




The image shows two overlapping forms from the PRI LEA (Leadership Engagement) toolkit. The top form is LEA 02, titled 'Discretionary', and the bottom form is LEA 03, titled 'Mandatory'. Both forms are designed for reporting on engagement activities. LEA 02 includes a section for 'Reason for interaction' with checkboxes for 'To support investment decision-making in a company's operations', 'To enhance corporate transparency or identify the need to influence a company's operations', 'To encourage corporate transparency or identify the need to influence a company's operations', and 'Other specify'. LEA 03 includes a section for 'Reason for interaction' with checkboxes for 'To support investment decision-making in a company's operations', 'To enhance corporate transparency or identify the need to influence a company's operations', 'To encourage corporate transparency or identify the need to influence a company's operations', and 'Other specify'. Both forms also have sections for 'Type of engagement' and 'Service provider engagements'.

RI TRANSPARENCY REPORT

2013/14

Pohjola Asset Management



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	✓	Public	✓						
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	✓	Private	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

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	✓	Private	✓					✓	
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						✓	

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	✓	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	✓	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	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

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

Pohjola Asset Management

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the 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

% of assets under management (AUM) in ranges

- ☐ <10%
☒ 10-50%
☐ >50%

☐ Other, specify

☒ Execution and advisory only services

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Finland

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

- ☒ 1
☐ 2-5
☐ 6-10
☐ >10

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

FTE

88

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		35	625	000	000
Currency	EUR				
Assets in USD		46	925	039	426

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****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%	10-50%
Fixed income – corporate	10-50%	<10%
Fixed income – government	10-50%	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	0

Infrastructure	0	0
Commodities	0	0
Hedge funds	<10%	<10%
Forestry	0	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
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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

OO 10.3 Additional information. [Optional]

Voting refers to the relevant cooperation between OP Fund Management Company Ltd and Pohjola Asset Management Ltd.

OO 11	Mandatory	Gateway	General
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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.
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- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☒ Hedge funds
- ☐ 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.
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- ☒ Fixed income – corporate
- ☒ Hedge funds
- ☐ None of the above

OO 12	Mandatory	Gateway	General
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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.
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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
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- ☒ Listed Equity incorporation

	Direct - Listed Equity active ownership
--	-----------------------------------------

- ☒ Engagements
- ☒ (Proxy) voting

	Direct - Fixed Income
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- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government

RI implementation via external managers

- ☒ Listed Equities
- ☒ Fixed Income - Corporate
- ☒ Hedge funds

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.

Pohjola Asset Management

Reported Information

Public version

Overarching Approach

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Responsible investment policy

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

☒ Yes

☐ No

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

☒ Yes

☐ No

Favouring responsible investing leads to improved financial performance.

Pohjola Asset Management Limited signed the UN Principles for Responsible Investment (UNPRI) in 2009. This means the organisation is committed to taking responsibility issues into account in all our investments. We firmly believe that including companies' commitment to ESG as criteria for making investment decisions helps improve investment results.

For us at Pohjola Asset Management, a responsible investment strategy entails analysing the environmental and social impact of the operations of the companies we invest in. We also take a look at the companies' corporate governance policies. These factors are commonly referred to as ESG (environmental, social and governance).

We collect data on companies ESG practices through third-party investment analyses and the reports of actors specialising in ESG. A key data collection method is our portfolio managers and analysts holding regular meetings with companies to discuss responsibility issues and opportunities. The information is then exploited in investment decisions.

The main instruments of responsible investment at Pohjola Asset Management include positive and negative screening, tracking of international standards and engagement processes.

Positive and negative screening

Positive screening means that we favour investments that are committed to ESG. In addition to national laws, we expect companies to comply with international standards and conventions on child labour, human rights and environmental issues, for example. Such standards include the UN Global Compact and OECD Guidelines for Multinational Enterprises.

In our view, companies whose business operations comply with international standards are sustainable investments and the risks related to them are more easily recognisable.

Negative screening means that Pohjola Asset Management's investment operations do not include active direct investment in companies that sell, market or manufacture anti-personnel mines or cluster munition prohibited by international conventions. Other companies whose operations are in violation of established international standards can also be denied active investments or have their role as active investments revoked.

We monitor our investments' compliance with international conventions. In addition to continuous monitoring, our direct holdings are reviewed twice a year for possible violations of international standards. The monitoring and assessments of compliance with international standards are carried out in cooperation with GES Investment Service. Companies' operations are systematically monitored for any compliance issues related to international standards.

