



CORPORATE RESPONSIBILITY REPORT 2020



CONTENTS

REVIEW OF THE CEO	3
RESPONSIBILITY IS A PART OF EVERYTHING WE DO	5
Goals and indicators.....	7
The UN sustainable development goals.....	8
CUSTOMERS AND BENEFICIARIES	10
Issuing pension decisions quickly and reliably	13
Supporting our customers in work ability risk management.....	14
RESPONSIBLE INVESTMENT	16
Increasingly responsible investment	18
Climate-related risks and opportunities in accordance with the TCFD.....	20
Responsibility within real estate properties	24
GOOD GOVERNANCE	26
Every employee shall be familiar with the regulations.....	28
Data protection and information security are the core of good governance	29
Developing good governance and reporting.....	30
RESPONSIBLE EMPLOYER	32
Equality and equal opportunities as the standard.....	33
Co-operation with a human touch	36
Everyone has the right to good leadership.....	36
GRI INDEX	37

REVIEW OF THE CEO

RESPONSIBILITY IS PART OF OUR EVERYDAY WORK AT VERITAS

The year 2020 was a peculiar year in many ways. Because of the coronavirus pandemic, we had to change our ways of working to ensure the continuity of our operations despite the exceptional circumstances. The livelihood of so many people in Finland depends on our ability, as a pension insurer, to manage our basic task without disturbances and interruptions. The pandemic is not over yet but, while writing this, I can say that we did well and continued to serve our customers with our personal approach.

For us, the year was not only about crisis management. We launched our new strategy at the start of 2020, just before the outbreak of the coronavirus pandemic. During the course of the year, we developed our activities in the direction shown by the strategy: our ambitious goal is to be “a pension insurer for entrepreneurs, with a human touch”.

As part of our new strategy development, we defined four focal areas of corporate responsibility: Customers and beneficiaries, Responsible investment, Good governance, and Responsible employer.

CUSTOMERS AND BENEFICIARIES

The coronavirus crisis showed, in a concrete manner, just how essential our basic task is. As a pension insurance company, we manage substantial assets on behalf of individual entrepreneurs and pension recipients. In doing so, we need to be both flexible and careful. We are flexible in terms of payment arrangements when a self-employed person is facing challenges, and we are very careful in ensuring that pensions are paid accurately and on time.

Our aim is to provide individual and personalised service. All our insurance customers

have a named contact person whom they can contact in any matter. The role of the dedicated contact person is vital, especially in challenging situations. We saw this in practice during the coronavirus spring when the number of times our insurance advisors were contacted by customers doubled.

RESPONSIBLE INVESTMENT

As a pension insurer, our objective is to gain a good return on pension funds at a moderate risk level. In the capacity of a large-scale institutional investor, we have both the opportunity and duty to make sure that the companies we invest in operate in a responsible manner. In our responsible investment operations, we specifically consider the perspectives associated with the environment, society and social factors, as well as good governance,





known as the ESG factors.

In 2020, we developed our real estate properties in an increasingly sustainable direction. The flagship is our new headquarters in Turku, located in a new building taken in use in December. Environmental thinking, sustainability and energy efficiency were keys in planning the new building. For the facilities in our own use, we paid particular attention to solutions that will support modern office work and the work ability of our employees.

During the corona year, the financial markets were highly volatile: the deep dive in the first half of the year was followed by a record strong recovery. The return on Veritas' investments was 5.6 per cent in 2020. It is a good result, when considering the gloomy situation after the first quarter. We adjusted our risk level actively during the year, while making sure that the ratio to the solvency limit remains at a sufficient level. A strong solvency position allows for risk-taking opportunities and proper returns in the future as well.

GOOD GOVERNANCE

As a pension insurance company, we operate as a private-sector business when taking care of an important social task that is regulated by legislation. Therefore, it is highly important that everything we do is transparent and in compliance with our task. In addition to legislation and regulations, we have

internal policies and guidelines intended to ensure that all personnel at Veritas follow our Code of Conduct.

In 2020, because of the turbulence in the investment markets as a result of the corona pandemic, our reporting to the Board of Directors was more frequent than usual, just to make sure that the Board would be aware of the operational developments at all times. As long as the pandemic prevails, we will continue frequent reporting.

RESPONSIBLE EMPLOYER

The most important resource of any company is its personnel, and this holds true for Veritas as well. We have committed, enthusiastic and expert employees who are working toward our shared goals. Because our organisation is rather small, most employees have a diversified job description. This means that we can readily assist our colleagues, if needed.

The year 2020 signified major changes for our organisation as, within a very short period of time, remote work became the primary way of working. Personally, I was positively surprised by how rapidly and effortlessly the change took place and how well we have managed to continue our daily work. At this moment, we have been working remotely for a year. Not being able to socialise around the same table with colleagues has been unfortunate, but some of the new routines we've established during the

pandemic will surely continue even after the pandemic is over.

In recent years, we have systematically pursued to modernise our corporate culture. The aim has been to eliminate rigid and old-fashioned hierarchies and to establish an open organisation with everyone working toward the shared goals. A strategy can be rewritten overnight, but changing the corporate culture is a slow process – as it is in our case as well. Nevertheless, the transformation is underway and, according to our internal surveys, our employees believe we are headed in the right direction.

RESPONSIBILITY IS ABOUT ACTIONS AND CHOICES

Responsibility is a multifaceted concept. There are several indicators, reports and standards that we can and must observe, but they do not, as such, make us a responsible player. The foundation of responsibility is based on the ways we act, the choices we make and the ways we consider responsibility in the development of our operations.

Responsibility work is a never-ending project, and we are on the right path. We assume our share of responsibility as part of the best pension system in the world by acting in a responsible manner every day.

Carl Pettersson
Chief Executive Officer

Carl Pettersson served as the CEO of Veritas until 11 April 2021.

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THE LIVELIHOOD OF SO MANY PEOPLE IN FINLAND DEPENDS ON OUR ABILITY, AS A PENSION INSURER, TO MANAGE OUR BASIC TASK WITHOUT DISTURBANCES AND INTERRUPTIONS.



RESPONSIBILITY IS A PART OF EVERYTHING WE DO

The purpose of our activities is to be a pension insurer for entrepreneurs. Our vision is to offer individualised service with an entrepreneurial spirit. We provide service with a human approach, whether it be face to face or online. Our aim is to offer the best possible customer experience and to be the voice of entrepreneurs in the field of pension insurance. Responsibility is an integral part of everything we do.

