



RI TRANSPARENCY REPORT

2018

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	✓	Public							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Public							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	✓	Public							✓
OO PR 02	Breakdown of assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	⚡	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Public	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public						✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	🔒	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	🔒	n/a	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	🔒	n/a	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓					✓	
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	✓	Public	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	✓	Public	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagement methods	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	✓	Public		✓					
LEA 19	Securities lending programme	✓	Public		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	✓	Public		✓					
LEA 24	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	✓	Public	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	🔒	n/a	✓						
FI 09	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 10	Thematic investing - assessing impact	🔒	n/a	✓						
FI 11	Integration overview	✓	Public	✓						
FI 12	Integration - ESG information in investment processes	✓	Public	✓						
FI 13	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 14	ESG incorporation in passive funds	🔒	n/a	✓						
FI 15	Engagement overview and coverage	✓	Public		✓					
FI 16	Engagement method	✓	Public	✓	✓					
FI 17	Engagement policy disclosure	✓	Public	✓	✓					
FI 18	Financial/ESG performance	✓	Public							✓
FI 19	Examples - ESG incorporation or engagement	✓	Public	✓	✓					
FI End	Module confirmation page	✓	-							

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

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	⚡	n/a							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	✓	Public							✓
CM1 01.6	Assurance or internal audit	✓	Public							✓
CM1 01.7	Internal verification	⚡	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

Feedback and Submit				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM2 02	To what extent has the Reporting Framework captured your implementation of the Principles.	✓	Private							✓
CM2 03	Suggestions or comments on the Reporting and Assessment process	-	n/a							✓
CM2 04	Reporting & Assessment contact	✓	Public							✓
CM2 05	Final review before submission	✓	Public							✓
CM2 06	Submit your responses	✓	Public							✓
CM2 Fin		-	n/a							

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

Reported Information

Public version

Organisational Overview

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.

Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds 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

Further options for investment managers (may be selected in addition to the above)

- ☐ Execution and advisory services
- ☐ Hedge funds
- ☒ Fund of hedge funds

Options presented for fund of hedge funds:

- ☒ Fund of Hedge Funds Drop down options:
- ☐ Conservative
- ☐ Diversified
- ☐ Market Defensive
- ☒ Strategic

OO 02

Mandatory

Public

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).
<input checked="" type="radio"/> 1 <input type="radio"/> 2-5 <input type="radio"/> 6-10 <input type="radio"/> >10	

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
	FTE
221	

OO 03	Mandatory	Public	Descriptive	General
--------------	------------------	---------------	--------------------	----------------

OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.
<input type="radio"/> Yes <input checked="" type="radio"/> No	

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

OO 04.1	Indicate the year end date for your reporting year.
31/12/2017	

OO 04.2	Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.				
	trillions	billions	millions	thousands	hundreds
Total AUM		78	000	000	000
Currency	EUR				
Assets in USD		92	546	747	763

OO 06	Mandatory	Public	Descriptive	General
--------------	------------------	---------------	--------------------	----------------

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

OO 06.1	Select how you would like to disclose your asset class mix.			
<input type="radio"/> as percentage breakdown <input checked="" type="radio"/> as broad ranges				
	<table border="1"> <tr> <td></td> <td>Internally managed (%)</td> <td>Externally managed (%)</td> </tr> </table>		Internally managed (%)	Externally managed (%)
	Internally managed (%)	Externally managed (%)		

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

	'Other (1)' specified
--	-----------------------

Other (1) - Balanced funds

OO 06.2	Publish asset class mix as per attached image [Optional].
----------------	---

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
--------------	--	---------------	----------------	----------------

OO 07.1	Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.
----------------	--

Internally managed	<div><div></div>SSA</div>
	15
	<div><div></div>Corporate (financial)</div>
	45
	<div><div></div>Corporate (non-financial)</div>
	30
	<div><div></div>Securitised</div>
	10
	<div><div></div>Total</div>
	100%
Externally managed	<div><div></div>SSA</div>
	0
	<div><div></div>Corporate (financial)</div>
	65
	<div><div></div>Corporate (non-financial)</div>
	35
	<div><div></div>Securitised</div>
	0
	<div><div></div>Total</div>
	100%

OO 08	Mandatory to Report Voluntary to Disclose	Public	Peering	General
-------	---	--------	---------	---------

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

Asset class breakdown	Segregated mandate(s)	Pooled fund(s)	Total of the asset class (each row adds up to 100%)
[a] Listed equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[c] Fixed income – Corporate (financial)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[d] Fixed income – Corporate (non-financial)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[j] Hedge funds	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	100%

OO 09	Mandatory to Report Voluntary to Disclose	Public	Peering	General
-------	---	--------	---------	---------

OO 09.1	Indicate the breakdown of your organisation's AUM by market.
---------	--

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

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
-------	-----------	--------	---------	---------

OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

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

Listed equity – voting

- ☒ We cast our (proxy) votes directly or via dedicated voting providers
- ☐ We require our external managers to vote on our behalf.
- ☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

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

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

With regards engagement on ESG factors, our focus is more on companies and not on governmental or related actors

Fixed income Corporate (financial) – engagement

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

Fixed income Corporate (non-financial) – engagement

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

Fixed income Corporate (securitised) – engagement

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

OO 11

Mandatory

Public

Gateway

General

OO 11.1

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

Listed equity

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

Fixed income - SSA

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

Fixed income - corporate (financial)

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

Fixed income - corporate (non-financial)

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

Fixed income - securitised

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

Property

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

Cash

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

Other (1)

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

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

Other (1) - Balanced funds

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<div>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (financial)	<div>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial)	<div>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Hedge funds	<div>Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

OO 11.4

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

ESG due diligence is a standard part of the research we do prior to investing in the funds of external managers. Based on ESG due diligence we evaluate the resources, organizational structures, depth of ESG integration in the research process and activity in participating in sustainability related initiatives. We also evaluate asset managers' approach to engagement and activity in general meetings as well as approach to exclusions, for example. In some cases the ESG personnel meets with the investment manager or discusses with the manager over telephone to form a better picture of the investment manager's approach to ESG prior to investment.

As we appoint managers to manage white label funds for us, going forward we require the managers to sign a side letter to comply with agreed responsible investing related practices. So far such managers have complied with our demands even without the side letter.

With regards monitoring, we send our questionnaire to the external managers annually to evaluate the status of the ESG process on a continuous bases. We organize calls with the external managers that seem to have weaker ESG processes to encourage them to develop their approach. ESG staff also aims to attend the update meetings with the managers, as they visit our offices. In addition, a growing number of asset managers report regularly to us about their ESG activities during the year.

In the fall we decided on minimum criteria for new external managers. Our plan is to systematically engage with those current managers, who do not for the time being meet our minimum criteria.

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

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- ☒ Organisational Overview
- ☒ Strategy and Governance

RI implementation directly or via service providers**Direct - Listed Equity incorporation**

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

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

	Direct - Other asset classes with dedicated modules
--	---

☒ Property

	RI implementation via external managers
--	---

	Indirect - Selection, Appointment and Monitoring of External Managers
--	---

☒ Listed Equities

☒ Fixed income - Corporate (financial)

☒ Fixed income - Corporate (non-financial)

	Closing module
--	----------------

☒ Closing module

Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
----------	---	--------	---------	---------

OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.			
-------------------	---	--	--	--

Percentage of internally managed listed equities

	Passive
--	---------

15

	Active - quantitative (quant)
--	-------------------------------

46

	Active - fundamental and active - other
--	---



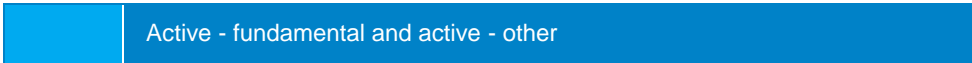





39

	Total
--	-------

100%

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
----------	---	--------	---------	---------

OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies			
-------------------	---	--	--	--

SSA	 Passive
	0
	 Active - quantitative (quant)
	0
	 Active - fundamental and active - other
Corporate (financial)	100
	 Total
	100%
Corporate (non-financial)	 Passive
	0
	 Active - quantitative (quant)
	0
	 Active - fundamental and active - other
	100
	 Total
	100%

Securitised		Passive
	0	
		Active - quantitative (quant)
	0	
		Active - fundamental and active - other
	100	
		Total
	100%	




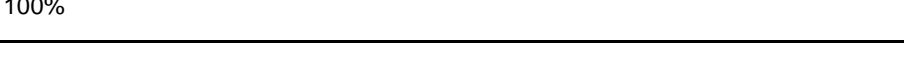






OO FI 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
-----------------	--	---------------	--------------------	----------------

OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.
-------------------	---

SSA		Developed markets
	85	
		Emerging markets
	15	
		Total
	100%	

OO SAM 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
------------------	--	---------------	----------------	----------------

OO SAM 01.1	Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.
--------------------	---

Listed equity (LE)	 Passive
	29
	 Active - quantitative (quant)
Fixed income - Corporate (financial)	 Active - quantitative (quant)
	0
	 Active - fundamental and active - other
Fixed income - Corporate (non-financial)	 Active - fundamental and active - other
	71
	100%
Fixed income - Corporate (financial)	 Passive
	8
	 Active - quantitative (quant)
Fixed income - Corporate (non-financial)	 Active - quantitative (quant)
	0
	 Active - fundamental and active - other
Fixed income - Corporate (non-financial)	 Active - fundamental and active - other
	92
	100%

OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
----------	---	--------	-------------	---------

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

**OO PR
01.1**

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

- ☒ a majority stake (>50%)
- ☐ a 50% stake
- ☐ a significant minority stake (between 10-50%)
- ☐ a limited minority stake (<10%)
- ☐ a mix of ownership stakes
- ☐ N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

**OO PR
01.2**

Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar

- ☐ >50%
- ☐ 10 – 50%
- ☐ <10%
- ☒ 0%

OO PR 02

Mandatory to Report Voluntary to Disclose

Public

Gateway

General

**OO PR
02.1**

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

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed via third-party property managers appointed by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input checked="" type="radio"/> < 10% <input type="radio"/> 0%
Total	100%

OO PR 03	Voluntary	Public	Descriptive	General
----------	-----------	--------	-------------	---------

OO PR 03.1	Indicate up to three of your largest property types by AUM.
------------	---

Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input checked="" type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input checked="" type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

OO PR
03.2

Additional information.

The industrial category includes hospitals in our calculations.

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

Reported Information

Public version

Strategy and Governance

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.

Investment policy

SG 02

Mandatory

Public

Core Assessed

PRI 6

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

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

☒ Policy setting out your overall approach

URL/Attachment

☒ URL

URL

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

☐ Attachment (will be made public)

☒ Formalised guidelines on environmental factors

URL/Attachment

☒ URL

URL

<https://uusi.op.fi/documents/20556/62177/Rahastojen+omistajapolitiikka/0a9db19a-dc0b-4f82-aae5-0f93b2cd9f54>

☐ Attachment (will be made public)

☒ Formalised guidelines on social factors

URL/Attachment

☒ URL

URL

<https://uusi.op.fi/documents/20556/62177/Rahastojen+omistajapolitiikka/0a9db19a-dc0b-4f82-aae5-0f93b2cd9f54>

☐ Attachment (will be made public)

☒ Formalised guidelines on corporate governance factors

URL/Attachment

☒ URL

URL

<https://uusi.op.fi/documents/20556/62177/Rahastojen+omistajapolitiikka/0a9db19a-dc0b-4f82-aae5-0f93b2cd9f54>

☐ Attachment (will be made public)

☒ Asset class-specific RI guidelines

URL/Attachment

☒ URL

URL

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

☐ Attachment (will be made public)

☐ Sector specific RI guidelines

☒ Screening / exclusions policy

URL/Attachment

☒ URL

URL

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

☐ Attachment (will be made public)

☒ Engagement policy

URL/Attachment

☒ URL

URL

<https://uusi.op.fi/documents/20556/63974/Vaikuttamisen+periaatteet/384106d5-6613-4414-bfc2-296c79e9b36e>

☐ Attachment (will be made public)

☒ (Proxy) voting policy

URL/Attachment

☒ URL

URL

<https://uusi.op.fi/documents/20556/62177/Rahastojen+omistajapolitiikka/0a9db19a-dc0b-4f82-aae5-0f93b2cd9f54>

☐ Attachment (will be made public)

☐ We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
---------	---

☒ Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

☒ URL

URL

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

☐ Attachment

☒ Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

☐ URL

☒ Attachment

File Attachment

[statement.oxps \[166KB\]](#)

☒ Time horizon of your investment

URL/Attachment

☐ URL

☒ Attachment

	File Attachment
--	-----------------

[statement.oxps \[166KB\]](#)

- ☒ Governance structure of organisational ESG responsibilities

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

- ☒ URL

	URL
--	-----

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

- ☐ Attachment

- ☒ ESG incorporation approaches

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

- ☒ URL

	URL
--	-----

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

- ☐ Attachment

- ☒ Active ownership approaches

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

- ☒ URL

	URL
--	-----

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

- ☐ Attachment

- ☒ Reporting

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

- ☒ URL

	URL
--	-----

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

- ☐ Attachment
- ☒ Climate-related issues

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

- ☒ URL

	URL
--	-----

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

- ☐ Attachment
- ☐ Climate change and related issues
- ☐ We do not publicly disclose any investment policy components

SG 02.3	Indicate if your organisation's investment principles, and overall investment strategy is publicly available
----------------	--

- ☐ Yes
- ☒ No

SG 02.4	Additional information [Optional].
----------------	------------------------------------

We have a wide range of mutual funds and client mandates. Most of them have unique strategy. However, we state that our general investment policy is based on active and responsible investing. Our purpose is to add value in every decision making level in a way that is defined in each mandate's and fund's investment policy. We utilize increasingly information from large databases. We also use advanced quantitative and statistical methods to analyze the data that is related to corporate financial metrics, real economy and sustainability. We are a long term investor aiming for competitive returns and sustainable future with advanced risk management practices for the benefit of our clients.

