of institutional investors, uniting over 25 of the largest and most active funds with over \$25 billion in portfolio investments in Russia. Members include Deutsche Bank, Prosperity Capital, Franklin Templeton and many others, and are united under IPA banner to form a coalition to protect investors interests and advance the cause of better corporate governance in Russia.

Through IPA's efforts over the past 12 years, over 450 independent directors have been elected to the boards of over 160 Russian public companies, including Sberbank, M.Video, RAO UES, Dixi, IDGC (aka "MRSK") Holding, Cherkizovo, Rostelecom and many others. IPA has facilitated governance and organizational improvements at these and other companies in which IPA members hold shares, and worked to create transparency and block value-destroying transactions at dozens of Russian companies. Right now IPA has over 40 independent directors serving at approximately 30 companies, as a result of consolidation by IPA members.

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

Direct - Other asset classes with dedicated modules

- Private Equity
- Property
- Infrastructure

Closing module

- Closing module

Taaleritehdas

Reported Information

Public version

Overarching Approach

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Responsible investment policy

| | | | |
|-------|-----------|-----------------------|---------|
| OA 01 | Mandatory | Gateway/Core Assessed | General |
|-------|-----------|-----------------------|---------|

| | |
|---------|---|
| 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] |
|---------|---|

In selecting entities to invest in we have chosen to follow the model represented by the UNPRI initiative, where no entity is excluded outright from the group of potential investments, but rather the focus is on making the business operations of the entities invested in increasingly responsible through active ownership.

Having said that, we do have a policy of avoiding investments in companies that fail to comply with good corporate governance practices or international human rights accords. We want that portfolio company is committed to local legislation, international norms and good corporate governance.

- Principles of corporate governance (OECD)
- Portfolio company must treat its employees appropriately and respect human rights
- Universal Declaration of Human Rights
- Convention on the Rights of the Child
- Conventions of International Labor Organisation

We avoid investments into unethical sectors (weapons, tobacco, alcohol, adult entertainment, gambling).

According to our investment process each of our portfolio managers is responsible for investment decisions regarding his own focus area. In analysing and choosing entities to invest in, our portfolio managers must know how the entities invested in have taken ESG issues into consideration in their operations.

Our portfolio managers will bring ESG issues into the forefront in their interactions with the entities we invest in and thereby promote greater awareness of matters related to responsibility.

Regarding each investment decision we aim to analyse responsibility issues before the investment decision is made and at least once a year.

Through our own actions and by co-operating with others we can point the way forward and strive to influence corporations to make a greater commitment to responsible ways of doing business. When analysing the responsibility of the company our portfolio managers will use several information sources

- Materials related to the company (annual reports, web, etc.)
- Discussions with management
- Own observations based on company visits
- Publicly available info

| | | | |
|-------|-----------|---------------|-------|
| OA 02 | Mandatory | Core Assessed | PRI 6 |
|-------|-----------|---------------|-------|

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.taaleritehdas.fi/en/corporate-social-responsibility-193.html>

No

OA 02.3 Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

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 type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify | <input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM |

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

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 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
CEO of Taaleritehdas Fund Management

- 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
- Other role, specify
- Other role, specify

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
- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- 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
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
FIBS Finland

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

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify
FINSIF (Responsible investment in Finland)

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

- Basic
- Moderate
- Advanced
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

| | | | |
|--------------|------------------|----------------------|--------------|
| OA 11 | Mandatory | Core Assessed | PRI 4 |
|--------------|------------------|----------------------|--------------|

OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes
- No

Taaleritehdas

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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ESG incorporation in actively managed listed equities

Implementation processes


| | | | |
|--------|-----------|-----------------------|-------|
| LEI 03 | Mandatory | Gateway/Core Assessed | PRI 1 |
|--------|-----------|-----------------------|-------|

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.

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 listed equity to which the strategy is applied - you may (estimate +/- 10%) |  <p>100</p> |
|--|--|

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- 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 place the main responsibility to our portfolio managers and have decided that we apply screening to all our listed equity investments routinely and also avoid certain sectors in our investments.

(A) Implementation: Screening

| | | | |
|--------|-----------|-------------|-------|
| LEI 06 | Mandatory | Descriptive | PRI 1 |
|--------|-----------|-------------|-------|

LEI 06.1

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

Type of screening

- Negative/exclusionary screening

Screened by

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

| Description |
|-------------|
|-------------|

We screen our investments and if inappropriate products, sectors or countries are pointed out in our portfolios, we take action.