Veritas contributes to the implementation of the statutory earnings-related pension scheme in Finland. We manage the pension security for entrepreneurs (YEL insurance) and employees (TyEL insurance). We are responsible for the earnings-related pension security of about 110,000 persons. We bear our responsibility for pension funds and the sufficient funding of the pension scheme by investing the pension assets managed by us in a profitable manner and by ensuring our solvency.

THE YEAR 2020 WAS A YEAR OF DEVELOPMENT

In terms of corporate responsibility, the year 2020 was a year of development. We prepared a new corporate responsibility programme, Corporate Responsibility at Veritas 2020, which was approved by the Board of Directors. In addition, we renewed our Principles for responsible investing and Investment-related climate policy, which also were approved by the Board. Moreover, to

provide resources for responsibility work, a Corporate Responsibility Specialist was recruited, who serves as a coordinator in corporate responsibility matters and contributes to various working groups.

At Veritas, corporate responsibility matters are coordinated by two groups: the corporate responsibility group and the steering group for responsible investment. The members of these working groups represent comprehensively the various functions within Veritas, from legal affairs and risk management to communications and HR. The working groups are supported by the Corporate Responsibility Specialist.

In 2020, we carried out a materiality analysis in the field of corporate responsibility. We identified four focal areas of corporate responsibility: Customers and beneficiaries, Responsible investment, Good governance, and Responsible employer. These four areas constitute the core of our corporate responsibility.

FOCAL AREAS OF CORPORATE RESPONSIBILITY

At Veritas, responsibility is a part of everything we do.



Customers and beneficiaries

As part of the pension system, we take responsibility for our customers and beneficiaries.



Responsible investment

We invest pension funds in a profitable, secure and responsible way.



Good governance

Our operations are guided by our values and code of conduct.



Responsible employer

We work hard to ensure that every employee at Veritas feels good at work.

OUR OPERATIONS ARE GUIDED BY OUR VALUES:

- We are boldly and sincerely ourselves
- We are constantly improving
- We are committed to the entrepreneurial spirit



GOALS AND INDICATORS

We have set the goals and defined the related indicators and targets for each focal area of corporate responsibility. The baseline and target values for the year 2021 are reported in this report.

FOCAL AREA	GOAL	INDICATOR	BASELINE 2020	TARGET 2021	UN SUSTAINABLE DEVELOPMENT GOALS
Customers and beneficiaries	We issue pension decisions quickly and reliably	Handling time of applications in days	27 days	22 days	
		Percentage of decisions remaining unchanged after appeal	86.40 %	≥ 85 %	
	We invest in customer service	Evaluation of customer service (NPS)	Pension services 70 Insurance services 68	≥ 50	
	We support our customers in managing the risks associated with work ability	Customer evaluations of work ability training (NPS)	82	≥ 50	
Responsible investment	We develop our investment operations to be increasingly responsible	PRI report scores	Two (2/6) scores below the median	All (6/6) scores at least in the median	
	We take action to slow down climate change	Carbon intensity of the investment portfolio*	186.4	Reducing carbon intensity towards achieving carbon neutrality by 2035	
Good governance	Every Veritas employee shall be familiar with the regulations associated with their work	Percentage of training courses passed	100 %	100 %	
	We develop reporting as to how we implement responsibility in investment activities	PRI report scores	A	5**	
Responsible employer	We co-operate and involve our employees	Employee survey questions concerning co-operation and involvement	Average score 92% (agree fully or almost fully)	Average score ≥ 92% (agree fully or almost fully)	
	Everyone has the right to good leadership	Employee survey questions concerning supervisory work	Average score 8.5 (SD 1.2)	Average score ≥ 8.5 (SD ≤ 1)	

*- Includes listed equity investments and listed corporate bonds **- The PRI scores will change in 2021. The new grading system will range from 1 to 5 stars.



THE UN SUSTAINABLE DEVELOPMENT GOALS

Within our focal areas of corporate responsibility, we also consider the UN Sustainable Development Goals (SDG).

Adopted by the UN, the 2030 Agenda for Sustainable Development is a plan of action aimed to eradicate extreme poverty and to promote sustainable development with consideration for the environment, economy and human equality. The 2030 Agenda includes 17 goals and 169 sub-goals.

In our operations, we aim to advance, in particular, goals 3, 8, 11 and 13.

GOOD HEALTH AND WELL-BEING

Goal 3: Ensure healthy lives and promote well-being for all at all ages.

We support our customers in their work ability risk management and endeavour to ensure healthy lives and well-being for people at all ages. We take care of our employees and do our best to promote a good employee experience.

DECENT WORK AND ECONOMIC GROWTH

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Through our own activities, we seek to promote sustainable economic growth and employment. We comply with the principles of good governance. We invest in our customers and provide them with advice in pension matters throughout their careers. We are a responsible employer.

SUSTAINABLE CITIES AND COMMUNITIES

Goal 11: Make cities and human settlements safe and sustainable.

As a real estate investor, we pursue to ensure the safety and sustainability of cities and communities. Urbanisation is an accelerating trend, and we want to advance sustainable urbanisation. We have defined climate-related goals for our real estate investments.

CLIMATE ACTION

Goal 13: Take urgent action to combat climate change and its impacts.

We take action to combat climate change and its impacts. We monitor the climate impacts of our investment portfolio and reduce its carbon intensity in accordance with our climate-related goals.



STAKEHOLDER COLLABORATION

Our aim is to communicate about corporate responsibility in an open and transparent manner. We endeavour to provide our central stakeholders with sufficient and up-to-date information about our operations so as to ensure that they understand our role and basic task.

Our central stakeholders include customers and beneficiaries, personnel, public authorities, labour market organisations, industry organisations, media, non-governmental organisations, as well as investment objects and investment partners. Typical channels of engagement are, for example, shareholder and other meetings, training sessions, websites, publications as well as seminars and webinars.

We conduct various surveys on a regular basis to measure expectations and satisfaction among our customers, beneficiaries and personnel. The results of these surveys will be reported in more detail below in the Customers and beneficiaries as well as Responsible employer sections.

We collaborate closely with the advocacy organisations in our field. For example, we are actively involved in the working groups of the Finnish Pension Alliance TELA, which represents the earnings-related pension insurers, as well as Finance Finland (FA), which represents the financial sector in Finland.

We also interact actively with different non-governmental organisations, such as WWF Finland. In 2020, we initiated a survey with WWF Finland for the purposes of our Green Office project. We set up a Green Office working group with the aim of obtaining a Green Office certificate for our new headquarters in Turku. The working group is preparing an environmental programme for Veritas, and during the first programme year 2021, the aim is to meet the Green Office criteria.