The international standards used in the assessments include:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- Human rights treaties
- Environmental agreements
- Arms control agreements.

In verified cases of international standard violations, the aim is to get the company to admit to the violation and begin corrective or preventive measures to prevent such violations from happening again. The preferred option is to use engagement processes to get the company to

change its operating model.

We assess the effectiveness of the process and, based on the conclusions, determine whether to continue or relinquish our ownership of the company.

Investing in government bonds

In our opinion, government credit ratings reflect not only the ability to repay debt but also social responsibility issues. Credit rating is influenced by factors such as growth prospects and political situation, as well as social development and administrative performance. There are also various other indicators that depict governments' capabilities to incorporate sustainability in their operations and development processes.

General meetings and engagement

Pohjola Asset Management manages equity funds in accordance with OP Fund Management's ownership policy. Authorised by OP Fund Management, we attend companies' general meetings, and especially those held by companies in which OP funds have significant shareholding. Engagement activities often precede general meetings, because we believe it to be the most effective way of discussing issues in confidence.

An ESG assessment is part of the selection process for external fund managers used by Pohjola Asset Management. Among other factors, we examine the fund managers' commitment to responsible investment and whether ESG analysis has been integrated in the investment process and portfolio construction.

Both OP Fund Management and Pohjola Asset Management submit annual reports to UNPRI.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.		
<input checked="" type="radio"/> Yes			

OA 02.2	Provide a URL to your responsible investment policy.		
URL			
https://www.pohjola.fi/media/liitteet?cid=331416625&srcpl=4			
<input type="radio"/> No			

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.		
<input type="radio"/> Yes			
<input checked="" type="radio"/> No			

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1

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

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input 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 03.2

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

In practise, the voting policy covers investments made in Finland. OP Fund Management, whose ownership policy we adhere to in accordance with OP Fund Management's will, has defined the general meetings of Finnish companies as priority areas. Pohjola Asset Management does not have the right to vote in general meetings, except when authorised by a customer and in accordance to the customer's will.

We adhere to the OP Fund Management's corporate governance policy especially with respect to Finnish companies. This is a public policy, requiring that listed companies comply with the Finnish Corporate Governance Code. Certain matters related to general meetings are also discussed elsewhere in the report.

OA 04
Mandatory
Core Assessed
General
OA 04.1

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

☒ Yes

OA 04.2

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

Identifying and avoiding conflict of interest situations form part of sound corporate governance practices and an integral part of business management duties and the corporate culture. Conflict of interest situations are further defined in our guidelines, which also include general principles. More detailed instructions are provided on the secrecy obligation, the personal transactions of Group's relevant persons and persons with whom they have a family relationship or close links, belonging to another company's administration or management, ban on the use of insider information, gratuitous benefits/advantages, and conflicts of interest between bank employees or members of administrative staff.

☐ 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
head of equities
 - ☒ 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

OA 08.3

Additional information. [Optional]

The person in charge of equity investments is an experienced professional specialising in responsible investment. The implementation and development of responsible investment activities are an essential part of this person's job. Another person from the organisation acts as deputy for the person in charge of responsible investment. In addition, approximately once a year, we offer one up-and-coming responsible investment professional the opportunity to take part in interesting responsible investment projects on a fixed-term basis.

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

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

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

- ☐ Basic
☒ Moderate
☐ Advanced

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

We have been consistently talking about and disseminating information on the UNPRI within the investment community and during various meetings.

- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Pohjola Asset Management Limited is a founding member of Finsif - Finland's Sustainable Investment Forum.

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

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

- ☒ Basic
☐ Moderate
☐ Advanced

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

OP-Pohjola Group, of which Pohjola Asset Management Limited is part of, has signed the UN 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
-------	-----------	---------------	-------

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

☒ Yes

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

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

We have been regularly providing students who are close to completing their studies with an opportunity to raise the awareness of responsible investing.

☐ No

OA 11.3	Additional information. [Optional]
----------------	------------------------------------

Pohjola Asset Management is regularly asked by investors belonging to the asset owner category to explain how responsible investment activities can be developed and what are the requirements for introducing the UNPRI. In 2013, we attended an extensive responsible investment discussion panel organised by Finsif, as well as a one-day training for IR staff, in which responsible investment was one of the themes.