- Positive/best-in-class screening
- Norms-based screening

| | |
|-----------------|---|
| LEI 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. |
|-----------------|---|

Screening criteria is established in the ESG management team annually and revised according the feedback from PRI report. At the moment we don't notify clients unless reporting asked for.

| | | | |
|---------------|------------------|----------------------|--------------|
| LEI 07 | Mandatory | Core Assessed | PRI 1 |
|---------------|------------------|----------------------|--------------|

| | |
|-----------------|---|
| LEI 07.1 | Indicate which processes your organisation uses to ensure that screening is based on robust analysis. |
|-----------------|---|

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- 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

(C) Implementation: Integration of ESG issues

| | | | |
|---------------|------------------|----------------------|--------------|
| 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 type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" 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 type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" 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 |

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

Taaleritehdas

Reported Information

Public version

Direct - Listed Equity Active Ownership

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Engagement

Overview

| | | | |
|--------|-----------|---------|-----------|
| LEA 02 | Mandatory | Gateway | PRI 1,2,3 |
|--------|-----------|---------|-----------|

| | |
|----------|---|
| LEA 02.1 | Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions. |
|----------|---|

| Type of engagement | Reason for interaction |
|--|---|
| Individual/Internal staff engagements | <input checked="" 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 |
| Collaborative engagements | <input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements |
| Service provider engagements | <input type="checkbox"/> To support investment decision-making (e.g. company research) <input 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 |

Process

Process for engagements run internally

| | | | |
|--------|-----------|---------------|-------|
| LEA 03 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

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

☉ Yes

LEA 03.2

Describe how you identify and prioritise engagements.

- Twice a year reporting by all the portfolio managers of the engagements with the company management.

No

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

Indicate if you define specific objectives for your engagement activities.

- Yes
 No

LEA 04.2

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

- Yes
 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
 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 10

Mandatory

Gateway/Core Assessed

PRI 2

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 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 checked="" 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 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 checked="" type="radio"/> No, we do not track and cannot estimate our engagements |

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

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

Taaleritehdas

Reported Information

Public version

Direct – Private Equity

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Overview

| | | | |
|-------|-----------|---------------|-------|
| PE 04 | Mandatory | Core Assessed | PRI 2 |
|-------|-----------|---------------|-------|

PE 04.1 Indicate if your organisation's investment guidelines for private equity refer to responsible investment.

- Our investment guidelines do refer to responsible investment

PE 04.2 Describe how your organisation's investment guidelines outline your expectations on staff and portfolio companies' approach towards ESG issues [Optional].

Our private equity investments are mainly operated by our own internal staff and therefore monitoring and implementing responsible investment process is part of everyday job. In those investments that also include external staff, we ensure responsibility by strict monitoring at the investment phase. We only acquire good companies and ESG issues are part of the evaluation.

- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

PE 04.3 Additional information. [Optional]

- Our private equity investments are mainly operated by our own internal staff and therefore monitoring and implementing responsible investment process is part of everyday job. In those investments that also include external staff, we ensure responsibility by strict monitoring at the investment phase. We only acquire good companies and ESG issues are part of the evaluation.

Fundraising of private equity funds

| | | | |
|-------|-----------|---------------|-----------|
| PE 05 | Mandatory | Core Assessed | PRI 1,4,6 |
|-------|-----------|---------------|-----------|

PE 05.1 Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- Yes
- No
- Not applicable as our organisation does not fundraise

Pre-investment (selection)

| | | | |
|-------|-----------|---------|-------|
| PE 07 | Mandatory | Gateway | PRI 1 |
|-------|-----------|---------|-------|

| | |
|----------------|--|
| PE 07.1 | Indicate if your organisation typically incorporates ESG issues when selecting private equity investments. |
|----------------|--|

- Yes
- No

| | | | |
|--------------|------------------|----------------------|----------------|
| PE 09 | Mandatory | Core Assessed | PRI 1,3 |
|--------------|------------------|----------------------|----------------|

| | |
|----------------|--|
| PE 09.1 | Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue. |
|----------------|--|

ESG issues

- Environmental

| | |
|--|---|
| | List up to three typical examples of environmental issues |
|--|---|

Taken into account all the effects on nature on wind energy turbines (birds, bats, fauna and flora)

Taken into account all the effects on people on wind energy (noise and flashing)

Taken into account the risks to nature and water base of our bio energy plants (zero tolerance for leakage)

- Social
- Governance

Post-investment (monitoring and active ownership)

| | | | |
|--------------|------------------|------------------------------|--------------|
| PE 13 | Mandatory | Gateway/Core Assessed | PRI 2 |
|--------------|------------------|------------------------------|--------------|

| | |
|----------------|---|
| PE 13.1 | Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies. |
|----------------|---|

- Yes
- No

Communication

| | | | |
|--------------|------------------|----------------------|--------------|
| PE 20 | Mandatory | Core Assessed | PRI 6 |
|--------------|------------------|----------------------|--------------|

| | |
|----------------|--|
| PE 20.1 | Indicate whether your organisation proactively discloses ESG information on your private equity investments. |
|----------------|--|

- Disclose publicly
- Disclose to investor clients (LPs)/beneficiaries only

PE 20.5

Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

- ESG information in relation to our pre-investment activities
- ESG information in relation to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other, specify

PE 20.6

Indicate your organisation's typical frequency of disclosing ESG information to your clients(LP)s/beneficiaries.

- Quarterly or more frequently
 - Semi annually
 - Annually
 - Every two years or less frequently
 - Ad-hoc, specify
- No proactive disclosure to the public or to clients (LPs)/beneficiaries