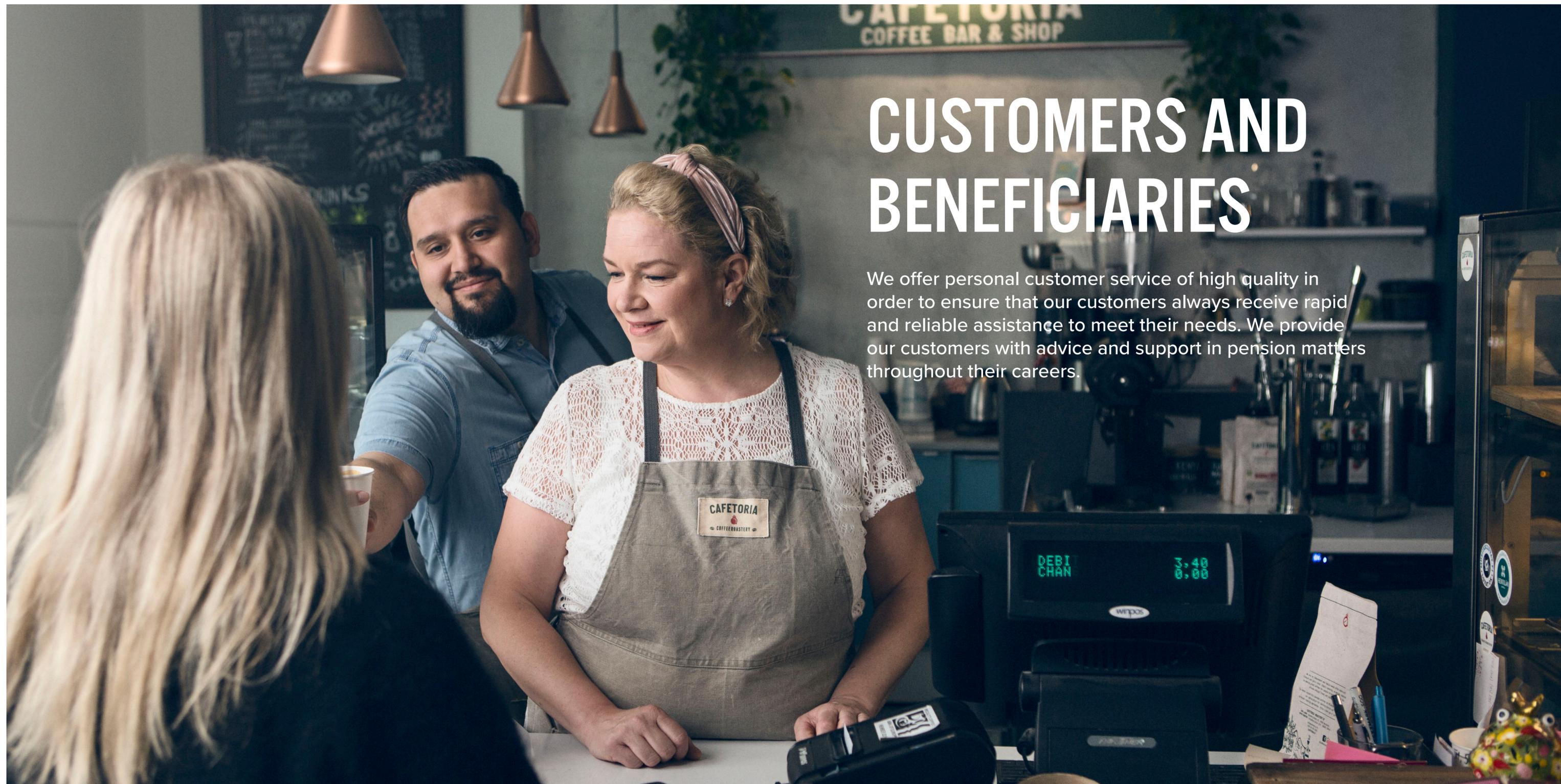
In terms of responsible investment, we cooperate with other investors through various investor initiatives and communities. These will be discussed in detail in the Responsible investment section.

RESPONSIBLE PROCUREMENT

Purchasing and acquisitions are carried out independently by various functions within Veritas. The legal affairs department of Veritas provides advice in legal matters related to the procurement of products and services.

Veritas has drawn up a supplier relationship management model that is applicable to procurement. Supplier co-operation is aimed at safeguarding the availability of services, reducing risk factors and ensuring that the supplier's operations are responsible. In the future, the model is intended to comprehensively cover all suppliers and procurement activities of Veritas.





CUSTOMERS AND BENEFICIARIES

We offer personal customer service of high quality in order to ensure that our customers always receive rapid and reliable assistance to meet their needs. We provide our customers with advice and support in pension matters throughout their careers.

In early 2020, Veritas was rated, for the sixth time, as the best pension company in terms of customer service. The rating was based on the annual sector-specific customer satisfaction survey conducted by Taloustutkimus. Veritas received the best overall score among the pension insurers and was number one in service spirit, keeping promises, considering the customer's needs, availability and contacts.

GOAL 1:

WE INVEST IN CUSTOMER SERVICE

EVALUATION OF CUSTOMER SERVICE (NPS)*

70 | 68

PENSION SERVICES (NPS) | INSURANCE SERVICES (NPS)

*- NPS (Net Promoter Score) is a generally used indicator of customer satisfaction. In the NPS surveys, customers are asked how likely they are to recommend Veritas or Veritas' services. The NPS score is calculated by deducting the percentage share of critics (ratings 0–6) from the share of promoters (ratings 9–10). The lowest possible NPS score is thus -100 and the highest is 100. Usually, NPS scores above 50 are considered as good.

Our target is to achieve NPS scores of over 50.

In 2020, we saw, at close range, the impacts of the coronavirus pandemic on entrepreneurs, companies and employees. During the spring, the number of contacts from our customers increased clearly, but we managed to ensure that they all received the required assistance easily and flexibly. Customer satisfaction remained at a high level throughout the year.