ESG issues in asset allocation

OA 14	Voluntary	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	-------------------------------------------------------------------------------------------------------------------------------

☒ Yes

OA 14.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	----------------------------------------------------------------------------------------------

	% of total AUM
--	----------------

0.2

OA 14.3

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

Area

☒ Clean technology

Asset class invested

- ☒ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Hedge funds

Brief description of investment

A mutual fund that invests in companies which are positively linked to the theme of climate change.

- ☐ Green buildings
- ☐ Sustainable forestry
- ☐ Sustainable agriculture
- ☐ Microfinance
- ☐ SME financing
- ☐ Social enterprise / community investing
- ☐ Affordable housing
- ☐ Education
- ☐ Global health
- ☐ Other area, specify

☐ No

Pohjola Asset Management

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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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

Asset class

☐ Listed Equity (LE)

☐ Fixed income - corporate (FIC)

☒ Other asset classes

☒ We use investment consultants in our monitoring of external managers

Asset class

☐ Listed Equity (LE)

☐ Fixed income - corporate (FIC)

☒ 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

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hedge funds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	FIC	
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Passive investment strategies

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

**SAM
05.2**

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

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

**SAM
05.3**

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

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

**SAM
05.4**

Additional information. [Optional]

5.3. Not applicable: as an asset manager, we have no voting right for the investments we have made on behalf of our customers.

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

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

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

We will also assess the asset manager's commitment to the UN Global Compact and the OECD Guidelines for Multinational Enterprises. We will also assess how responsibility is reflected in the business culture and partner selections. Measures to prevent money laundering are also assessed, in addition to the location of possible subsidiaries in areas which do not comply with the OECD standards of transparency and exchange of information for tax purposes, for example.

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

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

ESG incorporation

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

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

Typically, we interview the asset managers or conduct comprehensive surveys annually or every other year to learn about their activities, development and plans related to responsible investment.

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

provide URL

<https://www.pohjola.fi/media/liitteet?cid=331416625&srcpl=4>

**SAM
16.2**

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

- ☐ Yes
☒ No

**SAM
16.3**

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

Information	Public	Clients/beneficiaries
How responsible investment considerations are included in manager selection, appointment and monitoring processes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Details of the responsible investment activities carried out by managers on your behalf	<input type="checkbox"/>	<input checked="" type="checkbox"/>
E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify below	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If you select 'Other', specify

Process of selection of managers is communicated in more detail to customers.

- ☐ Yes, we disclose information to clients/beneficiaries only
☐ We do not proactively disclose information to the public and/or clients/beneficiaries

Pohjola Asset Management

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
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LEI 03.1

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

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%)



- ☐ 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 opinion, it is important that the companies we invest in adhere to international guidelines and ESG-related initiatives. Our view is that such companies make more tempting long-term investments. For this reason, our holdings are screened twice a year for possible violations of international standards by GES Investment Services. The screenings also let us know of possible violations of international standards committed by the companies we have invested in, thus enabling us to direct our engagement processes specifically to those companies.

In our view, the way a company conducts its business, as well as the ESG risks and opportunities related to its operations, have an effect on the company's value. Our goal is to use relevant ESG considerations as instruments in identifying such risks and opportunities. Furthermore, a more detailed analysis of the environmental and social practices of the companies under evaluation, provided by an ESG research provider, is in favour of using an ESG integration strategy.

LEI 03.3

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

The combined use of screening and an integration strategy is an effective way to single out companies whose operating models are in line with best practices, but also to incorporate critical ESG issues to the investment decision-making process, which may affect the value of a company. Screening provides us with a list of companies with a verified or suspected violation of international standards. For investment decision-making purposes, we have access to an ESG research provider's issue-specific analysis of each case, the data and conclusions of which are integrated in the investment decision. The issue-specific analysis provides us with more information on the company's operating practices, and not only whether the company has violated international standards or not. Interpreting and using the issue-specific analysis for decision-making purposes constitutes an ESG integration strategy.

(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 rely on the expertise of GES Investment Service in screening our active direct investments. GES screens our holdings twice a year for controversial weapons (cluster munition and anti-personnel mines) and possible violations of international standards. In addition, portfolio managers have unlimited access to a database maintained by GES for monitoring companies for violations of international standards.

- ☒ Positive/best-in-class screening

Screened by

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

Description

OP Climate Fund invests in companies that are in good position when the private and public sector are making investments directed at climate changes and reducing its adverse effects. For the purposes of the fund, screenings are directed at companies that benefit from the described allocation of funds. Climate change must be a key driver of business operations.