SG 03	Mandatory	Public	Core Assessed	General
--------------	------------------	---------------	----------------------	----------------

SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
----------------	---

- ☒ Yes

SG 03.2

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

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

SG 03.3

Additional information. [Optional]

The ownership policy document also describes how to avoid potential conflict of interest in exercising ownership activities.

SG 04

Voluntary

Public

Descriptive

General

SG 04.1

Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.

☒ Yes

☐ No

SG 04.2

Describe your process on managing incidents

We monitor our investments' compliance with international norms. In addition to continuous internal monitoring, our direct holdings are reviewed twice a year for possible violations of international norms. The monitoring and assessments of compliance with international norms are carried out in cooperation with GES Investment Service. Companies' operations are systematically monitored for any compliance issues related to international norms. The international norms used in the assessment includes but is not limited to: UN Global Compact, OECD Guidelines for Multinational Enterprises, human rights treaties, environmental agreements and arms control agreements. In verified cases of international norms 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 engage with the company to get it to change its operating model. We assess the effectiveness of the process and, based on the conclusions, determine whether to continue or divest our holdings of the company in question.

Objectives and strategies**SG 05**

Mandatory

Public

Gateway/Core Assessed

General

SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
----------------	---

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc basis
- ☐ It is not set/reviewed

SG 05.2	Additional information. [Optional]
----------------	------------------------------------

Short term objectives for the next 12 months are set annually so that they are in line with the objectives of OP Wealth Management and support long term targets and objectives of investments. ESG team is in charge of leading the chosen ESG strategies and making sure objectives can and will be fulfilled. The people working in the ESG team has KPIs that reflect annual targets. The targets are reviewed once a year during the appraisal period.

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
--------------	------------------	---------------	----------------------	----------------

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

SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---

Select all that apply

- ☒ Principles for Responsible Investment

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

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

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

We have been regularly talking about and disseminating information on the UNPRI within the investment community and during various meetings with public, media, clients and university students.

- ☐ Asian Corporate Governance Association
- ☐ Australian Council of Superannuation Investors
- ☐ AFIC – La Commission ESG
- ☐ BVCA – Responsible Investment Advisory Board
- ☒ CDP Climate Change

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

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

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

We have been a CDP signatory for years and have attended CDP climate presentations regularly. We have also spread information on CDP in numerous presentations and discussions in 2017.

- ☒ CDP Forests

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

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

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

We joined CDP Forest in 2016. We have also spread information on CDP forests in numerous presentations and discussions in 2017.

- ☒ CDP Water

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

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

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

We have been a CDP water signatory for years and we have attended CDPs presentations regularly and have also spread information on CDP water in numerous presentations and discussions in 2017. In addition, we hosted a joint water risk seminar organised by Finsif and CDP in our premises.

- ☐ CFA Institute Centre for Financial Market Integrity
- ☐ Code for Responsible Investment in SA (CRISA)
- ☐ Code for Responsible Finance in the 21st Century
- ☐ Council of Institutional Investors (CII)
- ☐ Eumedion
- ☐ Extractive Industries Transparency Initiative (EITI)
- ☐ ESG Research Australia
- ☐ EVCA – Responsible Investment Roundtable
- ☐ Global Investors Governance Network (GIGN)
- ☐ Global Impact Investing Network (GIIN)
- ☐ Global Real Estate Sustainability Benchmark (GRESB)
- ☐ Green Bond Principles
- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☐ International Corporate Governance Network (ICGN)
- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ International Integrated Reporting Council (IIRC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☐ Principles for Sustainable Insurance
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

We are a founding member of Finsif - Finland's Sustainable Investment Forum. In 2017 our Head of ESG was a board member of Finsif.

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

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

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

Our representative participated in the work of stipend committee of Finsif and in 217 our Head of ESG acted as a board member of FINSIF. One of his responsibilities was to organise two workshops on the risks and opportunities of environmental issues in investments.

- ☐ Responsible Finance Principles in Inclusive Finance
- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☒ United Nations Global Compact

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 Financial Group (former OP-Pohjola Group), of which OP Wealth Management is part of, is a UN Global Compact signatory. We have spoken for UN Global Compact to our clients, public and university students regularly. Also, we published engagement policy in 2017 that explicitly refers to UN Global Compact.

- ☒ Other collaborative organisation/initiative, specify
Montreal Pledge

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

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

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

We have supported the initiative by publishing carbon intensity of our mutual funds also in 2017. In 2017 we increased substantially the range of mutual funds we publish carbon footprint for. We have also spoken for the initiative in several occasions.

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

SG 09.2	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
---------	---	--------	-------------	-------

	Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.
--	---

	%
--	---

80

SG 10	Mandatory	Public	Core Assessed	PRI 4
-------	-----------	--------	---------------	-------

SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
----------------	--

☒ Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
----------------	--

☒ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

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

Educating clients, sell side analysts, media and other stakeholders on the responsible investing has been a part standard part of our business for years.

	Frequency of contribution
--	---------------------------

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Provided financial support for academic or industry research on responsible investment

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

Financially supporting Master's thesis covering two degrees scenario framework.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Provided input and/or collaborated with academia on RI related work

Description

In addition to financially supporting academic work, we have also given input to university students or post-graduate students in their academic work regularly.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☒ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

In the annual questionnaire we ask for examples and RI principles from external asset managers.

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other

☒ Spoke publicly at events and conferences to promote responsible investment

Description

Speaking regularly in the industry events is business as usual for us. In 2017 the Tead of ESG spoke for example in institutional investor Symposium in Munich and spoke in the board professional Finland's event on responsible investing, as well as in a proxy advisory service provider's seminar in Stockholm. Our representative also spoke in Nasdaq's and Chamber of Commerce's ESG events.

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ Wrote and published in-house research papers on responsible investment
- ☐ Encouraged the adoption of the PRI
- ☐ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- ☒ Wrote and published articles on responsible investment in the media

Description

We wrote about ten ESG themed financial blogs in 2017. We also made a short video for retail investors to help them evaluate if the funds provided are responsible.

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ A member of PRI advisory committees/ working groups, specify
- ☒ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description

OP Wealth Management's Head of ESG served as a board member of Finsif in 2017.

Frequency of contribution

- ☒ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc
- ☐ Other
- ☐ Other, specify
- ☐ No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
----------------	---

OP Wealth 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 adapting the UNPRI. We have written blogs related to responsible investing for promoting responsible investing also among retail investors. We also participate in seminars and panels regularly. One example of a public presentation on responsible investing is an annual retail investor gathering in Helsinki Fair Centre where we presented in 2017 on the issue of measuring the impact of investments. We have also presented or participated in other responsible investing events or mainstream investor events talking about ESG in several occasions in 2017.

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
--------------	------------------	---------------	----------------------------	------------------

SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
----------------	---

☒ Yes

☐ Yes, individually

☒ Yes, in collaboration with others

SG 11.2	Select the methods you have used.
----------------	-----------------------------------

☒ Endorsed written submissions to governments, regulators or public policy-makers developed by others

☐ Drafted your own written submissions to governments, regulators or public-policy markers

☐ Participated in face-to-face meetings with government members or officials to discuss policy

☐ Other, specify

SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
----------------	--

☒ Yes, publicly available

	provide URL
--	-------------

<http://www.eacb.coop>

	provide URL
--	-------------

<http://www.amice-eu.org>

☐ No

☐ No

SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
----------------	--

We have contributed to EU Consultation on Sustainable Finance (High Level Expert Group on Sustainable Finance, interim report) in collaboration with EU Trade Associations (www.eacb.coop and www.amice-eu.org).

Outsourcing to fiduciary managers and investment consultants

SG 12	Mandatory	Public	Core Assessed	PRI 4
-------	-----------	--------	---------------	-------

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

SG 12.1	Indicate whether your organisation uses investment consultants.
---------	---

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

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
-------	-----------	--------	-------------	-------

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

SG 13.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
---------	--

- ☐ We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- ☐ We execute scenario analysis which includes factors representing the investment impacts of future social trends
- ☐ We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- ☐ We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- ☐ We execute other scenario analysis, specify
- ☒ We do not execute such scenario analysis and/or modelling

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
-------	---	--------	---------------------	-------

SG 14.1	Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.
---------	--

OP Wealth Management has an annual process called 'mapping of operative risks'. The process is part of internal controls' annual process. Mapping is done on departmental level and is comprehensive process where all relevant operational risks are identified. Also, alternative action processes are presented in the process.

SG 14.2

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

- ☒ Changing demographics
- ☒ Climate change and related issues

SG 14.3

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

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

SG 14.4

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

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

SG 14.5

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

We publish quarterly weighted carbon intensity for equity and fixed income as well as balanced mutual funds. We calculate weighted average of carbon intensity of portfolio companies comprising level one and two emissions. The results are public and we share them at the company web page and fund's annual reports. For exclusion strategy we also utilise absolute carbon emission figures.

SG 15

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

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

SG 15.1

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

☒ Yes

SG 15.2

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

%

0.7

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

☒ Clean technology (including renewable energy)

Asset class invested

☒ Listed equity

% of AUM

0.3

- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☐ Property
- ☐ Hedge funds
- ☐ Cash
- ☐ Other (1)

Brief description and measures of investment
--

A mutual fund that invest in companies which are positively linked to the theme of climate change and clean tech in general.

- ☐ Green buildings
- ☐ Sustainable forestry
- ☐ Sustainable agriculture
- ☐ Microfinance
- ☐ SME financing
- ☐ Social enterprise / community investing
- ☐ Affordable housing
- ☐ Education
- ☐ Global health
- ☒ Water

Asset class invested

- ☒ Listed equity

% of AUM

0.1

- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☐ Property
- ☐ Hedge funds
- ☐ Cash
- ☐ Other (1)

	Brief description and measures of investment
--	--

A mutual fund that invests in companies which are positively linked to water issue.

☒ Other area, specify

Low carbon fund

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

☒ Listed equity

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

0.3

- ☐ Fixed income - SSA
- ☐ Fixed income - Corporate (financial)
- ☐ Fixed income - Corporate (non-financial)
- ☐ Fixed income - Securitised
- ☐ Property
- ☐ Hedge funds
- ☐ Cash
- ☐ Other (1)

	Brief description and measures of investment
--	--

The fund invest in companies whose carbon intensity is well positioned in the sector comparison. The fund aims to halve the energy intensity compared to 'normal' fund operating without carbon focus.

☐ No

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
-------	-----------	--------	-------------	---------

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Cash	When investing in cash management instruments we apply our exclusion list to instrument decision.
Other (1) [as defined in Organisational Overview module]	Balanced funds invests in other funds and the target funds are either examined on the ESG point of view (comprehensive ESG questionnaire) or they apply our principles of responsible investing policy depending if they are externally or internally managed.

SG 17	Mandatory	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 17.1

Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Hedge funds - DDQ	<div> <div></div> <div>Select whether you use the PRI Hedge Fund DDQ</div> </div> <div> <input type="radio"/> Yes <input checked="" type="radio"/> No </div>
Hedge funds	As with long only managers, ESG is part of the due diligence carried out prior to investing and regular monitoring post investment. In addition, our goal is to engage with those managers who are not that developed with regards ESG. However, given lower adoption of responsible investing practices among hedge funds, our expectations for hedge funds are lower.