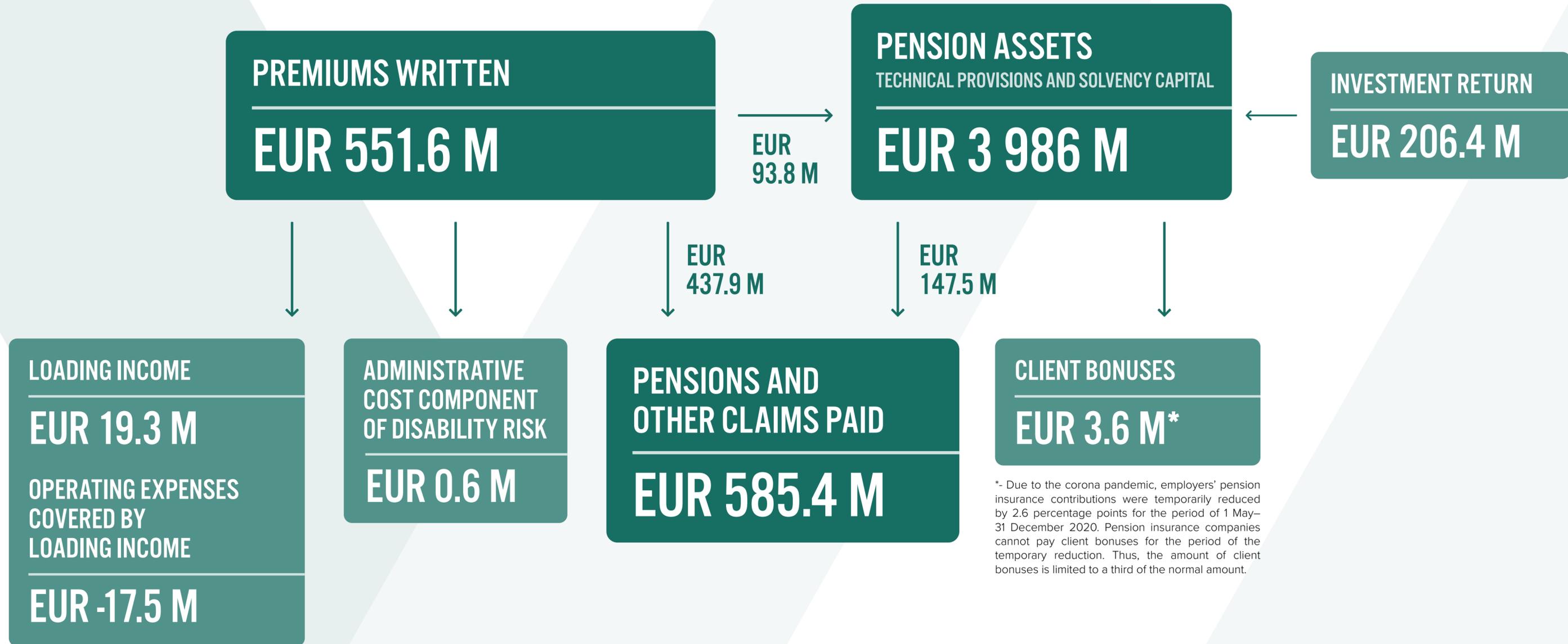
In spring 2020, a proposal was jointly prepared by pension insurance companies to extend the payment periods for earnings-related pension contributions. As a result of the agreed flexibility, we were able to grant our customers an extension for the payment of pension contributions for employees (TyEL insurance) and entrepreneurs (YEL insurance). In addition, all employers were granted a temporary discount on their TyEL contributions between 1 May and 31 December 2020. Moreover, Veritas also granted flexibility in rental payments for tenants and offered a variety of financing solutions to customers.

Although the year was challenging in many ways, Veritas succeeded in attracting new customers among entrepreneurs, and the number of YEL insurance policies grew for the third year in a row. In 2020, Veritas insured altogether 13,285 entrepreneurs under YEL. At the end of the year, the number of TyEL policies amounted to 9,385 with a total of 58,940 insured employees.





VERITAS' CASH FLOWS 2020



*- Due to the corona pandemic, employers' pension insurance contributions were temporarily reduced by 2.6 percentage points for the period of 1 May–31 December 2020. Pension insurance companies cannot pay client bonuses for the period of the temporary reduction. Thus, the amount of client bonuses is limited to a third of the normal amount.



ISSUING PENSION DECISIONS QUICKLY AND RELIABLY

Veritas manages the earnings-related pension security for nearly 110,000 individuals and pays annually more than 585 million euro as pensions. We make sure that pensions are paid out at the right time and in the right amount.

In 2020, pensions were paid to a total of 37,627 persons. The majority of the pensions paid were old-age pensions.

During the year, we granted 2,402 new pensions. Of the pensions, 77 per cent were old-age pensions, 16 per cent disability pensions and 12 per cent survivors' pensions.

Retirement is a big change in one's life. Applying for a pension is usually a once in

NUMBER OF PENSION RECIPIENTS

Old-age pensions*	31,002
Disability pensions	2,653
Survivors' pensions	3,972
Total	37,627

*- Including part-time pensions and partial early old-age pensions

a lifetime event, and it may seem complicated. We do not leave our customers on their own but help them in different situations and provide advice on pension matters throughout their careers and lives.

We issue pension decisions quickly to avoid any interruptions in an individual's livelihood due to retirement. During 2020, we further streamlined the pension application process, and as a result, our customers received a pension decision in 27 days on average. We drew advantage from both digital processing and automation. This also helped us to make sure that we have sufficient resources for personal customer service.

We assess the pension application processing times by means of a key performance indicator (KPI) and key risk index (KRI). We monitor the measures regularly to keep the promises we have given to our customers. To ensure the quality of our pension decisions, we follow up on the decisions issued by the relevant appeal instances. This is how we can guarantee that our decisions are in compliance with legislation and also make any necessary changes to our policies regarding our decisions.

GOAL 2: WE ISSUE PENSION DECISIONS QUICKLY AND RELIABLY

HANDLING TIME OF APPLICATIONS IN DAYS

ON AVERAGE

27
DAYS*

86%

PERCENTAGE OF DECISIONS REMAINING UNCHANGED AFTER APPEAL**

*- The figure includes the handling times for all types of pensions. Our goal for 2021 is to handle applications within 22 days on average.

** - Our goal for 2021 is that the share of changed decisions would not exceed 15 per cent. Accordingly, the percentage of decisions remaining unchanged will be 85 per cent or more.

” WE DO NOT LEAVE OUR CUSTOMERS ON THEIR OWN BUT HELP THEM IN DIFFERENT SITUATIONS AND PROVIDE ADVICE ON PENSION MATTERS THROUGHOUT THEIR CAREERS AND LIVES.

SUPPORTING OUR CUSTOMERS IN WORK ABILITY RISK MANAGEMENT

Veritas supports customer companies in their activities aimed at reducing the risk of work disability. We provide work communities and employees with knowledge, skills and tools for work ability management.

In addition to work ability counselling, we offer our customers an opportunity to conduct a risk survey that will enable them to review their own work ability management efforts and compare the situation with other companies. The work ability risk survey also helps companies to identify areas for development.

