PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2013/14

Keva

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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

PRI disclaimer

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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	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
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	✓	Private							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	-	n/a							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

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PRI Principles for Responsible Investment

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	✓	Private	✓					✓	
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	✓	Private							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓					✓	
SAM 07	Appointment considerations (listed assets)	🔒	n/a				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
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	✓	Private	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Private		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

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PRI Principles for Responsible Investment

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	✓	Private	✓						
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		✓				✓	

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PRI Principles for Responsible Investment

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	✓	Private		✓					
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	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
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	🔒	n/a		✓					
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		✓				✓	

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Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	✓	Private	✓					✓	
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	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	-	n/a	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	🔒	n/a				✓			
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	-	n/a		✓					
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	-	n/a		✓					
PR 20	Proportion of assets engaged with on community issues	-	n/a		✓					
PR 21	ESG issues affected financial/ESG performance	-	n/a	✓	✓					
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						✓	

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PRI Principles for Responsible Investment

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Reported Information

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Organisational Overview

PRI disclaimer

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PRI Principles for Responsible Investment

Basic Information

OO 01	Mandatory	Gateway/Peering	General

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 bank
- ( ) Reserve - sovereign or government controlled fund
- ( ) Other, specify

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

520

OO 02.4 Additional information. [Optional]

Keva is an independent public corporation which operates in accordance with the Local Government Pensions Act (KuEL). The Institution is supervised by the Ministry of Finance. Our member organizations include all Finnish cities, other municipalities and joint municipal boards. Municipal associations and limited liability companies may also apply for membership. At the beginning of 2013, member organizations totalled 934.

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

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

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		37	800	000	000
Currency	EUR				
Assets in USD		49	789	936	570

OO 04.3 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

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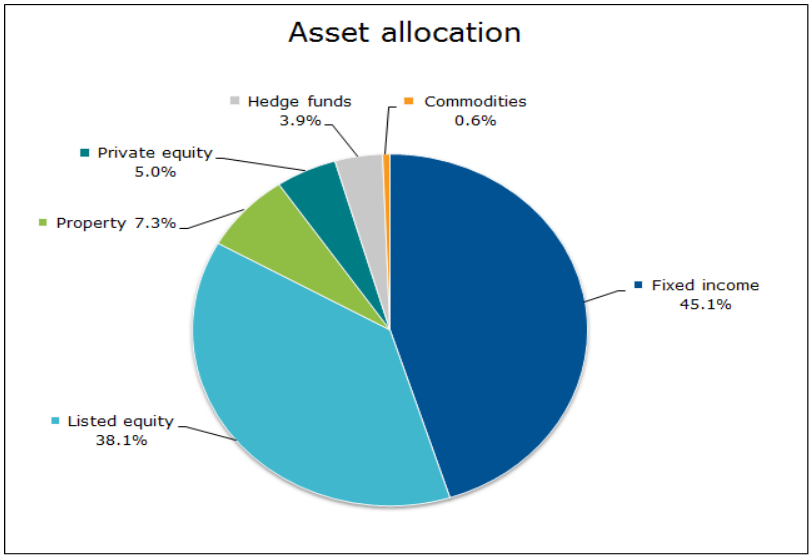
OO 06.1	To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

○ Publish our asset class mix as percentage breakdown

○ Publish our asset class mix as broad ranges

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



To upload the image click the*Save* button below

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 address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes

☑ 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

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OO 10.2	Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

◉ Yes, our total listed equities are 10% or more of our total AUM

○ No, our total listed equities are less than 10% of our total AUM

OO 10.3	Additional information. [Optional]

Our internal ESG engagement is not systematic, but our internal portfolio managers raise ESG issues in meetings on a case by case basis.

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

☐ Private equity

☑ Property

☐ Commodities

☐ Cash

☐ None of the above

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

☑ Fixed income – government

☑ 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. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

☑ Organisational Overview

☑ Overarching Approach (including assets which do not have a separate module)

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RI implementation directly or via service providers

Direct - Listed Equity incorporation

☑ Listed Equity incorporation

Direct - Listed Equity active ownership

☑ Engagements

Direct - Fixed Income

☐ Fixed Income - Corporate

Direct - Other asset classes with dedicated modules

☑ Property

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

☑ Listed Equities

☐ Fixed Income - Corporate

☐ Fixed Income - Government

☐ Private Equity

Closing module

☑ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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Overarching Approach

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PRI Principles for Responsible Investment

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 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.keva.fi/en/about_us/investments/Pages/responsible_investment.aspx

- ( ) 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

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PRI Principles for Responsible Investment

Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach ☐ (Proxy) voting policy ☐ Engagement/active ownership policy ☐ Specific guidelines on corporate governance ☐ Specific guidelines on environmental issues ☐ Specific guidelines on social issues ☑ Asset class-specific guidelines ☑ Screening/exclusion policy ☐ Other, specify ☐ Other, specify	○ Applicable policies cover all AUM ◉ Applicable policies cover a majority of AUM ○ 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

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OA 05.4	Additional information. [Optional]

The objectives are set by the RI Steering group; as such they are not formal or part of management level objectives or official yearly assessment. For example in 2013 the group's objective was to organise internal ESG training.