- ☒ Norms-based screening

Screened by

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

	Description
--	-------------

We rely on the expertise of GES Investment Service in screening our internally managed active listed equities. GES screens our holdings twice a year for controversial weapons (cluster munition and anti-personnel mines) and possible violations of international standards. In addition, portfolio managers have unlimited access to a database maintained by GES for monitoring companies for violations of international standards.

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

Our responsible investment guidelines specify how we expect our investee companies to comply with universally applied international ethical guidelines and standards. The screening criteria, i.e. the guidelines and standards to be observed, have been defined comprehensively to cover the effects of business operations on the surrounding society and the environment. The criteria are occasionally reviewed in connection with reassessing the principles for responsible investment. We notify our customers about any changes in connection with other customer communications.

LEI 07	Mandatory	Core Assessed	PRI 1
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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 checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Communication

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

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

☒ We disclose it publicly

Provide URL

<https://www.pohjola.fi/media/liitteet?cid=331416625&srcpl=4>

LEI 18.2

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

☐ Yes

☒ No

LEI 18.3

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

Reporting to public	Reporting to clients/beneficiaries
<input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used	<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used

LEI 18.4	Indicate how frequently you typically report this information.
---------------------	----------------------------------------------------------------

Reporting to public	Reporting to clients/beneficiaries
<input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify	<input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify

☐ We disclose it to clients and/or beneficiaries only

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

Pohjola Asset Management

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

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 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 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 type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> 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

**LEA
03.2**

Describe how you identify and prioritise engagements.

Engagement processes are primarily directed at companies that have verifiably violated commonly recognised international standards. In Finland, there are also other types of engagement targets, such as companies whose operations are not in line with the Finnish Corporate Governance Code.

In addition to continuous monitoring, our holdings are reviewed twice a year for possible violations of international standards. The monitoring and assessments of compliance with international standards are carried out in cooperation with GES Investment Service. Companies' operations are systematically monitored for any compliance issues related to international agreements and conventions, including international standards related to the environment, human rights and corruption.

The international standards used in the assessments include:

UN Global Compact
OECD Guidelines for Multinational Enterprises
Human rights treaties
Environmental agreements
Arms control agreements.

☐ No

LEA 04

Mandatory

Core Assessed

PRI 2

**LEA
04.1**

Indicate if you define specific objectives for your engagement activities.

- ☒ Yes
- ☐ Yes, for all engagement activities
 - ☒ Yes, for the majority of engagement activities
 - ☐ Yes, for a minority of engagement activities
- ☐ No

**LEA
04.2**

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

- ☒ Yes
- ☒ Yes, in all cases
 - ☐ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

**LEA
04.3**

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

If the engagement process is clearly intended to induce changes by the target company and those changes can be measured or assessed, we will monitor the progress of the actions taken as the result of our engagement. Monitoring methods include keeping in contact with the target company, reading the company's releases, and studying analyses made about the company. We can also evaluate the success of our engagement processes on the basis of our external ESG research provider's opinion of the changes.

☐ 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

**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.

We use information and materials generated through collaborative engagements for reference, and monitor the target companies' operations.

☐ 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	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

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

**LEA
15.3**

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

	Engagement information disclosed
--	----------------------------------

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

LEA 15.4	Indicate how frequently you typically report engagements information
----------	----------------------------------------------------------------------

- ☐ Disclosed continuously (prior and post engagements)
- ☐ Disclosed quarterly
- ☒ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Process

LEA 17	Mandatory	Descriptive	PRI 2
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LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
----------	---------------------------------------------------------------------------------------------------

	Approach
--	----------

- ☒ We use our own research or voting team and make our own voting decisions without the use of service providers.

	Based primarily on
--	--------------------

- ☐ our own voting policy
- ☒ our clients requests or policy
- ☐ other, explain
- ☐ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- ☐ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ☐ We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
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Voting decisions are always made by our customers.

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- ☒ Yes, in most cases
- ☐ Sometimes, in the following cases:
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- ☒ We do track or collect this information

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

	%
--	---

100

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

- ☐ of the total number of ballot items on which you could have issued instructions
- ☒ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

**LEA
22.2**

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

We attended all the general meetings in which OP Fund Management authorised Pohjola Asset Management Limited to participate.

☐ We do not track or collect this information

Communication

LEA 26

Mandatory

Core Assessed

PRI 2,6

**LEA
26.1**

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

☒ We disclose it publicly

provide URL

<https://www.op.fi/media/liitteet?cid=151777809&srcpl=3>

**LEA
26.2**

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

☒ Yes

**LEA
26.3**

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

Indicate how much of your voting record you disclose

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

Indicate what level of explanation you provide

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

**LEA
26.4**

Indicate how frequently you typically report voting information.