Owing to the coronavirus pandemic, we arranged webinars to provide training in work ability management. In 2020, we also offered our customers access to a brief questionnaire survey to assess the degree of loading experienced by employees as a result of remote working.

The management of well-being at work focuses often on the work community, supervisory work and HR processes promoting work ability. All this is important but individuals also need support; the work ability of individual persons is the foundation of

the work community's well-being. Veritas has, therefore, selected the topics of self-management and work ability promotion as the areas for development in 2021. The purpose is to initiate co-operation with, for example, the Finnish Institute of Occupational Health. The co-operation will facilitate individual work ability assessments and a more extensive exploitation of work ability knowledge in development work.

We continually develop our tools for the promotion of well-being at work, and they are available to all our customers via our online service.

VOCATIONAL REHABILITATION PREVENTS DISABILITY

Sometimes a sickness or disease may prevent an individual from working. The aim of the vocational rehabilitation is to help the rehabilitee to return to working life and, thus, reduce the need for disability pensions. The methods used in vocational rehabilitation include, for example, work trial, work coaching, continued training, retraining or support for entrepreneurship.

In 2020, Veritas issued, upon application, 132 preliminary decisions concerning reha-

ilitation. In addition, we issued 202 preliminary decisions on rehabilitation in connection with the processing of disability pension applications.

It is important for Veritas that the supported rehabilitation is effective and has an impact. We require that the employment potential of the rehabilitation and the suitability of the intended work be evaluated prior to the approval of the rehabilitation plan. In this context, we are supported by our insurance physician who issues a medical statement on the suitability of the intended work task or field.

GOAL 3:
WE SUPPORT OUR CUSTOMERS IN MANAGING THE RISKS ASSOCIATED WITH WORK ABILITY

82

CUSTOMER EVALUATIONS OF WORK ABILITY TRAINING (NPS)*

*. Our target is to achieve an NPS of over 50.

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THE WORK ABILITY OF INDIVIDUAL PERSONS IS THE FOUNDATION OF THE WORK COMMUNITY'S WELL-BEING.

SUPPORTING OUR CUSTOMERS THROUGHOUT THE DIFFICULT CORONA YEAR

19 March

The Ministry of Social Affairs and Health approves **the flexibility package prepared by the pension companies**, which enables them to grant customers payment extensions on the pension contributions for their TyEL and YEL insurance policies. The change becomes valid on 20 March.

12 February

Veritas introduces its **new strategy** with a focus on the provision of personal service for entrepreneurs.

23 March

“In this situation, it is self-evident for us that **we will not initiate any debt collection measures** if a company is temporarily in trouble because of the corona situation”, states Mika Paananen, Chief Customer Officer of Veritas.

6 April

The employer’s **pension contribution is temporarily reduced** because of the difficult financial situation caused by the corona epidemic. The act on temporary reduction of TyEL contributions is confirmed on 6 April, to be valid from 1 May to 31 December 2020.

31 December

The return on Veritas’ investments is 5.6 per cent in 2020. **The good investment result strengthens Veritas’ solvency**, which increases to 128.8 per cent by the end of the year.

3 February

Veritas is rated as **the best pension insurance company** on the basis of the overall score in the sector-specific customer satisfaction survey conducted by Taloustutkimus.

16 March

Due to the coronavirus situation, **emergency conditions** are declared in Finland.

1 April

Veritas grants **flexibility for tenants** that are driven to financial difficulties due to the coronavirus pandemic. Self-employed persons running a restaurant or cafeteria in premises owned by Veritas will not be charged any rents in April-May as a result of the exceptional situation.

9 December

Veritas moves to its **new headquarters at Kupittaa, Turku**. The aim has been to build ecological and sustainable facilities that are modifiable to meet the varying demands of a modern work community.



February-March

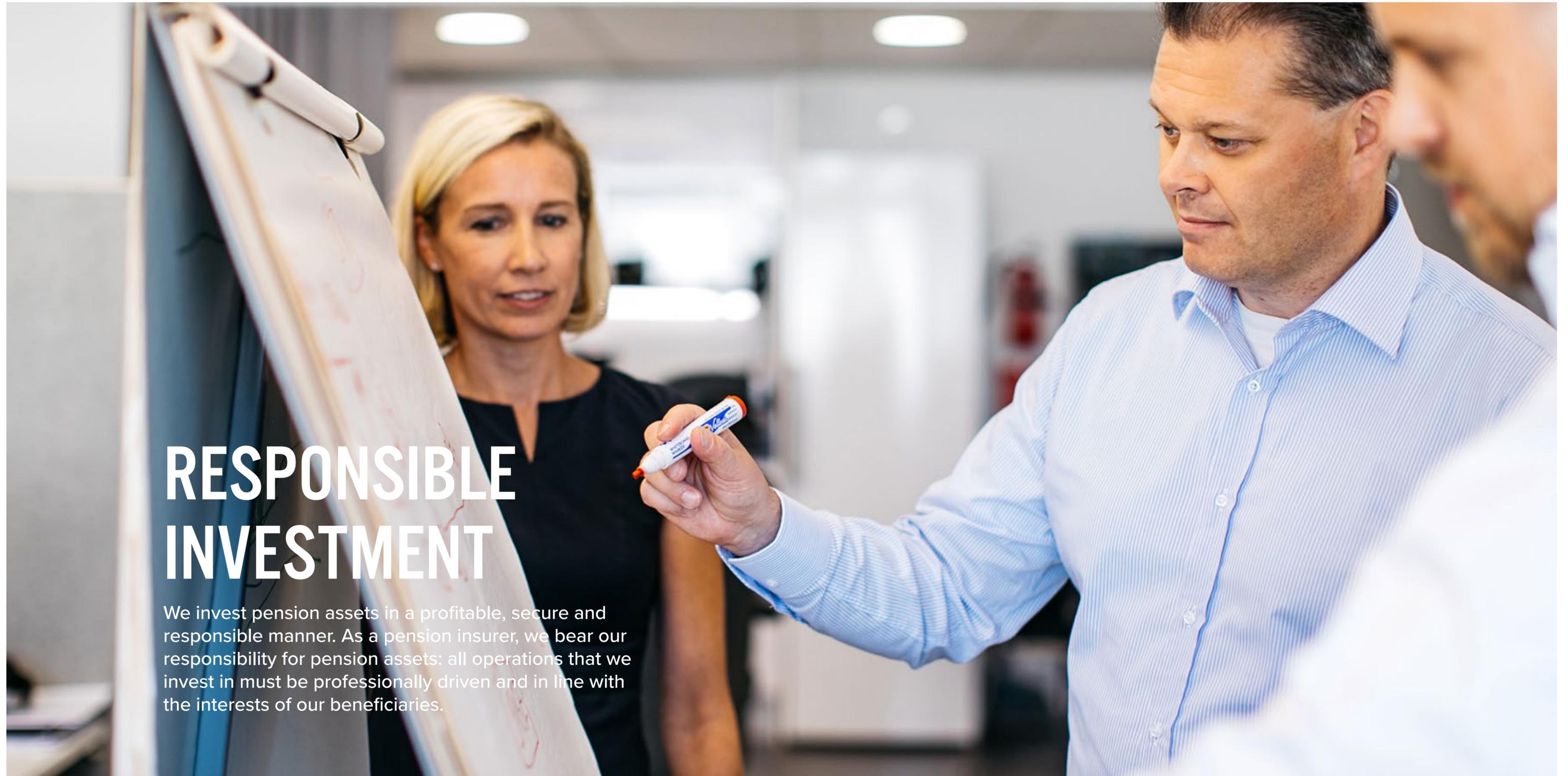
The crisis causes volatility in equity markets, which saw, during February-March, **one of the fastest declines in history**. Veritas reduces the risk level of its investment portfolio and, through active risk management, holds its solvency at a good level.