Innovation

SG 18	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 18.1

Indicate whether any specific features of your approach to responsible investment are particularly innovative.

☒ Yes

SG 18.2

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

We utilise ESG data to great extent not only as input in investment decisions but also in reporting our client mandates and individual mutual funds. Our advanced client / fund specific ESG reports feature information on rating distribution of investee companies, carbon footprint related information and impact related information. Impact related information is based on investee companies' revenue coming from pre-specified activities, like pollution prevention, clean water and renewable energy.

☐ No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6
-------	-----------	--------	---------------	-------

SG 19.1

Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Fixed income

Do you disclose?

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

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

Disclosure to public and URL

Disclosure to public and URL

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

Frequency

- ☐ Quarterly
- ☒ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc/when requested

URL

<https://uusi.op.fi/op-ryhma/vastuullisuus/vastuullisuus-liiketoiminnassa/sijoittaminen>

URL

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+raportti+2017/d54f9c98-7516-4431-9328-69a2c46a8728>

Listed equity - Engagement

Do you disclose?

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

The information disclosed to clients/beneficiaries is the same

☒ Yes

☐ No

Disclosure to public and URL

Disclosure to public and URL

- ☒ Details on the overall engagement strategy
- ☒ Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
- ☒ Number of engagements undertaken
- ☒ Breakdown of engagements by type/topic
- ☐ Breakdown of engagements by region
- ☒ An assessment of the current status of the progress achieved and outcomes against defined objectives
- ☒ Examples of engagement cases
- ☐ Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)
- ☐ Details on whether the provided information has been externally assured
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

Frequency

- ☐ Quarterly or more frequently
- ☒ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad-hoc/when requested

URL

<https://uusi.op.fi/documents/20556/63974/Vaikuttamisen+periaatteet/384106d5-6613-4414-bfc2-296c79e9b36e>

URL

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+raportti+2017/d54f9c98-7516-4431-9328-69a2c46a8728>

Listed equity – (Proxy) Voting

Do you disclose?

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

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

Disclosure to public and URL

Disclosure to public and URL

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

Frequency

- ☐ Quarterly
- ☒ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc/when requested

URL

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+raportti+2017/d54f9c98-7516-4431-9328-69a2c46a8728>

Listed equity - Incorporation

Do you disclose?

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

	The information disclosed to clients/beneficiaries is the same
--	--

- ☒ Yes
☐ No

Disclosure to public and URL	
	Disclosure to public and URL <input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used
	Frequency <input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
	URL https://uusi.op.fi/op-ryhma/vastuullisuus/vastuullisuus-liiketoiminnassa/sijoittaminen
	URL https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be

	Property
--	----------

	Do you disclose?
--	------------------

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

	The information disclosed to clients/beneficiaries is the same
--	--

- ☒ Yes
☐ No

Disclosure to public and URL	
	<p>Disclosure to public and URL</p> <p><input type="checkbox"/> ESG information on how you select property investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments</p> <p><input checked="" type="checkbox"/> Information on your property investments' ESG performance</p> <p><input type="checkbox"/> Other</p>
	<p>Frequency</p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>
	<p>URL</p> <p>https://uusi.op.fi/op-ryhma/vastuullisuus/vastuullisuus-liiketoiminnassa/sijoittaminen</p>

Selection, Appointment and Monitoring

Do you disclose?

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

The information disclosed to clients/beneficiaries is the same

- ☒ Yes
- ☐ No

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

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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

Listed Equity and Fixed Income Strategies

SAM 01

Mandatory

Public

Gateway

PRI 1

SAM 01.1

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity	FI - Corporate (financial)	FI - Corporate (non-financial)	
Screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Passive investment strategies

Passive investment strategies	Listed Equity	FI -Corporate (financial)	FI -Corporate (non-financial)	
Screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

SAM 01.2

Additional information. [Optional]

In the fall of 2017, we set a minimum criteria for all new external managers. In addition, we screen OP funds managed by external managers and require those managers to apply our exclusion list into these active portfolios.

Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
---------------	------------------	---------------	----------------------	--------------

SAM 02.1	Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers
-----------------	---

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

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

We are an asset manager and we cover a wide range of asset classes and strategies within each asset class. The investment strategy and how ESG objectives relate to it, become clear during the manager selection process as we communicate with the potential managers.

SAM 02.2	Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach
-----------------	--

Strategy

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

ESG people/oversight

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

Process/portfolio construction/investment valuation

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

SAM 02.3

Indicate the selection process and its ESG/RI components

- ☒ Review ESG/RI responses to RfP, RfI, DDQ etc.
- ☐ Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- ☒ Review publicly available information on ESG/RI
- ☐ Review assurance process on ESG/RI data and processes
- ☐ Review PRI Transparency Reports
- ☐ Request and discuss PRI Assessment Reports
- ☐ Meetings with the potential shortlisted managers covering ESG/RI themes
- ☐ Site visits to potential managers offices
- ☐ Other, specify

SAM 02.4

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

	LE	FI - Corporate (financial)?	FI - Corporate (non-financial)?					
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

SAM 02.5

Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

In the fall of 2017 we set a minimum criterion for all our new managers.

Monitoring**SAM 05****Mandatory****Public****Core Assessed****PRI 1****SAM 05.1**

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)					
ESG objectives linked to investment strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Compliance with investment restrictions and any controversial investment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
ESG portfolio characteristics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Information on any ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
PRI Transparency Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
PRI Assessment Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
RI-promotion and engagement with the industry to enhance RI implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

SAM 05.2

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

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)				
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
ESG performance minimum threshold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Outputs and outcomes

SAM 08	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
--------	---	--------	-------------	-------

SAM 08.1 Describe how you ensure that best RI practice is applied to managing your assets

- ☒ Encourage improved RI practices with existing investment managers

Measures

We require managers to fill in an extensive ESG questionnaire as part of the initial DD. In addition, we require them to fill in the questionnaire annually as part of the monitoring.

- ☒ Move assets over to investment managers with better RI practices

Measures

We don't make new fund investments that do not meet our minimum responsible investing criteria. With regards our current managers, we engage with the responsible investing laggards with the option of redeeming from those managers potentially in the future.

- ☐ Other, specify
☐ None of the above

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
--------	-----------	--------	---------------------	---------

SAM 09.1 Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

- ☒ Add Example 1

Topic or issue	Responsible investing practices
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input checked="" type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial)
Scope and process	<p>As part of our standard ESG-related DD, we found out that a potential manager did not meet our responsible investing minimum criteria.</p> <p>The asset class is fixed income corporate non-financial.</p>
Outcomes	We did not invest in the fund and informed the manager that the reason was their inadequate RI practises.

☒ Add Example 2

Topic or issue	Environmental and human rights impacts of a damn project
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial)
Scope and process	Our external manager has invested in a company that owns part of a controversial dam project in Asia. We are engaging with that company.
Outcomes	The damn construction is well underway and we are trying to ensure that the damn will be operated sustainably.

☐ Add Example 3

☐ Add Example 4

☐ Add Example 5

☐ We are not able to provide examples

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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

ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Core Assessed	PRI 1
--------	-----------	--------	---------------	-------

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

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

ESG incorporation strategy (select all that apply)

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

Percentage of active listed equity to which the strategy is applied	<div> <div></div> <div>%</div> </div> <div>95</div>
---	---

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

Percentage of active listed equity to which the strategy is applied	<div> <div></div> <div>%</div> </div> <div>5</div>
---	--

- ☐ We do not apply incorporation strategies

Total actively managed listed equities
--

100%

LEI 01.2

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

We at OP Wealth Management apply several ESG strategies to our funds and client mandates. We think ESG strategies are related to each other and therefore applying one strategy supports one or more other strategies, therefore making the effects more powerful and impacting. The ESG strategies we use are ESG integration, active ownership, including different engagement strategies and proxy voting, exclusion based on international norms and arm treaties as well as climate risk related exclusion of coal based companies. Exclusion list is applied to all active direct investments. We also use thematic strategies that include theme funds but also best-in-class type of approach is used. Depending on the strategy, the main responsibility to execute the strategy is divided between analysts and investment decision makers and dedicated ESG specialists. The optimal way to execute most strategies is together with ESG specialists and investment decision makers as this yields fruitful debate and integrating different views and knowledge. Integrating ESG into investment decision making process is perhaps the most important ESG strategy and the ultimate goal of responsible investing. Our fund managers and analyst have a good level of knowledge on company and sector specific ESG issues. To further support the integration, we have prepared a guidance document on sector level ESG risks and opportunities for the use of portfolio managers and analysts. We also subscribe ESG research and ratings from service providers to be used in investment decision making and further own analysis. Last but not least, meetings with senior management of investee companies are part of the integration process. In quantitative strategies ESG factors are part of factor library and / or portfolio construction.

Thematic investing in sustainability related mega-trends provides attractive growth opportunities for companies involved and are thus interesting companies to invest in. Same integration and screening strategies are also used in thematic products.

LEI 01.3

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

A good example of different strategies supporting each other and are used together is the threat of exclusion in case of unsuccessful engagement with investee company. Also, proxy voting can be used to enforce engagement if there is otherwise reluctance to commit change sought after. When initiating engagement process with a company we state that we have an option to exclude target company from our active investment universe. Public exclusion list further supports the purpose.

In thematic products investment universe is formed around the theme in question and thereafter other strategies are applied.

LEI 02	Voluntary	Public	Additional Assessed	PRI 1
--------	-----------	--------	---------------------	-------

LEI 02.1

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

Type of ESG information

☒ Raw ESG company data

Indicate who provides this information

☒ ESG research provider

☐ Sell-side

☐ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☒ Company-related analysis or ratings

Indicate who provides this information

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

Indicate who provides this information

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

Indicate who provides this information

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

Indicate who provides this information

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

Indicate who provides this information

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

LEI 02.2

Provide a brief description of the ESG information used, highlighting any different sources of information across your ESG incorporation strategies.

The ESG information we use include information from multiple providers. Data used depends on the incorporation in question.

In screening we use details on companies' compliance or non-compliance with international standards. Company ratings concerning violations include the nature and probability of the violation. This is our most important screening tool. We also screen for ESG ratings for certain portfolios.

Data used in integration is supplied for example by ESG research providers and to some extent sell-side and CDP.

Sell-side produces increasing amounts of ESG-integrated research. The information may be related to, for example, emissions or mega trends. CDP generates emissions and water related data, Bloomberg publishes a wide range on information on ESG issues and uses it to create valuable company comparisons.

From ESG research provider we subscribe co2 emission data and other issuer specific ESG analysis. The data includes but is not limited to ESG ratings, which we utilise in quant models and in fundamental analysis with the help of ESG team.

Our portfolio managers, analysts and ESG personnel generate ESG information by discussing relevant ESG issues during executive meetings. A brief description of each discussion is recorded in a database accessible to all the members of our organisation.

LEI 02.3	Indicate if you incentivise brokers to provide ESG research.
<input type="radio"/> Yes <input checked="" type="radio"/> No	

LEI 02.5	Additional information.[Optional]
We have previously used the capability to provide EGS research as a factor in broker evaluation. Some brokers have since then added ESG into their research consideration.	

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
--------	-----------	--------	---------------------	-------

LEI 03.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
<input checked="" type="checkbox"/> Engagement <ul style="list-style-type: none"> <input checked="" type="radio"/> We have a systematic process to ensure the information is made available. <input type="radio"/> We occasionally make this information available. <input type="radio"/> We do not make this information available. 	
<input checked="" type="checkbox"/> (Proxy) voting <ul style="list-style-type: none"> <input type="radio"/> We have a systematic process to ensure the information is made available. <input checked="" type="radio"/> We occasionally make this information available. <input type="radio"/> We do not make this information available. 	

(A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
--------	-----------	--------	-------------	-------

LEI 04.1	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, anti-personnel mines and nuclear weapons) and possible violations of international standards whereby companies can be excluded. We also screen out coal mining companies according to certain criteria and certain utilities that use coal as a fuel in producing electricity. 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, screening identifies companies that benefit from the described activities. Climate change must be a key driver of business operations. Same applies to OP Water Fund, but the business driver of the investee companies relates to water. OP Low Carbon Fund chooses companies among those that are best within their sectors when it comes to carbon intensity of their operation. OP Sustainable World fund also has an equity component and the fund screens for top ESG rated companies using both the overall rating and 'letter' specific ratings as a screening tool.