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

**LEA
26.6**

Additional information. [Optional]

We always attend general meetings as representatives of our customers. We are not entitled to publish information on their voting activities. We often represent OP funds at general meetings of Finnish companies. OP Fund Management publishes a summary of its general meeting activities in the mutual fund annual report.

Pohjola Asset Management

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

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

ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

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

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

%

100

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

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

In our opinion, it is important that the companies we invest in adhere to international guidelines and ESG-related initiatives. Our view is that such companies make more tempting long-term investments. For this reason, our holdings are screened twice a year for possible violations of international standards by GES Investment Services. The screenings also let us know of possible violations of international standards committed by our investee companies, thus enabling us to direct our engagement processes specifically to those companies.

In our view, the way a company conducts its business, as well as the ESG risks and opportunities related to its operations, have an effect on the company's value. Our goal is to use relevant ESG considerations as instruments in identifying such risks and opportunities. Furthermore, a more detailed analysis of the environmental and social practices of the companies under evaluation, provided by an ESG research provider, is in favour of using an ESG incorporation strategy.

FI 04.3

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

The combined use of screening and integration is an effective way to single out companies whose operations are in line with best practices, but also for incorporating critical ESG issues to the investment decision-making process, which may affect the value of a company. Screening provides us with a list of companies with a verified violation of international standards, or something indicative of such behaviour. For investment decision-making purposes, we have access to an ESG research provider's issue-specific analysis, the data and conclusions of which are integrated in the investment decision. In addition to informing us whether a company has violated international standards or not, an issue-specific analysis lets us know more about the company's operating practices. Interpreting the issue-specific analysis and using it for decision-making purposes constitutes an ESG incorporation strategy.

(A) Implementation: Screening

FI 06**Mandatory****Descriptive****PRI 1****FI 06.1**

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

Type of screening

☒ Negative/exclusionary screening

Screened by

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

Description

We rely on the expertise of GES Investment Service in screening our active direct investments. GES screens our holdings twice a year for controversial weapons (cluster munition and anti-personnel mines) and possible violations of international standards. In addition, portfolio managers have unlimited access to a database maintained by GES for monitoring companies for violations of international standards.

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

Screened by

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

Description

We rely on the expertise of GES Investment Service in screening our active direct investments. GES screens our holdings twice a year for controversial weapons (cluster munition and anti-personnel mines) and possible violations of international standards. In addition, portfolio managers have unlimited access to a database maintained by GES for monitoring companies for violations of international standards.

FI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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Our responsible investment guidelines specify how we expect our investee companies to comply with universally applied international ethical guidelines and standards. The screening criteria, i.e. the guidelines and standards to be observed, have been defined so as to comprehensively cover the effects of business operations on the surrounding society and the environment. The criteria are reviewed in connection with periodical reassessments of the principles for responsible investment. We notify our customers about any changes in connection with other customer communications.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.
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- ☒ Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- ☐ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

(C) Implementation: Integration of ESG factors

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

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
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FI 13.1	Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.
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☒ Yes

FI 13.2	Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.
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- ☐ <10%
☐ 10-50%
☐ 51-90%
☒ >90%

FI 13.3	Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.
---------	--------------------------------------------------------------------------------------------------------

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

FI 13.4

Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]

In our opinion, government credit ratings reflect the ability to repay debt, but also social responsibility issues. Credit rating is influenced by factors such as growth prospects and political situation, as well as social development and administrative performance. There are also various other indicators that depict governments' capabilities to incorporate sustainability in their operations and development processes.

☐ No

Communication

FI 18

Mandatory

Core Assessed

PRI 2,6

FI 18.1

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

☒ We disclose it publicly

Provide URL

<https://www.pohjola.fi/media/liitteet?cid=331416625&srcpl=4>

FI 18.2

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

- ☐ Yes
- ☒ No

FI 18.3

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

Reporting to public	Reporting to clients/beneficiaries
<input checked="" type="radio"/> Broad approach to ESG incorporation <input type="radio"/> Detailed explanation of ESG incorporation strategy used	<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information.

Reporting to public	Reporting to clients/beneficiaries
<input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify	<input type="radio"/> Quarterly or more frequently <input checked="" type="radio"/> Between quarterly and annually <input type="radio"/> Less frequently than annually <input type="radio"/> Other, specify

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