April-June

Within financial markets, April-June is a period of recovery. The recovery of the markets **strengthens Veritas’ solvency**, and the allocation to higher-yielding risk investments can be increased.

July-September

The economic recovery continues, but it is very uneven.



RESPONSIBLE INVESTMENT

We invest pension assets in a profitable, secure and responsible manner. As a pension insurer, we bear our responsibility for pension assets: all operations that we invest in must be professionally driven and in line with the interests of our beneficiaries.



We believe that the proper way to safeguard profitable and secure investments is to extensively consider the responsibility aspects, that is, perspectives associated with the environment, society and social factors, and good governance (ESG factors).

During 2020, to develop our responsible investment operations, we implemented an ESG project that focused on advancing the responsibility practices. The project was coordinated by a responsible investment specialist. The project involved, among other things, an analysis of the current status of responsible investment, development of ESG analysis processes and responsibility reporting, and the updating of the responsible

investment principles and the investment-related climate policy. The members of the project steering group represented the investment, risk management and legal affairs departments. Our Responsible investment principles and Investment-related climate policy are available on our website.

Corporate responsibility calls for long-term, systematic work, and there is always room to develop to be increasingly responsible. In 2020, we renewed our responsible investment operations from the perspectives of governance and strategy, and during 2021, we intend to focus on the implementation of our goals concerning responsible investment and further improve our responsibility analyses.





INCREASINGLY RESPONSIBLE INVESTMENT

We follow up the realisation of responsible investment on an annual basis by reporting to PRI, a UN-supported network that works to promote responsible investment. On the basis of the report, PRI will assess and score our performance in responsible investment activities.

In the PRI reporting framework, scores are provided for different modules, with no overall score given. The modules subject to assessment include the Strategy and Governance module and asset class-specific modules for those classes in the investment portfolio that represent over 10 per cent of the managed funds. For Veritas' PRI report, the following six modules were assessed:

MODULE	SCORE	MEDIAN	POSITION
Strategy & Governance	A	A	In the median
Listed Equity	A	A	In the median
Fixed Income - Corporate Non-Financial	A	A	In the median
Listed Equity - Incorporation	B	A	Below the median
Listed Equity - Active Ownership	C	B	Below the median
Property	B	B	In the median

In four out of six (4/6) modules, our score was within the median range. Our goal for 2021 is to achieve a minimum of median score in all of the modules. The PRI report is available on our website.

GOAL 4:

WE DEVELOP OUR INVESTMENT OPERATIONS TO BE INCREASINGLY RESPONSIBLE

PRI REPORT SCORES

4/6

SCORES IN THE MEDIAN*

*-Our goal is to achieve at least median scores in the PRI report (UN Principles of Responsible Investment).

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IN RESPONSIBLE INVESTMENT, ONE OF OUR FOCAL AREAS IS CLIMATE CHANGE MITIGATION.



COLLABORATION WITH OTHER INVESTORS

We have signed the UN Principles of Responsible Investment (PRI) in 2012 and, since then, annually provided a report on responsible investment. In addition, we have signed the Fiduciary Duty in the 21st Century and the Climate Action 100+ initiatives. We are members in the CDP community (Carbon Disclosure Project) and in Finland's Sustainable Investment Forum (Finsif).

CLIMATE CHANGE MITIGATION

In responsible investment, one of our focal areas is climate change mitigation. We have set climate-related objectives for our investment activities: our goal is to reduce the carbon intensity of our portfolio and to increase the share of low-carbon investments. We endeavour to develop our portfolio to be carbon neutral by 2035. This carbon

neutrality goal is challenging, and requires that our investment environment also takes a turn toward low-carbon activities – we cannot do this alone.

INVESTMENT-RELATED CLIMATE POLICY TO MANAGE CLIMATE RISKS

In 2020, we upgraded not only our responsible investment principles but also our investment-related climate policy. In our climate policy, we define the measures to be taken in order to manage the climate risks related to our portfolio and to mitigate climate change. Our long-term objective is to ensure that our investment portfolio is in line with the Paris Agreement. The goal of the Paris Agreement is to limit global warming to well below 2 degrees Celsius.

GOAL 5:

WE TAKE ACTION TO MITIGATE CLIMATE CHANGE

186.4

CARBON INTENSITY OF OUR INVESTMENT PORTFOLIO (TCO₂E PER MEUR IN REVENUE)*

*- Our goal for 2021 is to reduce our carbon intensity toward achieving carbon neutrality by 2035.

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WE ENDEAVOUR TO DEVELOP OUR PORTFOLIO TO BE CARBON NEUTRAL BY 2035.

CLIMATE-RELATED RISKS AND OPPORTUNITIES IN ACCORDANCE WITH THE TCFD

What is the TCFD reporting framework?

Published in 2017, the Task Force on Climate-Related Financial Disclosures (TCFD) is an international reporting framework intended to facilitate the assessment of the impacts of climate-related risks and opportunities on economies and to support financial decision-making. The reporting recommendations are intended to provide consistent, forward-looking and decision-useful information on the climate-related risks and opportunities for investors, funding agencies and companies.

The TCFD reporting framework guides organisations in reporting consistently on their risks and opportunities related to climate change. The TCFD is comprised of four core elements: governance (G), strategy (S), risk management (R), and metrics and targets (M). In addition, there are recommendations on disclosures within each core element.