- ☒ Norms-based screening

Screened by

- ☒ UN Global Compact Principles
- ☒ The UN Guiding Principles on Business and Human Rights
- ☒ International Labour Organization Conventions
- ☒ United Nations Convention Against Corruption
- ☒ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	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 possible violations of international norms and standards. In addition, portfolio managers have unlimited access to a database maintained by GES for monitoring companies for violations of international standards.

LEI 04.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
-----------------	---

Our responsible investment guidelines specify how we expect our investee companies to comply with universally applied international ethical norms 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. The screening criteria were re-examined in 2016 as certain coal related activities were added to list of avoided activities.

LEI 05	Mandatory	Public	Core Assessed	PRI 1
---------------	------------------	---------------	----------------------	--------------

LEI 05.1	Indicate which processes your organisation uses to ensure screening is based on robust analysis.
-----------------	--

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- ☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Review and evaluation of external research providers
- ☐ Other, specify
- ☐ None of the above

LEI 05.2	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.
-----------------	---

- ☐ <10%
- ☐ 10-50%
- ☐ 51-90%
- ☒ >90%

LEI 05.3

Indicate how frequently third party ESG ratings are updated for screening purposes.

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

LEI 06**Voluntary****Public****Additional Assessed****PRI 1****LEI 06.1**

Indicate which processes your organisation uses to ensure fund criteria are not breached

- ☒ Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☐ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Periodic auditing/checking of the organisations RI funds by external party
- ☒ Other, specify
Because fund specific ESG reports are published quarterly, ESG staff can make sure the metrics published in the reports are inline with the funds' guidelines.
- ☐ None of the above

LEI 06.2

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

First we examine at what time frame the position can be sold and act accordingly and inform the customer concerned. Second, we inspect if it was because of a technical error or a fund manager not following the correct process. Then possible technical error will be corrected and / or we will make sure fund managers know the correct process to avoid excluded companies.

(B) Implementation: Thematic**LEI 07****Mandatory****Public****Descriptive****PRI 1****LEI 07.1**

Indicate the type of sustainability thematic funds or mandates your organisation manages.

- ☒ Environmentally themed funds
- ☐ Socially themed funds
- ☒ Combination of themes

LEI 07.2

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

In addition to our own analysis, we subscribe data from ESG research provider that helps us to identify companies whose products fit into different thematic categories we invest in. Currently all thematic funds are related to environment in one way or another. The latest addition, OP Sustainable World, that has also an equity component, highlights also social criteria in company the selection process.

(C) Implementation: Integration of ESG issues

LEI 08	Mandatory	Public	Core Assessed	PRI 1
--------	-----------	--------	---------------	-------

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

ESG issues	Proportion impacted by analysis
Environmental	<div> <div></div> <div>Environmental</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </p>
Social	<div> <div></div> <div>Social</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </p>
Corporate Governance	<div> <div></div> <div>Corporate Governance</div> </div> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </p>

LEI 09	Voluntary	Public	Additional Assessed	PRI 1
--------	-----------	--------	---------------------	-------

LEI 09.1 Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- ☐ <10%
☐ 10-50%
☐ 51-90%
☒ >90%

- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
☒ Third-party ESG ratings are updated regularly.

LEI 09.3

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

- ☒ Quarterly or more frequently
☐ Bi-Annually
☐ Annually
☐ Less frequently than annually
☐ A periodic review of the internal research is carried out
☐ Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
☐ ESG risk profile of a portfolio against benchmark
☐ Other, specify
☐ None of the above

LEI 09.5

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

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

LEI 09.6

Additional information.[Optional]

Exclusion and screening related information is in centralised database all portfolio managers and analysts have access into. Also the ESG issues discussed in company meetings are filed into a place everybody can access. Individual company related ESG data can be accessed by the quant and ESG team. ESG team in turn analyse the research further for the use of relevant portfolio managers. Sell side ESG research is available for all portfolio managers.

LEI 10	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
--------	---	--------	---------------	-------

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

LEI 10.1

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

☒ Economic analysis

Proportion of actively managed listed equity exposed to investment analysis

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

☒ Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

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

☒ Quality of management

Proportion of actively managed listed equity exposed to investment analysis

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

☒ Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

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

☒ Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

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

LEI 10.2a	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
------------------	--

- ☐ Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- ☐ Adjustments to valuation tools (discount rates, terminal value)
- ☐ Other adjustments to fair value projections, specify

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

We monitor portfolio exposure to sectors generally known to have pending or permanent ESG issues. The issues can be both company specific or mega trends related positive or negative sector developments. When a portfolio may also hold emerging market securities, corporate governance aspect and the economical consequences of country governance and social developments are considered. This applies also other than emerging markets but the effect is strongest in case of the emerging markets. In quantitative portfolios limitations apply on ESG rating distribution of portfolios. Limits are dynamic in nature ie portfolio companies' ESG rating distribution is compared against portfolios' benchmark. ESG rating distributions of portfolios are monitored from ESG reports in other systems.

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

As we do not make own financial models but instead analyse prepared models, it is during this analysis where we evaluate the parameters given by the analysts and whether those parameters capture well enough the possible ESG risks and opportunities. Naturally, lower ESG risk reduces discount rate and vice versa. When there is a positive sales driver, for example climate change, that will be considered as additional source of income for a company in question. As this is more analysing research, this is not done in a very formal way.

- ☐ Fair value/fundamental analysis
- ☐ Other, specify

ESG incorporation in passively managed listed equities

LEI 11	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
---------------	--	---------------	--------------------	--------------

LEI 11.1	Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.
-----------------	---

- ☐ Yes
- ☒ No

Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
---------------	------------------	---------------	--------------------	--------------

LEI 12.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
-----------------	---

- ☒ Screening

Describe any reduction in your starting investment universe or other effects.

Active direct investments, equity or fixed income, no longer include companies that manufacture banned cluster munition, anti-personnel mines or nuclear weapons. Also, we have excluded from portfolios several companies that have confirmed breaches of international norms. In 2016 we added around 60 coal related companies to our exclusion list. The percentage share of the excluded companies from the corporate investment universe is around 1-2% and varies between markets.

Specify the percentage reduction (+/- 5%)

%

2

☒ Thematic

Describe any alteration to your investment universe or other effects.

Thematic funds have strictly defined investment universe depending on the theme in question, be it climate change, low carbon or water.

☒ Integration of ESG issues

Select which of these effects followed your ESG integration:

- ☒ Reduce or prioritise the investment universe
- ☒ Overweight/underweight at sector level
- ☒ Overweight/underweight at stock level
- ☒ Buy/sell decisions
- ☐ Other, specify
- ☐ None of the above

LEI 13

Voluntary

Public

Additional Assessed

PRI 1

LEI 13.1

Indicate whether your organisation measures how your approach to responsible investment in Listed Equity has affected your portfolio's financial and/or ESG performance.

- ☐ We measure whether our approach to ESG issues impacts funds' reputation
- ☐ We measure whether our approach to ESG issues impacts funds' financial performance: return
- ☐ We measure whether our approach to ESG issues impacts funds' financial performance: risk
- ☒ We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input type="checkbox"/> Screening <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic

☐ None of the above

LEI 13.2

Describe how you are able to determine these outcomes.

We measure the positive environmental impact of our thematic funds. The metrics is based on data provided by external data provider. The data shows thematic funds' investments in general have much higher share of revenues coming from products that have a positive impact on environment. The figure is clearly higher than in case of 'average' or 'normal' portfolio.

LEI 14

Voluntary

Public

Descriptive

PRI 1

LEI 14.1

Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

☒ ESG issue 1

ESG issue and explanation	
<p>A company has seen multiple changes in its management team during past two years, including three different CEOs. We have seen this as alarming sign that the company's management structure is not working properly. We have addressed our concern in our meetings and conference calls with management and chairman of the board. Management have provided sound reasons for each change, but the reason for the overall high turnover has remained unclear.</p>	
ESG incorporation strategy applied	
<p> <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies </p>	
Impact on investment decision or performance	
<p>Company's financial performance has clearly lagged its expectations in 2017, which we see at least partly caused by extra costs and lack of continuity arising from the high management turnover. The sharp share price decline has affected our investment performance negatively.</p>	

☒ ESG issue 2

	ESG issue and explanation
<p>A company has expanded its consumer credit business rapidly during past years, along with many new competitors. We have been alarmed whether this growth in consumer lending is sustainable and ethical, given high interest rates of the offered loans and possible over-indebtedness that the company is causing. We discussed this topic in our meeting with management, and learned that the company has strict and active practices for noticing and preventing over-indebtedness. The company's credit policy seems to be much stricter than competition, thus less likely to promote the feared negative consequences.</p>	
	ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p>	
	Impact on investment decision or performance
<p>Although shares of the company have been sold by now, the mentioned concern wasn't part of the reason as their credit policy seemed to be stricter than the market in general has.</p>	

☒ ESG issue 3

	ESG issue and explanation
<p>A company we have invested in has established a joint venture with a company X, whose fund is also a big shareholder in the same company we have invested in. The big shareholder has a representative in the board. We have been concerned that this dual role of company X may cause conflict of interests between company X and other shareholders. However, in our meetings with the management, we have found out that the company X has no operational influence outside of the JV, and that the company X has separate teams working with the JV and the holding.</p>	
	ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p>	
	Impact on investment decision or performance
<p>We have been able to hold the securities of the company in question because of the confidence regarding governance structures of the company we have invested in.</p>	

☐ ESG issue 4

☐ ESG issue 5

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

Reported Information

Public version

Direct - Listed Equity Active Ownership

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.

Engagement

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

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

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

☒ Yes

LEA 01.2

Attach or provide a URL to your engagement policy.

☐ Attachment provided:

☒ URL provided:

URL

<https://uusi.op.fi/documents/20556/63974/Vaikuttamisen+periaatteet/384106d5-6613-4414-bfc2-296c79e9b36e>

LEA 01.3

Indicate what your engagement policy covers:

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

LEA 01.4

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

We engage with investee companies on many fronts. Most important aspects of our engagement are thematic engagements and international norms. However, we are active in other areas as well.

Currently we have three thematic engagement projects going on focusing on carbon, water and taxation. In these engagement projects we target companies that have high risks related to the theme and disclosure and processes have room for improvement.

If there is a proven violation of international norm, we start engagement process. The decision to start the process is done by the committee of responsible investing. If the company response is lacking ambition or concept of seriousness, we will deal the issue again in the committee and may add the company into the exclusion list.

More informal way to engage is in company meetings where we regularly discuss relevant ESG issues with the management. In addition to above, we engage with companies in domestic market on corporate governance issues before annual meetings. Engagement is typically conducted with the management or board members. Governance issues that we highlight are described in the OP Fund Management Company's ownership policy.

☐ No

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

LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.
----------	--

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements <div>Please specify why your organisation does not engage via collaborative engagements.</div> <p>In 2017, we have been active in Internal staff engagements and Service provider engagements. At the end of 2017, we joined the Climate Action 100+ Collaborative Engagement project.</p>
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

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

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

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

☒ Yes

LEA 03.2	Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.
----------	--

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

☐ No

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

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

LEA 04.1	Indicate if you define specific objectives for your engagement activities.
----------	--

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

LEA 04.2

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

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

LEA 04.3

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

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

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

LEA 07**Mandatory****Public****Core Assessed****PRI 2,4**

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

LEA 07.1

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

- ☒ Yes

LEA 07.2

Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- ☒ Discuss the topic (or ESG issue(s)) of engagement
- ☒ Discuss the rationale for engagement
- ☒ Discuss the objectives of the engagement
- ☒ Select the companies to be engaged with
- ☐ Discuss the frequency/intensity of interactions with companies
- ☐ Discuss next steps for engagement activity
- ☒ Participate directly in certain engagements with your service provider
- ☐ Other, specify
- ☐ We play no role in engagements that our service provider conducts.

- ☐ No

LEA 08	Mandatory	Public	Core Assessed	PRI 2,6
--------	-----------	--------	---------------	---------

LEA 08.1 Do you monitor and review the outcomes of the engagement activities undertaken by your service providers on your behalf?

Please select all that apply

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

General processes for all three groups of engagers

LEA 09	Voluntary	Public	Additional Assessed	PRI 1,2
--------	-----------	--------	---------------------	---------

LEA 09.1 Indicate if insights gained from your engagements are shared with your internal or external investment managers.