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

CIO for each investment team

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☑ 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

☐ Oversight/accountability for responsible investment

☑ Implementation of responsible investment

☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Dedicated responsible investment staff

☑ 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

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

◉ Yes

OA 10.2

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

☐ Asian Corporate Governance Association

☐ Association for Sustainable & Responsible Investment in Asia

☐ Australian Council of Superannuation Investors

☑ CDP Climate Change

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PRI Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
	☑ Basic
	☐ Moderate
	☐ Advanced

☐ CDP Forests

☑ 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

☐ Principles for Responsible Investment

☑ 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

☐ Shareholder Association for Research and Education (Share)

☐ United Nations Environmental Program Finance Initiative (UNEP FI)

☐ United Nations Global Compact

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

○ No

OA 11	Mandatory	Core Assessed	PRI 4

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PRI Principles for Responsible Investment

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

- ○ Yes
- ◉ No

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Indirect – Manager Selection, Appointment and Monitoring

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PRI Principles for Responsible Investment

Overview

SAM 02	Mandatory	Core Assessed	PRI 4

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

SAM 02.2 Indicate how your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers. [Optional]

☐ We use investment consultants in our selection and appointment of external managers

☑ We use investment consultants in our monitoring of external managers

	Asset class
☑	Listed Equity (LE)
☑	Fixed income - corporate (FIC)
☑	Fixed income - government (FIG)
☐	Private equity (PE)
☐	Property (PR)
☐	Other asset classes

☐ We use fiduciary managers

SAM 02.3 Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants and/or fiduciary managers.

☐ Responsible investment is included in the selection process for investment consultants

☐ Consultants' responsibilities in relation to responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them

☐ Responsible investment is considered when reviewing investment consultants' advice on manager selection and performance monitoring

☑ We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.

○ No

SAM 03	Mandatory	Gateway	General

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

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PRI Principles for Responsible Investment

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	☑	☐	☑

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

Overview

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	☐		
Thematic	☐		
Integration	☑		
None of the above	☐		

Passive investment strategies

Passive investment strategies	LE		
Screening	☐		
Thematic	☐		
Integration	☐		
None of the above	☑		

SAM 05.2 Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

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	LE	
We engage directly or via service providers on our externally managed assets	☐	
We require our external managers to engage on our behalf	☐	
None of the above	☑	

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.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	☐
We require our external managers to cast our (proxy) votes on our behalf	☐
None of the above	☑

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

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

ESG incorporation

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	LE		
Evaluate the quality and coverage of ESG research used by managers	☐		
Assess how the manager incentivises brokers to provide ESG research	☐		
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	☑		
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	☑		
Other ESG incorporation issues in your selection process, specify	☐		
None of the above	☐		

SAM 06.2	Provide additional information relevant to your organisation's selection approach for listed assets. [Optional]

We have a section in our RFP that asks about managers' ESG approach. Ad hoc, we also discuss ESG issues' impact on individual investment decisions (if they are/have been relevant for that specific stock/bond) but that is not a systematic feature of our manager search process.

Monitoring

SAM 08	Mandatory	Core Assessed	PRI 1

SAM 08.1	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

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	LE		
Include responsible investment as a standard agenda item at performance review meetings	☐		
Highlight examples of good responsible investment practice by other managers	☐		
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	☐		
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	☐		
Include responsible investment criteria as a formal component of overall manager performance evaluation	☐		
Other general aspects of your monitoring, specify	☑		
None of the above	☐		

ESG incorporation

	LE		
Request information on ESG incorporation in specific investment decisions	☑		
Other ways you monitor ESG incorporation, specify	☐		
None of the above	☐		

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

Each year we ask our managers three questions: whether they have a responsible investment policy (if so, we wish to see it), whether they are a PRI signatory, and ask them to provide us with an ESG report / case examples for the reporting year.

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SAM 08.2	Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]

ESG issues often come up in discussions with our managers, mainly as case examples.
We might ask about a specific stock or the manager might highligh important issues.
Some of our managers also report on ESG regularly but that is not a requirement.