According to the recommendation, each reporting company should disclose and describe the company's governance around climate-related matters; the company's strategies in terms of climate change and transition to low-carbon economy; the risks and opportunities presented by climate change to the company; and the targets and metrics applied to climate-related matters.

GOVERNANCE

The Board of Directors of Veritas approves annually the responsible investment principles as well as the investment-related climate policy and the ownership policy. The Board is provided with reports on climate risks and opportunities at least once a year.

The Chief Investment Officer (CIO) is responsible for the implementation of the responsible investment principles and the

investment-related climate policy. In addition, Veritas has a steering group for responsible investment, with the duties of reporting to the Executive Group on the themes of responsible investment and monitoring of the set targets. The steering group for responsible investment is comprised of the CIO, the Corporate Responsibility Specialist, and experts from the investment, legal affairs, risk management and communications departments.

The investment department is responsible for the practical implementation of responsible investment: responsibility shall be incorporated in all investment decisions. The practical implementation is supported by the responsible investment specialist.

STRATEGY

Climate change is a risk for investors. Climate

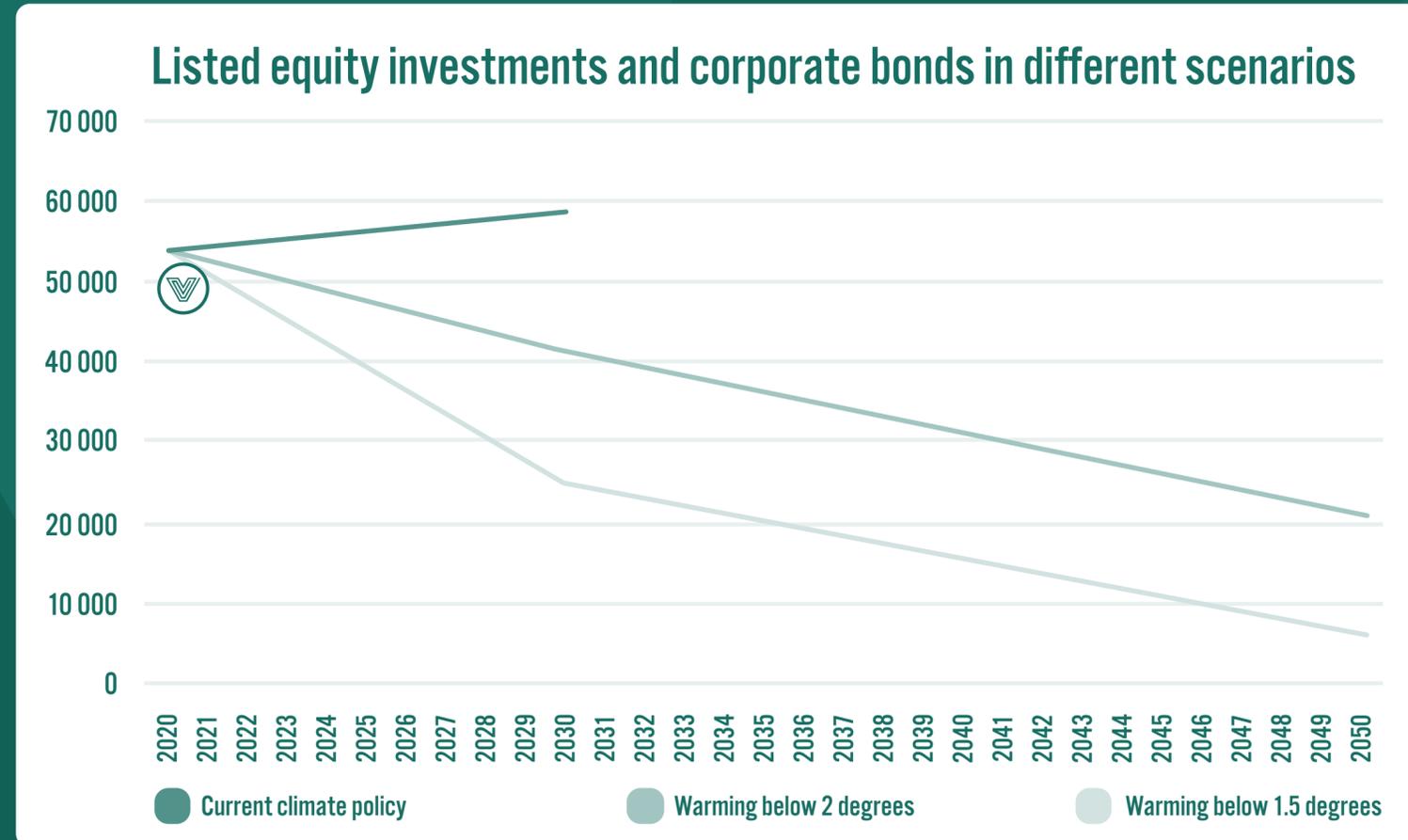
change impacts economies and businesses, and therefore, it is important for institutional investors like Veritas to identify and manage climate-related risks and opportunities.

Climate risks involve two kinds of risks for investors: physical risks and transition risks. As indicated by their name, physical climate risks are linked with the physical impacts of climate change, such as different extreme weather phenomena. The physical risks are further divided into two categories: acute and chronic climate risks. Acute risks are short-term risks resulting from a particular climate or weather event, such as flooding, hurricane or wildfire. Chronic risks, on the other hand, are long-term risks, such as global warming and its negative financial effects.

Transition risks refer to risks related to the change-over or transition to low-carbon



Source: UNEP Emissions Gap Report 2020



economy. Transition risks include, for example, risks related to policies and legislation, technological and market shifts, as well as reputational risks.

In terms of investment portfolios, climate change is not only a risk but also an opportunity. Adaptation to climate change provides organisations and businesses with opportunities to generate a new earning potential in the form of cost savings, as a result of more

efficient use of resources, or new revenue models through the development of innovative climate-friendly products. The opportunities for businesses are various, depending on the field or market in which they operate.

SCENARIO ANALYSIS

We have conducted different scenario analyses on our investment portfolio. The analy-

ses enable us to check whether our portfolio is in line with our long-term goals and in compliance with the objectives of the Paris Agreement.

The graph shows the current position of Veritas' investment portfolio and possible pathways for listed equity investments and corporate bonds in different scenarios. It is based on the UNEP Emissions Gap Report 2020, which presents various pathways

modelled under several different scenarios. The scenarios describe how much the total global emissions should decline in order to limit the temperature rise to below 2 or 1.5 degrees Celsius. The scenarios also show in which direction the current climate policy is heading globally. Veritas' portfolio is viewed from the perspective of these scenarios.