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

LEA 10	Mandatory	Public	Gateway	PRI 2
--------	-----------	--------	---------	-------

LEA 10.1 Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Service provider engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
--------	---	--------	---------------	-------

LEA 11.1	Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.
----------	---

	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated
Individual / Internal staff engagements	<div>Number of companies engaged</div> 13	<div>Proportion (to the nearest 5%)</div> 0	<div>Specify the basis on which this percentage is calculated</div> <p><input checked="" type="radio"/> of the total number of companies you hold</p> <p><input type="radio"/> of the total value of your listed equity holdings</p>
Service provider engagements	50	<div>Proportion (to the nearest 5%)</div> 0	<div>Specify the basis on which this percentage is calculated</div> <p><input checked="" type="radio"/> of the total number of companies you hold</p> <p><input type="radio"/> of the total value of your listed equity holdings</p>

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

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

LEA 11.4	Indicate the percentage of your service provider engagements that you had some involvement in during the reporting year.
----------	--

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

LEA 11.5	Additional information. [Optional]
-----------------	------------------------------------

On the individual / internal staff engagements we have only included a number of companies we have systematically engaged due to norm breach. In addition, our portfolio managers discuss ESG issues in company meetings. The amount of those discussions has not been included in the numbers above.

LEA 12	Voluntary	Public	Additional Assessed	PRI 2
---------------	------------------	---------------	----------------------------	--------------

LEA 12.1	Indicate which of the following your engagement involved.
-----------------	---

- ☒ Letters and emails to companies
 - ☐ In some cases
 - ☐ In majority cases
 - ☒ In all cases
- ☒ Meetings and/or calls with the appropriate team
 - ☒ In some cases
 - ☐ In majority cases
 - ☐ In all cases
- ☐ Visits to operations
- ☒ Participation in roadshows
 - ☒ In some cases
 - ☐ In majority cases
 - ☐ In all cases
- ☐ Other, specify

LEA 12.2	Additional information. [Optional]
-----------------	------------------------------------

The numbers above refer to the engagements carried out by our internal staff.

LEA 13	Voluntary	Public	Descriptive	PRI 2
---------------	------------------	---------------	--------------------	--------------

LEA 13.1	Indicate whether you track the number of cases during the reporting year in which a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.
-----------------	--

- ☒ Yes

	Do you track number of companies that changed or made a formal commitment to change in the reporting year following your organisation's and/or your service provider's engagement activities?
--	---

☒ Yes, we do track information

LEA 13.2	Indicate the number of companies that changed or made a formal commitment to change in the reporting year following your organisation's and/or your service provider's engagement activities.
-----------------	---

	Number of companies	% of total portfolio
Individual / Internal staff engagements	6	<div style="display: flex; align-items: center;"> <div style="background-color: #0070C0; width: 100px; height: 20px; margin-right: 5px;"></div> <div>% of total Portfolio</div> </div> <div>0</div>
Service provider engagements	4	<div style="display: flex; align-items: center;"> <div style="background-color: #0070C0; width: 100px; height: 20px; margin-right: 5px;"></div> <div>% of total Portfolio</div> </div> <div>0</div>

☐ We do not track this information

☐ No

LEA 14	Voluntary	Public	Additional Assessed	PRI 2
---------------	------------------	---------------	----------------------------	--------------

LEA 14.1	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
-----------------	--

☒ Add Example 1

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Multiple
ESG issue	Dam collapse and resulted environmental and social impact
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Service provider
Objectives	Environmental and social impacts are being evaluated and compensated. Likelihood of future dam collapses at other sites is decreased.
Scope and Process	The company in question has taken the remediation work seriously and they are organizing periodic update calls on their remediation work.
Outcomes	The engagement objectives are almost fully met.

☒ Add Example 2

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Board independence
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Service provider
Objectives	The board independence requirement of Finnish corporate governance code was not met at a small listed company.
Scope and Process	We were in contact with the company prior to AGM.
Outcomes	The company organised an EGM shortly after the AGM, to fix the board composition issue.

☒ Add Example 3

ESG factors	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Water
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Service provider
Objectives	Improve water risk management and disclosure practices of the involved companies.
Scope and Process	20 companies targeted in a 2-3 year project.
Outcomes	The engagement work only just started in 2017, so not much development has yet occurred.

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

(Proxy) voting and shareholder resolutions

Overview

LEA 15	Mandatory	Public	Core Assessed	PRI 1,2,3
--------	-----------	--------	---------------	-----------

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

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

☒ Yes

LEA 15.2

Indicate what your voting policy covers:

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

LEA 15.3

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

URL

<https://uusi.op.fi/documents/20556/62177/Rahastojen+omistajapolitiikka/0a9db19a-dc0b-4f82-aae5-0f93b2cd9f54>

LEA 15.4

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

OP Wealth Management attends companies' annual general and extraordinary meetings mainly in the Helsinki Stock Exchange listed companies. We represent OP Funds and selected clients in the meetings. In 2017 we made a commitment to start proxy voting internationally by the end of 2017, with a goal to increase our voting activity significantly over the next three years. We already voted in a few meetings at the end of 2017.

Decisions concerning statements on issues included in the general meetings' agendas are made in accordance with the decision-making processes of OP Fund Management company and clients concerned. When representing clients in AGMs and EGMs, OP Wealth Management always follows the instructions given by clients.

☐ No

Process**LEA 16****Mandatory****Public****Descriptive****PRI 2****LEA 16.1**

Indicate how you typically make your (proxy) voting decisions.

Approach

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

Based on

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

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

The instructions how to vote in the Finnish meetings are always given for each meeting according to the decision making process communicated in the ownership policy of OP Fund Management company. The instructions are given in writing a meeting by meeting.

LEA 16.3	Additional information.[Optional]
----------	-----------------------------------

Other than OP Fund Management Company's votes, voting decisions are always made by our customers. As we have started to proxy vote internationally, going forward we will be using more and more proxy voting research to inform us.

LEA 18	Voluntary	Public	Descriptive	PRI 2
--------	-----------	--------	-------------	-------

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

LEA 18.1	Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation .
----------	--

We have requested an international service provider to explain their vote confirmation capabilities.

LEA 19	Voluntary	Public	Additional Assessed	PRI 2
--------	-----------	--------	---------------------	-------

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

LEA 19.1	Indicate if your organisation has a securities lending programme.
----------	---

- ☐ Yes
- ☒ No

LEA 19.2

Describe why your organisation does not lend securities?

We are exploring the optimal way to arrange a securities lending programme.

LEA 20**Mandatory****Public****Core Assessed****PRI 2**

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

LEA 20.1

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

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
 - ☒ Votes for selected markets
 - ☒ Votes relating to certain ESG issues
 - ☐ Votes for significant shareholdings
 - ☐ Votes for companies we are engaging with
 - ☐ On request by clients
 - ☐ Other
- ☐ Neither we nor our service provider raise concerns with companies ahead of voting

LEA 20.2

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

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases.
 - ☒ Votes in selected markets
 - ☒ Votes on certain issues
 - ☐ Votes for significant shareholdings
 - ☐ Votes for companies we are engaging with
 - ☐ On request by clients
 - ☐ On request by companies
 - ☐ Other
- ☐ We do not communicate the rationale to companies
- ☐ Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 20.3

Additional information. [Optional]

During 2017, we were active in Finnish Annual General Meetings and made our first proxy votes abroad, with the goal to increase our voting activity abroad significantly over the next three years. Finnish Annual General Meeting practise is such that meeting items seldom get voted (decisions are made without voting). We typically discuss ahead of the meetings on the issues that are not in accordance with Finnish corporate governance code. Most of the issues are related the board independence or board diversity.

Outputs and outcomes

LEA 21	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

LEA 21.1 For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

☒ We do track or collect this information

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

	%
--	---

2

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

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

LEA 21.2 Explain your reason(s) for not voting certain holdings

- ☐ Shares were blocked
- ☐ Notice, ballots or materials not received in time
- ☐ Missed deadline
- ☒ Geographical restrictions (non-home market)
- ☒ Cost
- ☐ Conflicts of interest
- ☒ Holdings deemed too small
- ☐ Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- ☐ On request by clients
- ☐ Other

☐ We do not track or collect this information

LEA 21.3 Additional information. [Optional]

Our proxy voting set-up was up and running in the last weeks of the year. In the coming years we will be increasing our proxy voting activity significantly outside the Finnish homemarket, where we have been active for many years.

LEA 22	Mandatory	Public	Additional Assessed	PRI 2
--------	-----------	--------	---------------------	-------

LEA 22.1

Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

☒ Yes, we track this information

LEA 22.2

Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div> <div></div> <div>%</div> </div> 99.7
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> 0.3
Abstentions	<div> <div></div> <div>%</div> </div> 0

100%

LEA 22.3

Describe the actions you take in relation to voting against management recommendations.

In Finland, we typically discuss ahead of the meetings on the issues that are not in accordance with Finnish corporate governance code. With regards proxy voting abroad, we don't typically discuss our votes against management recommendations with the company representatives ahead the meetings.

☐ No, we do not track this information

LEA 23**Voluntary****Public****Descriptive****PRI 2**

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

LEA 23.1

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

☐ Yes

☒ No

LEA 23.6	Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.
----------	--

OP Fund Management company's voting policy includes statements on environmental and social issues. The funds of OP Fund Management company generally support environmental and social shareholder proposals with certain limitations, which can be found in the public ownership policy.

LEA 24	Voluntary	Public	Descriptive	PRI 2
--------	-----------	--------	-------------	-------

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

LEA 24.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
----------	---

☒ Add Example 1

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Board independence
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	The objective was to get a more independent board for an Australian company.
Scope and Process	We voted against the election of a certain board member into a board of an Australian company due to insufficient independence of the board.
Outcomes	The board member was chosen to the board, despite our vote against.

☒ Add Example 2

ESG Factors	<input type="checkbox"/> Environment <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
ESG issue	Diversity on all levels of the company
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	The objectives of the shareholder proposal were too prescriptive for an AGM.
Scope and Process	We voted against the shareholder proposal.
Outcomes	The shareholder in charge of the proposal was absent, so the meeting did not resolve on the items.

- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

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

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

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

	<div> <div></div> <div>Thematic + integration strategies</div> </div> <div>0</div>
	<div> <div></div> <div>Screening + thematic strategies</div> </div> <div>0</div>
	<div> <div></div> <div>All three strategies combined</div> </div> <div>0</div>
	<div> <div></div> <div>No incorporation strategies applied</div> </div> <div>0</div>
	100%

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

	Thematic + integration strategies
0	
	Screening + thematic strategies
0	
	All three strategies combined
0	
	No incorporation strategies applied
0	
100%	

FI 01.2

Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

All our direct active corporate fixed income securities are screened similar way as are the direct active equity investments. Integration is a separate incorporation although it also derives some information on the same database that has information related to screening. Fund managers can choose companies from investment universe that has screened out excluded items, like certain coal mining and manufacturers of illegal weapons. Fund managers and analyst integrate relevant ESG information in their investment decision making. The information can come from different sources like ESG team, their company meetings that include ESG discussion topics, data vendor or from external ESG research. When it comes SSA, our view is that credit rating mirrors at least partially also ESG profile of the emitter. In 2017 we introduced exclusion criteria also into sovereign fixed income space.

FI 02	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
--------------	--	---------------	----------------------	--------------

FI 02.1

Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

- ☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – FI analyst, PM or risk team
- ☐ Other, specify
- ☒ ESG factor specific analysis

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – FI analyst, PM or risk team
- ☐ Other, specify
- ☒ Issuer-level ESG analysis

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☐ In-house – FI analyst, PM or risk team
- ☐ Other, specify
- ☒ Sector-level ESG analysis

Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – FI analyst, PM or risk team
- ☐ Other, specify
- ☒ Country-level ESG analysis

Indicate who provides this information

- ☐ ESG research provider
- ☒ Sell-side
- ☐ In-house – specialised ESG analyst or team
- ☐ In-house – FI analyst, PM or risk team
- ☒ Other, specify

specify description

Mainly from credit rating agencies.

FI 02.3

Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

The ESG information we use include information from multiple providers. Data used depends on the incorporation in question. In screening we use details on companies' compliance or non-compliance with international standards. Company ratings concerning violations include the nature and probability of the violation. This is our most important screening tool. Data used in integration is supplied by ESG research providers, sell-side, Bloomberg and CDP. Sell-side produces increasing amounts of ESG-integrated research. The information may be related to, for example, emissions or mega trends. CDP generates emissions data, Bloomberg publishes a wide range on information on ESG issues and uses it to create valuable company comparisons. In fixed income credit rating agencies supply credit ratings, which, in our opinion, integrates ESG issues more more. From ESG research provider we subscribe co2 emission data and other issuer specific ESG analysis, including but not limited to ESG ratings and data, which we utilise in quant models and in fundamental analysis with the help of ESG team. Our portfolio managers, analysts and ESG personnel generate ESG information by discussing relevant ESG issues during executive meetings. A brief description of each discussion is recorded in a database accessible to all the members of our organisation.