Communication

SAM 16	Mandatory	Core Assessed	PRI 6

SAM 16.1	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

- ○ 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

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Direct - Listed Equity Incorporation

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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 (estimate +/- 10%)	%
	100

- ☐ 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.

In our investment philosophy stocks are selected based on several quality criterion, one of which is the management of ESG issues and thus ESG evaluation is intergrated directly in our investment process. Furthermore, we use screening and research by an external advisior, service provider to complement our own scarce resources. In addition to our active portfolios, we also apply ESG screening to our passive strategy (58% of internally managed equities).

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LEI 03.3	If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]

Management of ESG issues of a company are evaluated in our stock selection process and thus integrated in the decision making. All active and passive portfolios are screened twice a year by an external service provider to ensure information on new possible ESG violations.

(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

The portfolios are screened twice a year by an external service provider who does global research as well as engagement on companies, sectors and countries and the screening is based on their classification and recommendations

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

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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.

The external service provider has estabilised the criteria for classification of violations and their recommendations based on them. The review of criteria as well as research on companies, sectors and countries is a continous process. The screenings of the portfolios are run twice a year.

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.

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ESG issues	Coverage/extent of review on these issues
Environmental	◉ We systematically review the potential significance of environmental issues and investigate them accordingly ○ We occasionally review the potential significance of environmental issues and investigate them accordingly ○ We do not review environmental issues
Social	◉ We systematically review the potential significance of social issues and investigate them accordingly ○ We occasionally review the potential significance of social issues and investigate them accordingly ○ We do not review social issues
Corporate Governance	◉ We systematically review the potential significance of corporate governance issues and investigate them accordingly ○ We occasionally review the potential significance of corporate governance issues and investigate them accordingly ○ 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

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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	☑ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via internal staff
Collaborative engagements	☐ To support investment decision-making (e.g. company research) ☐ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via collaborative engagements
Service provider engagements	☐ To support investment decision-making (e.g. company research) ☐ To influence corporate practice (or identify the need to influence) on ESG issues ☐ To encourage improved ESG disclosure ☐ Other, specify ☑ We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2

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

- ○ Yes
- ◉ 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
- ◉ 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
- ◉ 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

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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.

Annual reports provided by collaborative engagement organizer

○ No

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 companies you engage with.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	○ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ◉ No, we do not track and cannot estimate our engagements
Collaborative engagements	○ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ◉ 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.

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PRI Principles for Responsible Investment

Overview

PR 05	Mandatory	Core Assessed	PRI 1-6

PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

○ Yes

◉ No

Pre-investment (selection)

PR 08	Mandatory	Gateway	PRI 1

PR 08.1 Indicate if your organisation typically incorporates ESG issues when selecting property investments.

◉ Yes

○ No

PR 10	Mandatory	Core Assessed	PRI 1,3

PR 10.1 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.

ESG issues

☑ Environmental

List up to three typical examples of environmental issues

Energy Efficiency

☐ Social

☐ Governance

Post-investment (monitoring and active ownership)

Overview

PR 14	Mandatory	Gateway	PRI 2

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

◉ Yes

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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

○ No

Property monitoring and management

PR 15	Mandatory	Core Assessed	PRI 2,3

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)

PR 15.2	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

Energy consumption targets

☐ Social

☐ Governance

☐ We do not set and/or monitor against targets

Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2

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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)

PR 17.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.

- ☑ Minimum environmental site selection requirements
- ☑ Minimum environmental site development requirements
- ☑ Sustainable construction materials
- ☑ Minimum water efficiency requirements
- ☑ Minimum energy efficiency requirements
- ☐ Energy generation from on-site renewable sources
- ☑ Waste management plans at sites
- ☑ Health and safety management systems at sites
- ☐ Construction contractors comply with sustainability guidelines
- ☐ Other, specify

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.

- ○ >90% of occupiers
- ○ 51-90% of occupiers
- ○ 10-50% of occupiers
- ◉ <10% of occupiers

(in terms of number of occupiers)

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

☑ Distribute a sustainability guide to occupiers

☑ Organise occupier events focused on increasing sustainability awareness

☐ Deliver training on energy and water efficiency

☐ Deliver training on waste minimisation

☑ Provide feedback on energy and water consumption and/or waste generation

☐ Provide feedback on waste generation

☑ Carry out occupier satisfaction surveys

☐ Other, specify

Communication

PR 23	Mandatory	Core Assessed	PRI 6

PR 23.1	Indicate if your organisation proactively discloses ESG information on your property investments.

○ Disclose publicly

○ Disclose to clients/beneficiaries only

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

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