FI 03

Mandatory

Public

Additional Assessed

PRI 1

FI 03.1

Indicate how you ensure that your ESG research process is robust:

- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☐ Internal audits of ESG research are undertaken in a systematic way
- ☐ ESG analysis is benchmarked for quality against other providers
- ☐ Other, specify
- ☐ None of the above

FI 03.2

Describe how your ESG information or analysis is shared among your investment team.

- ☒ ESG information is held within a centralised database and is accessible to all investment staff
- ☐ ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- ☐ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☐ Records capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

FI 03.3	Additional information. [Optional]
---------	------------------------------------

Exclusion and screening related information is in centralised database all portfolio managers and analysts have access into. Also the ESG issues discussed in company meetings are filed into a place everybody can access. Individual company related ESG data can be accessed by the quant and ESG team. ESG team in turn analyse the research further for the use of relevant portfolio managers. Sell side ESG research is available for all portfolio managers.

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
-------	-----------	--------	---------	-------

FI 04.1	Indicate the type of screening you conduct.
---------	---

Select all that apply

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

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

We rely on the expertise of GES Investment Service in screening our internally managed active corporate fixed income. We use the same exclusion screening in fixed income as we do in equities. GES screens our holdings twice a year for possible violations of international standards. In 2016 we introduced a product that uses best in class approach in ESG rating also in corporate fixed income investments. In 2017 we introduced exclusion policy also for sovereign fixed income investments. Portfolio managers have unlimited access to a database maintained by GES for monitoring companies for violations of international standards. This helps in avoiding investing in companies that our responsible investing policy excludes, although the trade management system also makes it impossible to give orders for securities that are on the exclusion list.

FI 05	Mandatory	Public	Descriptive	PRI 1
-------	-----------	--------	-------------	-------

FI 05.1	Indicate why you conduct negative screening.
---------	--

SSA

SSA

- ☒ For legal reasons
- ☐ For non-legal reasons

Corporate (financial)

Corporate (fin)

- ☐ For legal reasons
- ☒ For non-legal reasons

Corporate (non-financial)

Corporate (non-fin)

- ☐ For legal reasons
- ☒ For non-legal reasons

Securitised

Securitised

- ☐ For legal reasons
- ☒ For non-legal reasons

FI 05.2	Describe your approach to ESG-based negative screening of issuers from your investable universe.
---------	--

We do exclusions based on three broad issues: First, we exclude companies manufacturing inhuman weapons and weapons banned in international treaties. Second, we exclude companies that have breached international norms, like UN Global Compact or OECD guidelines for multinational companies. However, a preferred option to handle confirmed norm breaches is engagement. Divestment is done in case of unsuccessful engagement with a company. A general option for exclusion is engagement. Third exclusion category is coal companies. To be more specific, we exclude mining companies that derive over a quarter of their sales from thermal coal or are among top ten thermal coal producers in absolute production quantity of thermal coal. We have also excluded around twenty utilities that use coal as generator fuel and emit a lot greenhouse gas emissions. Coal companies can avoid being excluded if they have a strategy to divest from coal operations. In 2017 we also started to apply exclusion on sovereign fixed income mainly based on FATF, EU and domestic regulation. The sovereign exclusions go slightly deeper than the aforementioned regulation.

FI 06	Voluntary	Public	Additional Assessed	PRI 1
-------	-----------	--------	---------------------	-------

FI 06.1	Provide examples of how ESG factors are included in your screening criteria.
---------	--

- ☒ Example 1

	Type of fixed income
<input checked="" type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised	
	ESG factors
<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance	
	Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based	
	Description of how ESG factors are used as the screening criteria
<p>Iran, Syyria and North Korea have been excluded in the investment universe of Actice Sovereign fixed income space either due to their low grade in regarding FATF or domestic and / or EU regulation.</p>	

☒ Example 2

	Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised	
	ESG factors
<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance	
	Screening
<input type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input checked="" type="checkbox"/> Norms-based	
	Description of how ESG factors are used as the screening criteria
<p>A European car manufacturer have a known situation related to emission scandal and corporate governance issues. Although having classified as a confirmed violation, we can still invest in the company as we are engaging with the company.</p>	

☒ Example 3

	Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised	
	ESG factors
<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance	
	Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based	
	Description of how ESG factors are used as the screening criteria
<p>We have excluded 22 weapon manufacturers on the basis of producing, selling or marketing weapons or essential components for weapons that are banned by international treaties. The screened list is produced by external service provider.</p>	

☒ Example 4

	Type of fixed income
<input type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised	
	ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance	
	Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class <input type="checkbox"/> Norms-based	
	Description of how ESG factors are used as the screening criteria
<p>We have a mutual fund that has a strategy which combines negative and positive screening. First, unwanted activities like tobacco, alcohol and nuclear energy are excluded in the investment universe. Second, companies are screened for their ESG ratings and only companies that has ESG ratings in the best quarter can qualify into the portfolio.</p>	

☐ Example 5

FI 07	Mandatory	Public	Core Assessed	PRI 1
FI 07.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.			

Type of screening	Checks
Negative/exclusionary screening?	<p> <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify </p> <div>other description</div> <p>All active portfolios are screened by an external service provider against pre-defined list of activities.</p> <p><input type="checkbox"/> None of the above</p>
Positive/best-in-class screening	<p> <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify </p> <div>other description</div> <p>We publish fund specific ESG reports. Reports include ESG rating distribution and can therefore be used to verify portfolio companies' ESG ratings are above threshold.</p> <p><input type="checkbox"/> None of the above</p>
Norms-based screening	<p> <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify </p> <div>other description</div> <p>All active portfolios are screened by an external service provider against pre-defined list of activities.</p> <p><input type="checkbox"/> None of the above</p>

(C) Implementation: Integration

FI 11	Mandatory	Public	Descriptive	PRI 1
-------	-----------	--------	-------------	-------

FI 11.1	Describe your approach to integrating ESG into traditional financial analysis.
---------	--

At OP Wealth Management, responsible investing means assessing the environmental and social impact of a company's operations, as well as its corporate governance framework. We believe that using companies' commitment to ESG and their actual handling of responsibility related issues as one criteria for making investment decisions helps improve investment yields and manage risks. Responsibility considerations form part of daily company analysis and investment decision processes. We collect data on companies' ESG practices through third-party investment analyses and the reports of actors specialising in ESG, as well as our in-house analysis. A key part of practical implementation is our portfolio managers and analysts holding meetings with companies to discuss ESG-related challenges and opportunities on a regular basis. The information is then exploited in analyses and investment decisions.

When portfolio managers are considering making a new investment, they must check from the ESG research provider's database if the company in question has verified cases/ is indicative of violations of international standards. If the company has verified cases of violations, the matter will be forwarded for consideration by the Committee for Responsible Investment. If the company has been classified as indicative of violations, the portfolio manager examines the ESG research provider's issue-specific analysis and integrates the analysis and its conclusions to the investment decision. So the screening data and additional data related to screening give also input to the process of integrating ESG into investment decision making. Overall, a great weight is also given to the company strategy, its ability to integrate sustainability, and general management quality.

FI 11.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
---------	---

	SSA
--	-----

ESG consideration is used as criteria also when investing in government bonds. Government credit ratings, and other SSA ratings when applicable, comprehensively reflect, for example, the target country's growth prospects, budget policy, political field and the resilience of institutions. These are influenced by factors such as education, social development, robustness of administration and its policies, and the general functionality of the society. Moreover, risks arising from natural disasters, of which are increasingly caused by climate change, are being integrated into credit ratings more systematically. Therefore, in our opinion, government credit ratings reflect not only the ability to repay debt but also various social and environmental issues. There are also various other issue-specific indicators that depict governments' capabilities to incorporate sustainability in their operations and development processes. The dependency of the government budgets on oil price and fossil fuel production in general is one factor under consideration.

Corporate (financial)

Integration in corporate fixed income is very similar than in case of equity asset class. Regarding financial issuers, maybe the biggest difference is currently on the emphasis of litigation and other fees as these items have been very relevant in financial sectors recently. For general integration purposes, we have access to an ESG research provider's issue-specific analysis of each case and case history. The issue-specific analysis, other research and our own research provides us with more information on the company's operating practices to be used in integration, and not only whether the company has violated international standards or not. Also it is natural that additional ESG issues relevant to company performance are raised in company meetings and questions and are integral part of the decision making. we have prepared sector based ESG handbook for portfolio managers and analysts in order them to be able better identify possible ESG related risks and opportunities in their analysis and decision making. A great weight is given to the company strategy, it's ability to integrate ESG, and management quality. As we do not make own financial models but instead analyse prepared models, it is during this analysis where we evaluate the parameters given by the analysts and whether those parameters capture well enough the possible ESG risks and opportunities. Naturally lower ESG risk reduces discount rate and vice versa. When there is a positive dales driver, for example climate change, that can be considered as additional source of income for a company.

Corporate (non-financial)

Integration in corporate fixed income is very similar than in case of equity asset class. For general integration purposes, we have access to an ESG research provider's issue-specific analysis of each case and case history. The issue-specific analysis, other research and our own research provides us with more information on the company's operating practices to be used in integration, and not only whether the company has violated international standards or not. Also it is natural that additional ESG issues relevant to company performance are raised in company meetings and questions and are integral part of the decision making. we have prepared sector based ESG handbook for portfolio managers and analysts in order them to be able better identify possible ESG related risks and opportunities in their analysis and decision making. A great weight is given to the company strategy, it's ability to integrate ESG, and management quality. As we do not make own financial models but instead analyse prepared models, it is during this analysis where we evaluate the parameters given by the analysts and whether those parameters capture well enough the possible ESG risks and opportunities. Naturally lower ESG risk reduces discount rate and vice versa. When there is a positive dales driver, for example climate change, that can be considered as additional source of income for a company.

Securitised

Integration in securitised corporate fixed income is very similar than in case of equity asset class. For general integration purposes, we have access to an ESG research provider's issue-specific analysis of each case and case history. The issue-specific analysis, other research and our own research provides us with more information on the company's operating practices to be used in integration, and not only whether the company has violated international standards or not. Also it is natural that additional ESG issues relevant to company performance are raised in company meetings and questions and are integral part of the decision making. we have prepared sector based ESG handbook for portfolio managers and analysts in order them to be able better identify possible ESG related risks and opportunities in their analysis and decision making. A great weight is given to the company strategy, it's ability to integrate ESG, and management quality. As we do not make own financial models but instead analyse prepared models, it is during this analysis where we evaluate the parameters given by the analysts and whether those parameters capture well enough the possible ESG risks and opportunities. Naturally lower ESG risk reduces discount rate and vice versa. When there is a positive dales driver, for example climate change, that can be considered as additional source of income for a company.

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

Select all that apply

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

FI 13	Mandatory	Public	Additional Assessed	PRI 1
-------	-----------	--------	---------------------	-------

FI 13.1	Indicate the extent to which ESG issues are reviewed in your integration process.
---------	---

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

FI 13.2

Please provide more detail on how you review E, S and G factors in your integration process.

SSA

Credit ratings are analysed in detail and general evaluation is made on the functionality and robustness of the organisation or country in question.

Corporate (financial)

Responsibility considerations form part of daily company analysis and investment decision processes. We collect data on companies' ESG practices through third-party investment analyses and the reports of actors specialising in ESG. A key part of practical implementation is our portfolio managers and analysts holding meetings with companies to discuss ESG-related challenges and opportunities on a regular basis. The information is then exploited in analyses and investment decisions. ESG team feeds portfolio managers more and more ESG points of view to be used in decision making. When portfolio managers are considering making a new investment, they must check from the ESG research provider's database if the company in question has had problems with of international norms or standards. If the company has a history of violations, the issues will be evaluated by the portfolio manager or analyst. ESG person provides help in analysis if needed. PM or analyst then considers the analysis and its conclusions in the investment decision. The proces does not materially differ whether it is financial or non-financial issuer. However, we have also identified sector critical issues ie risks and opportunities related to ESG.

Corporate (non-financial)

Responsibility considerations form part of daily company analysis and investment decision processes. We collect data on companies' ESG practices through third-party investment analyses and the reports of actors specialising in ESG. A key part of practical implementation is our portfolio managers and analysts holding meetings with companies to discuss ESG-related challenges and opportunities on a regular basis. The information is then exploited in analyses and investment decisions. ESG team feeds portfolio managers more and more ESG points of view to be used in decision making. When portfolio managers are considering making a new investment, they must check from the ESG research provider's database if the company in question has had problems with of international norms or standards. If the company has a history of violations, the issues will be evaluated by the portfolio manager or analyst. ESG person provides help in analysis if needed. PM or analyst then considers the analysis and its conclusions in the investment decision. The proces does not materially differ whether it is financial or non-financial issuer. However, we have also identified sector critical issues ie risks and opportunities related to ESG.

Securitised

Responsibility considerations form part of daily company analysis and investment decision processes. We collect data on companies' ESG practices through third-party investment analyses and the reports of actors specialising in ESG. A key part of practical implementation is our portfolio managers and analysts holding meetings with companies to discuss ESG-related challenges and opportunities on a regular basis. The information is then exploited in analyses and investment decisions. ESG team feeds portfolio managers more and more ESG points of view to be used in decision making. When portfolio managers are considering making a new investment, they must check from the ESG research provider's database if the company in question has had problems with of international norms or standards. If the company has a history of violations, the issues will be evaluated by the portfolio manager or analyst. ESG person provides help in analysis if needed. PM or analyst then considers the analysis and its conclusions in the investment decision. The proces does not materially differ whether it is financial or non-financial issuer. However, we have also identified sector critical issues ie risks and opportunities related to ESG.

Fixed income - Engagement

FI 15	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
FI 15.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.			

Category	Proportion of assets
Corporate (financial)	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div> FI 15.2 Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>
Corporate (non-financial)	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div> FI 15.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <p> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>
Securitised	<p> <input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5% </p> <div> FI 15.2 Indicate your motivations for conducting engagement (Securitised fixed income assets). </div> <p> <input type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above </p>

FI 15.3	Additional information.[OPTIONAL]
----------------	-----------------------------------

We do count the number of engagements and meetings but the proportion of companies engaged with compared to the number of invested companies is an approximation.

FI 16	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
-------	---	--------	---------------------	---------

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

FI 16.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
---------	---

Select all that apply

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

FI 16.2	Indicate how your organisation prioritises engagements with issuers
---------	---

Select all that apply

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

FI 16.3	Indicate when your organisation conducts engagements with issuers.
---------	--

Select all that apply

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

If 'other' has been selected, please give a description

Thematic engagement can also be conducted pre-investment.

Sometimes individual engagement can be initiated also at the same time we make an investment.

FI 16.4

Indicate how your organisation conducts engagements with issuers.

Select all that apply

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

FI 16.5

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

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

FI 16.6

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

Select all that apply

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

FI 17

Mandatory to Report Voluntary to Disclose

Public

Additional Assessed

PRI 1,2

FI 17.1

Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

☒ Yes

FI 17.2

Please attach or provide a URL to your fixed income engagement policy document. [Optional]

	URL
--	-----

<https://uusi.op.fi/documents/20556/63974/Vaikuttamisen+periaatteet/384106d5-6613-4414-bfc2-296c79e9b36e>

☐ No

FI 17.3	Additional information [OPTIONAL]
----------------	-----------------------------------

Our engagement policy refers to the fact that our engagement can be based both on the equity ownership or fixed income holdings.

Outputs and outcomes

FI 18	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
-------	---	--------	---------------------	---------

FI 18.1	Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.
----------------	---

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We measure whether incorporating ESG impacts funds' reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts financial returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts funds' ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 18.2	Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]
----------------	--

We measure the positive environmental impact of our mutual funds. This also applies to corporate fixed income funds. In addition to that, we measure and publish ESG ratings distribution on a portfolio level. This can be seen as a figure describing portfolio's ESG performance. The measurement and publication is done in every quarter.

FI 19	Voluntary	Public	Descriptive	PRI 1,2
-------	-----------	--------	-------------	---------

FI 19.1	Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.
---------	--

☒ Example 1

	Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised	
	ESG issue and explanation
<p>Corporate governance issues.</p> <p>In November 2017 several news sources reported that the Company X owner and ultimate shareholder had been detained as part of government organized crackdown in certain country.</p> <p>We decided to sell our whole position in company X's 2021 notes due to our concern of the reasons for the detainment above.</p>	
	RI strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement	
	Impact on investment decision or performance
<p>Company's 2021 note's price is currently indicated slightly below the price we sold it in November 2017. For now, the decision has been financially successful.</p>	

☒ Example 2

	Type of fixed income
<input type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised	
	ESG issue and explanation
Corporate governance issue. A European bank bears still material litigation related risks. We have therefore not invested in banks fixed income securities.	
	RI strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement	
	Impact on investment decision or performance
Bank's CDS spread tightened to some extend in 2017. Therefore, as for now, the decision not to hold the bonds in 2017 has been financially negative, although ESG risk of portfolio has been reduced to some extend as the bank has poor ESG rating.	

☒ Example 3

	Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial) <input type="checkbox"/> Securitised	
	ESG issue and explanation
<p>We couldn't buy the junior bond of a nuclear energy producer although the fund manager found value in their bond and the company screened into the best quarter in ESG rating. The portfolio this bond was consider for excludes nuclear energy among other activities.</p>	
	RI strategy applied
<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Integration <input type="checkbox"/> Engagement	
	Impact on investment decision or performance
<p>The junior bond performed better than the market in 2017.</p>	

- ☐ Example 4
☐ Example 5

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

Reported Information

Public version

Direct - Property

PRI disclaimer

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

Overview

PR 01	Mandatory	Public	Core Assessed	PRI 1-6
-------	-----------	--------	---------------	---------

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

PR 01.1	Indicate if your organisation has a Responsible Property Investment (RPI) policy.
---------	---

☒ Yes

PR 01.2	Provide a URL or attach the document
---------	--------------------------------------

☒ URL

<https://uusi.op.fi/documents/20556/63974/Vastuullisen+sijoittamisen+periaatteet+uusin/f7f5e793-a2f6-475f-839e-c5b713a277be>

☐ Attach Document

☐ No

PR 01.3	Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy.
---------	--

Responsible investing is an important part of our property investing and maintenance. Many of our clients, from building users to investor, and potential future buyers of properties value the sustainability and efficiency aspect of our properties.

As we analyze potential properties to purchase, we conduct an energy efficiency assessment.

As part of the maintenance and utilization, we measure electricity, heat energy and water consumption together with waste generation. Our goal is to decrease the consumption of electricity, heat energy and water. In addition, our aim is to motivate the building users to support the environmentally beneficial use of the building.

In property development and renovation, we analyze the potential for environmental certification and onsite renewable energy generation. Our goal is to have an environmental certification for all new office buildings. In addition, we require that the contractor in constructions projects has a recycling plan and reports the amount of waste generated. We keep track of the building materials used. Further, we request from the contractor CO2 emission information related to the construction and to the property. Solar panels has been installed on all our new Pohjola hospital properties.

From time to time, we test new technologies. Recent tests include green roofs, water saving technologies and recharge stations for electric cars.

Fundraising of property funds

PR 02	Mandatory	Public	Core Assessed	PRI 1,4,6
-------	-----------	--------	---------------	-----------

PR 02.1	Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
---------	---

☒ Yes

PR 02.2

Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- ☒ Policy and commitment to responsible investment
- ☒ Approach to ESG issues in pre-investment processes
- ☒ Approach to ESG issues in post-investment processes

PR 02.3

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

Responsible investment and ESG issues are covered in our presentation, which we consider being part of the private placement documents.

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

PR 03	Voluntary	Public	Additional Assessed	PRI 4
-------	-----------	--------	---------------------	-------

PR 03.1

Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in property when requested by clients.

- ☒ We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ We do not make formal commitments to responsible investment in fund formation contracts, LPAs or side letters because our clients do not request us to do so

Pre-investment (selection)

PR 04	Mandatory	Public	Gateway/Core Assessed	PRI 1
-------	-----------	--------	-----------------------	-------

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

PR 04.1

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

- ☒ Yes

PR 04.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

As we analyze potential properties to purchase, we evaluate the energy efficiency of the building, building safety and materials together with shareholder structure and rights. If relevant, we also consider transportation, indoor air quality and flooding.

PR 04.3

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

ESG issues

☒ Environmental

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

- ☐ Climate change adaptation
- ☐ Contamination
- ☒ Energy efficiency
- ☐ Energy supply
- ☐ Flooding
- ☐ GHG emissions
- ☐ Indoor environmental quality
- ☐ Natural hazards
- ☐ Resilience
- ☐ Transportation
- ☐ Water efficiency
- ☐ Waste management
- ☐ Water supply
- ☐ Other
- ☐ Other

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

- ☐ Climate change adaptation
- ☐ Contamination
- ☐ Energy efficiency
- ☐ Energy supply
- ☐ Flooding
- ☐ GHG emissions
- ☐ Indoor environmental quality
- ☐ Natural hazards
- ☐ Resilience
- ☐ Transportation
- ☐ Water efficiency
- ☐ Waste management
- ☐ Water supply
- ☐ Other
- ☐ Other

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

- ☐ Climate change adaptation
- ☐ Contamination
- ☐ Energy efficiency
- ☐ Energy supply
- ☐ Flooding
- ☐ GHG emissions
- ☐ Indoor environmental quality
- ☐ Natural hazards
- ☐ Resilience
- ☐ Transportation
- ☐ Water efficiency
- ☐ Waste management
- ☐ Water supply
- ☐ Other
- ☐ Other

☒ Social

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

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

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

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

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

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

☒ Governance

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

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

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

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

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

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

☐ No

PR 05	Voluntary	Public	Additional Assessed	PRI 1,3
-------	-----------	--------	---------------------	---------

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

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

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

PR 05.2	Provide a brief description of how this ESG information was incorporated into your investment selection process.
---------	--

In our property investment selection process we typically have technical due diligence report in use from a third party advisor. We typically check the energy and water consumption compared to previous year and potentially compared to peer group as well.

PR 06	Mandatory	Public	Core Assessed	PRI 1
-------	-----------	--------	---------------	-------

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

PR 06.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
----------------	---

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

PR 06.2	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.
----------------	---

- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☐ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☐ ESG issues were considered but did not have an impact on the deal structuring process
- ☐ Other, specify
- ☐ Not applicable, our organisation did not select any investments in the reporting year
- ☐ We do not track this potential impact

PR 06.3	Additional information.
----------------	-------------------------

Properties with renewable energy generation and that are energy efficient are considered more attractive.

Selection, appointment and monitoring third-party property managers

PR 07	Mandatory	Public	Core Assessed	PRI 4
--------------	------------------	---------------	----------------------	--------------

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

PR 07.1	Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.
----------------	--

☒ Yes

PR 07.2	Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.
----------------	---

- ☒ Selection process of property managers incorporated ESG issues

Types of actions

- ☒ Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- ☐ Request track records and examples of how the manager implements ESG in their asset and property management
- ☐ Discuss property level out-performance opportunities through greater integration of ESG criteria
- ☐ Request explanation of engaging stakeholders on ESG issues
- ☐ Other, explain

Coverage

- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ >25% to 50%
- ☐ >0% to 25%
- ☒ Contractual requirements when appointing property managers includes ESG issues

Types of actions

- ☒ Include clear and detailed expectations for incorporating ESG
- ☒ Require dedicated ESG procedures in all relevant asset and property management phases
- ☒ Clear ESG reporting requirements
- ☒ Clear ESG performance targets
- ☐ Other, explain

Coverage

- ☒ >75% to 100%
- ☐ >50% to 75%
- ☐ >25% to 50%
- ☐ >0% to 25%
- ☒ Monitoring of property managers covers ESG responsibilities and implementation

Types of actions

- ☒ Performance against quantitative and material environmental / resource targets over specified timeframe.
- ☐ Performance against quantitative and material environmental / resource targets against relevant benchmarks
- ☐ Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- ☐ Other, explain

Coverage

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

☐ No

PR 07.3	Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.
----------------	---

Long-term life cycle costs are key consideration in our property maintenance.

We have outsourced waste and energy management to third party service providers. They provide us with quantitative data with regards waste generation and energy usage.

In addition, we have an outsourced generalist property manager, whose responsibility is the overall quality management. We have regular meetings with them at different organizational levels.

The above mentioned service providers collaborate with us and each other in managing environmental impacts and customer satisfaction related issues. In Finland, where we operate, there are high minimum standards for energy efficiency management and waste management.

Post-investment (monitoring and active ownership)

Overview

PR 08	Mandatory	Public	Gateway	PRI 2
--------------	------------------	---------------	----------------	--------------

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

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

☒ Yes

PR 08.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
----------------	--

- ☒ We consider ESG issues in property monitoring and management
☒ We consider ESG issues in property developments and major renovations.
☒ We consider ESG issues in property occupier engagements
☐ We consider ESG issues in community engagements related to our properties
☐ We consider ESG issues in other post-investment activities, specify

PR 08.3

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.

As part of the maintenance and utilization, we measure electricity, heat energy and water consumption together with waste generation. Our goal is to decrease the consumption of electricity, heat energy and water consumption. In addition, our aim is to motivate the building users to support environmentally beneficial use of the building.

☐ No

Property monitoring and management

PR 09**Mandatory****Public****Core Assessed****PRI 2,3**

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

PR 09.1

Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

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

(in terms of number of property assets)

PR 09.2

Indicate which ESG targets your organisation and/or property managers typically set and monitor

☒ Environmental

Target/KPI	Progress Achieved
Use of electricity and heat energy per cubic meter	https://uusi.op.fi/documents/20556/63974/OP+Kiinteistosijoitus+ymparistoraportti+2017/683d801e-9585-4393-989c-2304b42920ec
Use of water per cubic meter	https://uusi.op.fi/documents/20556/63974/OP+Kiinteistosijoitus+ymparistoraportti+2017/683d801e-9585-4393-989c-2304b42920ec
Percentage of waste reused	https://uusi.op.fi/documents/20556/63974/OP+Kiinteistosijoitus+ymparistoraportti+2017/683d801e-9585-4393-989c-2304b42920ec

☒ Social

Target/KPI	Progress Achieved
Customer satisfaction	Not public information

☒ Governance

Target/KPI	Progress Achieved
Compliance with money laundering policies and KYC-policies	Again, these policies were adhered to during the calendar year.

☐ We do not set and/or monitor against targets

PR 10	Voluntary	Public	Descriptive	PRI 2
-------	-----------	--------	-------------	-------

PR 10.1	Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks
---------	---

☒ Yes

PR 10.2	List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.
---------	--

☒ Add certification scheme, rating and benchmark 1

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

☒ Add certification scheme, rating and benchmark 2

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

☐ Add certification scheme, rating and benchmark 3

☐ No

PR 10.3	Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.
<input type="checkbox"/> Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)	
<input checked="" type="checkbox"/> Other property reporting standards, specify Finnish KTI and Rakli standard	
<input type="checkbox"/> No property specific reporting standards are used	

Property developments and major renovations

PR 11	Mandatory	Public	Core Assessed	PRI 2
-------	-----------	--------	---------------	-------

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

PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
<input checked="" type="radio"/> >90% of active developments and major renovations <input type="radio"/> 51-90% of active developments and major renovations <input type="radio"/> 10-50% of active developments and major renovations <input type="radio"/> <10% of active developments and major renovations <input type="radio"/> N/A, no developments and major renovations of property assets are active	

(by number of active property developments and refurbishments)

PR 11.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
<input type="checkbox"/> Environmental site selection requirements <input type="checkbox"/> Environmental site development requirements <input type="checkbox"/> Sustainable construction materials <input checked="" type="checkbox"/> Water efficiency requirements <input checked="" type="checkbox"/> Energy efficiency requirements <input checked="" type="checkbox"/> Energy generation from on-site renewable sources <input checked="" type="checkbox"/> Waste management plans at sites <input checked="" type="checkbox"/> Health and safety management systems at sites <input checked="" type="checkbox"/> Construction contractors comply with sustainability guidelines <input type="checkbox"/> Resilient building design and orientation <input type="checkbox"/> Other, specify	

Occupier engagement

PR 12	Mandatory	Public	Core Assessed	PRI 2
-------	-----------	--------	---------------	-------

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

PR 12.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
----------------	---

- ☐ >90% of occupiers
☐ 50-90% of occupiers
☒ 10-50% of occupiers
☐ <10% of occupiers

(in terms of number of occupiers)

PR 12.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
----------------	---

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

PR 13	Voluntary	Public	Additional Assessed	PRI 2
--------------	------------------	---------------	----------------------------	--------------

PR 13.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
----------------	---

- ☐ >90% of leases or MoUs
☐ 50-90% of leases or MoUs
☐ 10-50% of leases or MoUs
☐ <10% of leases or MoUs
☒ 0% of leases or MoUs
☐ N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

Outputs and outcomes

PR 15	Voluntary	Public	Additional Assessed	PRI 1,2
--------------	------------------	---------------	----------------------------	----------------

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

PR 15.1

Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.

- ☐ We measure whether our approach to ESG issues impacts funds' financial performance
- ☒ We measure whether our approach to ESG issues impacts funds' ESG performance

PR 15.2b

Describe the impact on the following.

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

☐ None of the above

PR 15.3

Describe how you are able to determine these outcomes.

We measure electricity, heat energy and water consumption together with waste generation of our property investments.

PR 16**Voluntary****Public****Descriptive****PRI 1,3****PR 16.1**

Provide examples of ESG issues that affected your property investments during the reporting year.

☒ Add Example 1

ESG issue	Renewable energy, LEED certification
Types of properties affected	2 hospital buildings
Impact (or potential impact) on investment	Two new hospital buildings received LEED certification. One received gold level certification and the other received platinum level certification.
Activities undertaken to influence the investment and the outcomes	Solar panels were installed on both properties. The remaining energy need is covered with wind energy.

☒ Add Example 2

ESG issue	Sustainable building materials
Types of properties affected	Kindergarten
Impact (or potential impact) on investment	The building is built from wood and kept warm with the use of geothermal heating. In addition, the building can be moved to another location. This is potentially a useful option for the future. The indoor air quality should be excellent as well.
Activities undertaken to influence the investment and the outcomes	This type of building was requested by a private kindergarten operator and we were eager to participate in the project.

☐ Add Example 3

☐ Add Example 4

☐ Add Example 5

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

Reported Information

Public version

Assurance

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.

Assurance

CM1 01.1	Mandatory	Public	Core Assessed	General
----------	-----------	--------	---------------	---------

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

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:			
----------	---	--	--	--

- ☒ Third party assurance over selected responses from this year's PRI Transparency Report
- ☒ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☒ Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- ☐ Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- ☐ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
- ☒ Other, specify
Heads of asset classes have gone through their parts of the report. Also, CIO has gone through the whole report.
- ☐ None of the above

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
-----------------	-----------	--------	-------------	---------

CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report			
----------	---	--	--	--

- ☐ Whole PRI Transparency Report was assured last year
- ☐ Selected data was assured in last year's PRI Transparency Report
- ☒ We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
-----------------	-----------	--------	-------------	---------

CM1 01.4	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:			
----------	---	--	--	--

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

CM1 01.5	Mandatory	Public	Descriptive	General
----------	-----------	--------	-------------	---------

CM1 01.5

Provide details related to the third party assurance over selected responses from this year's PRI Transparency Report and/or over data points from other sources that have subsequently been used in your PRI responses this year

What data has been assured

- ☒ Financial and organisational data
- ☒ Data related to RI activities
- ☒ RI Policies
- ☒ RI Processes (e.g. engagement process)
- ☐ ESG operational data of the portfolio
- ☐ Other

Relevant modules

- ☒ Organisational Overview

Corresponding Indicator number

All our responses for OO section

- ☒ Strategy and Governance

Corresponding Indicator number

All our responses for SG section

- ☒ Indirect – Manager Selection, Appointment and Monitoring

Corresponding Indicator number

All our responses for SAM section

- ☒ Direct - Listed Equity Incorporation

Corresponding Indicator number

All our responses for LEI section

- ☒ Direct - Listed Equity Active Ownership

Corresponding Indicator number

All our responses for LEA section

- ☒ Direct - Fixed Income

Corresponding Indicator number

All our responses for FI section

- ☒ Direct - Property

	Corresponding Indicator number
--	--------------------------------

All our responses for PR section

	Who has conducted the assurance
--	---------------------------------

KPMG Oy Ab

	Assurance standard used
--	-------------------------

- ☐ ISAE/ ASEA 3000
- ☐ ISAE 3402
- ☐ ISO standard
- ☐ AAF01/06
- ☐ AA1000AS
- ☐ IFC performance standards
- ☐ ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- ☐ National standard
- ☒ Other

	Specify
--	---------

ISAE 3000 when applicable

	Level of assurance sought
--	---------------------------

- ☒ Limited or equivalent
- ☐ Reasonable or equivalent

	Please provide:
--	-----------------

	Link to auditors report
--	-------------------------

<https://uusi.op.fi/op-ryhma/vastuullisuus/vastuullisuus-liiketoiminnassa/sijoittaminen>

	Link to original data source (if public)
--	--

https://op-year2017.fi/filebank/514-OPn_vuosi_2017.pdf

CM1 01.6	Mandatory	Public	Descriptive	General
----------	-----------	--------	-------------	---------

CM1 01.6	Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)
----------	--

What RI processes have been assured

☒ RI policies

Specify

RI guidelines, Ownership policy, Engagement

Corresponding indicator number

All our relevant responses for SG, LEI, LEA, SAM, FI and PR sections

☒ RI related governance

Corresponding indicator number

All our relevant responses for SG section

☒ Engagement processes

Corresponding indicator number

All our relevant responses for LEI, LEA, SAM, FI and PR sections

☒ Proxy voting process

Corresponding indicator number

All our relevant responses for LEA section

☒ Integration process in listed assets

Corresponding indicator number

All our relevant responses for LEI and FI sections

☒ Screening process in listed assets

Corresponding indicator number

All our relevant responses for LEI and FI sections

☒ Thematic process in listed assets

Corresponding indicator number

All our relevant responses for LEI and FI sections

☒ Investment selection process in non-listed assets

Corresponding indicator number

All our relevant responses for PR section

☒ Manager selection process for externally managed assets

Corresponding indicator number

All our relevant responses for SAM section

- ☒ Manager monitoring process for externally managed assets

Corresponding indicator number

All our relevant responses for SAM section

- ☒ Third party property manager SAM process

Corresponding indicator number

All our relevant responses for PR section

- ☒ Post-investment ESG activities for infrastructure and/or property assets

Corresponding indicator number

All our relevant responses for PR section

- ☐ Other

Who has conducted the assurance

KPMG Oy Ab

When was the process assurance completed(dd/mm/yy)

26/03/2018

Assurance standard used

- ☐ ISAE 3402
☐ ISO standard
☐ AAF 01/06
☐ SSE18
☐ AT 101 (excluding financial data)
☒ Other

Specify

ISAE 3000 when applicable.

Level of assurance sought

- ☒ Limited or equivalent
☐ Reasonable or equivalent

OP Wealth Management (OP Asset Management Ltd, OP Fund Management Ltd and OP Property Management Ltd)

[Reported Information](#)

[Public version](#)

[Feedback and Submit](#)

[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.

Contact details

CM2 04

Mandatory

Public

Descriptive

General

CM2 04.1

Provide a primary and secondary contact person.

Primary contact for this submission

First name	Mika
Last name	Leskinen
Email address	mika.leskinen@op.fi

Secondary contact for this submission [optional]

First name	Elina
Last name	Rinta
Email address	elina.rinta@op.fi

Data Portal contact 1

First name	Elina
Last name	Rinta
Email address	elina.rinta@op.fi

Data Portal contact 2

First name	Mika
Last name	Leskinen
Email address	mika.leskinen@op.fi

Below is our current list of contacts for your organisation. If you need to change anything, please complete your changes in the form below, then scroll down to the bottom of the form to the line "Do you wish to add more contacts", where you will see a "Submit" button to update this form.

After using "Submit" button, please click "Save & Next" to continue

Test

Final review and submission

CM2 05	Mandatory	Public	Descriptive	General
--------	-----------	--------	-------------	---------

CM2 05.1	Thank you for completing the PRI reporting framework. Click the links below to review how your reported information will be presented in two separate reports: the public RI Transparency Report (to be published on the PRI website) and the Private RI report (confidential, for internal review and use). If you have responded incorrectly to any indicators, please return to these indicators in the Online Reporting Tool and adjust accordingly
-----------------	---

Download your reports:

Your private RI report (confidential)			
Your public RI Transparency report (to be published on the PRI website)			

CM2 05.2	Indicate if you give PRI permission to publish your RI Transparency Report. Once your report is submitted, you will not be able to modify your responses and information you have marked as public will automatically be published on the PRI website
-----------------	---

☒ I give the PRI permission to publish any information I have marked as public.