According to our scenario analysis, our portfolio of listed equity investments and corporate



bonds is in line with our long-term goal of a portfolio that is in accordance with the Paris Agreement. Moreover, based on our analysis in terms of the even more challenging goal of achieving carbon neutrality by 2035, we can say that Veritas' portfolio is in line with this goal as well.

RISK MANAGEMENT

In our investment-related climate policy, we have defined measures for managing various climate risks. The measures are as follows:

- the analysis, monitoring and reporting of carbon risk
- the analysis, monitoring and reporting of the financial impacts of climate change
- the exertion of influence on our investments to mitigate climate change.

We monitor and analyse the carbon risk related to our investment portfolio and report on the results. The aims are to reduce the carbon intensity of our portfolio and to increase the share of low-carbon investments in our portfolio. For the analyses, we rely on an external service provider.

We continually develop our management of climate risks and opportunities, and report in accordance with TCFD. Responsibility data supply and responsibility analyses are constantly improving and we also develop our own analyses. In 2021, we endeavour to make our analyses even more comprehensive in terms of corporate bonds.

EXERTING INFLUENCE ON OUR PORTFOLIO COMPANIES

We pursue to influence our investments, or portfolio companies, for the purpose of mitigating climate change. We are committed to several investor initiatives and carry out regular dialogue on climate issues with our portfolio companies. For example, to survey how the different responsibility factors are considered in investment activities, we send an ESG questionnaire to our asset managers on a regular basis. Climate issues are

specifically emphasised in this questionnaire.

Furthermore, we encourage our portfolio companies to report in accordance with the TCFD and EU taxonomy. A more detailed description of the exertion of influence and ownership steering is given later in this report in the Ownership steering section.



METRICS AND TARGETS

For our portfolio, we have set the goal of achieving carbon neutrality by the year 2035 to the extent allowed by the investment environment. The goal is challenging and calls for co-operation across the financial markets.

We monitor our investment portfolio in terms of the carbon neutrality goal by means of scenario analyses and by measuring the carbon footprint of the portfolio. In 2020, we measured our baseline values for listed equity and corporate loan investments.

We calculated the following carbon indicators: carbon footprint, carbon intensity, and weighted average carbon intensity as recommended by the TCFD. The calculations were made by an external service provider in compliance with the TCFD guidelines. The calculations cover the Scope 1 and Scope 2 emissions, that is, the direct emissions that result from the company's own activities and the indirect emissions that result from the company's energy and power use. For the listed equity investments and corporate bonds in our portfolio, all carbon numbers are already now significantly below the corresponding market indices.

CARBON FOOTPRINT FOR VERITAS' INVESTMENTS IN 2020

	VERITAS	MARKET INDEX CORRESPONDING TO VERITAS' PORTFOLIO	VERITAS VS. THE INDEX
LISTED EQUITIES			
Carbon footprint (tCO ₂ e per MEUR invested)	140.9	187.4	-25 %
Carbon intensity (tCO ₂ e per MEUR in revenue)	169.8	244.6	-30 %
Weighted carbon intensity (TCFD)	189.5	244.1	-22 %
LISTED CORPORATE BONDS			
Carbon footprint (tCO ₂ e per MEUR invested)	450.6	645.3	-30 %
Carbon intensity (tCO ₂ e per MEUR in revenue)	223.6	266.9	-16 %
Weighted carbon intensity (TCFD)	271.4	307.1	-12 %
LISTED EQUITIES AND CORPORATE BONDS			
Carbon footprint (tCO ₂ e per MEUR invested)	189.3	265.8	-29 %
Carbon intensity (tCO ₂ e per MEUR in revenue)	186.4	253.4	-26 %
Weighted carbon intensity (TCFD)	202.3	254.9	-21 %

*- Coverage of the analysis: listed equities 97%, listed corporate bonds 55%, listed equities and corporate bonds 83%



RESPONSIBILITY WITHIN REAL ESTATE PROPERTIES

Within the built environment, a major part of emissions are related to the use of buildings. The energy consumption related to the use of buildings constitutes approximately 75 per cent of the annual carbon footprint of the built environment in Finland. The absolute largest proportion of the greenhouse gas emissions (GHG) from the built environment is caused by heating. Thus, one of the most efficient means of reducing climate emissions is to choose environmentally friendly energy sources.

ACTIVE MONITORING OF ENERGY CONSUMPTION SINCE 2001

Veritas began to actively monitor the energy consumption of its properties already in 2001. The monitoring has resulted in a deeper understanding of the actual energy consumption for various property types. Together with automation, this knowledge

has made it possible to optimise energy consumption in properties and to appropriately steer energy investments.

In 2018, the carbon dioxide emissions for Veritas' properties totalled 8,282.3 tCO₂. In 2019, the corresponding figure was 3,641.8 tCO₂. Emissions have been successfully reduced, for example, by using only renewable energy sources for electricity, installing solar power stations in the existing properties and exploiting geothermal heating in new construction projects. The carbon footprint calculation for 2020 is not yet completed, but the emissions from properties have continued to decline.

By the end of year 2020, nearly all of the properties owned by Veritas had been upgraded to use only renewable energy sources for heating. In the remaining properties, renewable district heating will be taken in use as soon as the energy companies start selling it. Veritas has set as its goal to achieve emission-free energy use for real estate properties by 2025.

REDUCTIONS IN PROPERTY-RELATED EMISSIONS AND OTHER KEY INDICATORS

	2019	2018
CARBON DIOXIDE EMISSIONS	EMISSIONS (TCO₂)	EMISSIONS (TCO₂)
All properties	3,641.8	8,282.3
Veritas' own activities	125.5	329.7
	2020	2020
WASTE	WEIGHT OF WASTE (T)	CARBON FOOTPRINT (T)
All properties	479.9	18,6
Veritas' headquarters	15,4	0.50
	2020	2020
WATER CONSUMPTION	TOTAL CONSUMPTION (M³)	CHANGE FROM 2019
All properties	51,844	-7.86 %

The emission calculations were conducted by an external service provider. The emission calculations cover the Scope 1 and Scope 2 emissions (heating, electricity, water and fuels) and selected Scope 3 sources, including waste, commuting and business travel.

WORKING TOWARD CARBON NEUTRAL PROPERTIES BY 2030

We continue to work actively to reduce the carbon footprint of our real estate investments. The overall goal is to achieve carbon neutrality by 2030 for all properties we own. In 2020, Veritas joined the Energy Efficiency Agreement for the Property Sector and committed to the relevant Action Plans for both commercial properties and rental housing properties. During the past year, we also updated our planning guideline for construction projects, in which the aspects of environmental sustainability and energy efficiency are considered.

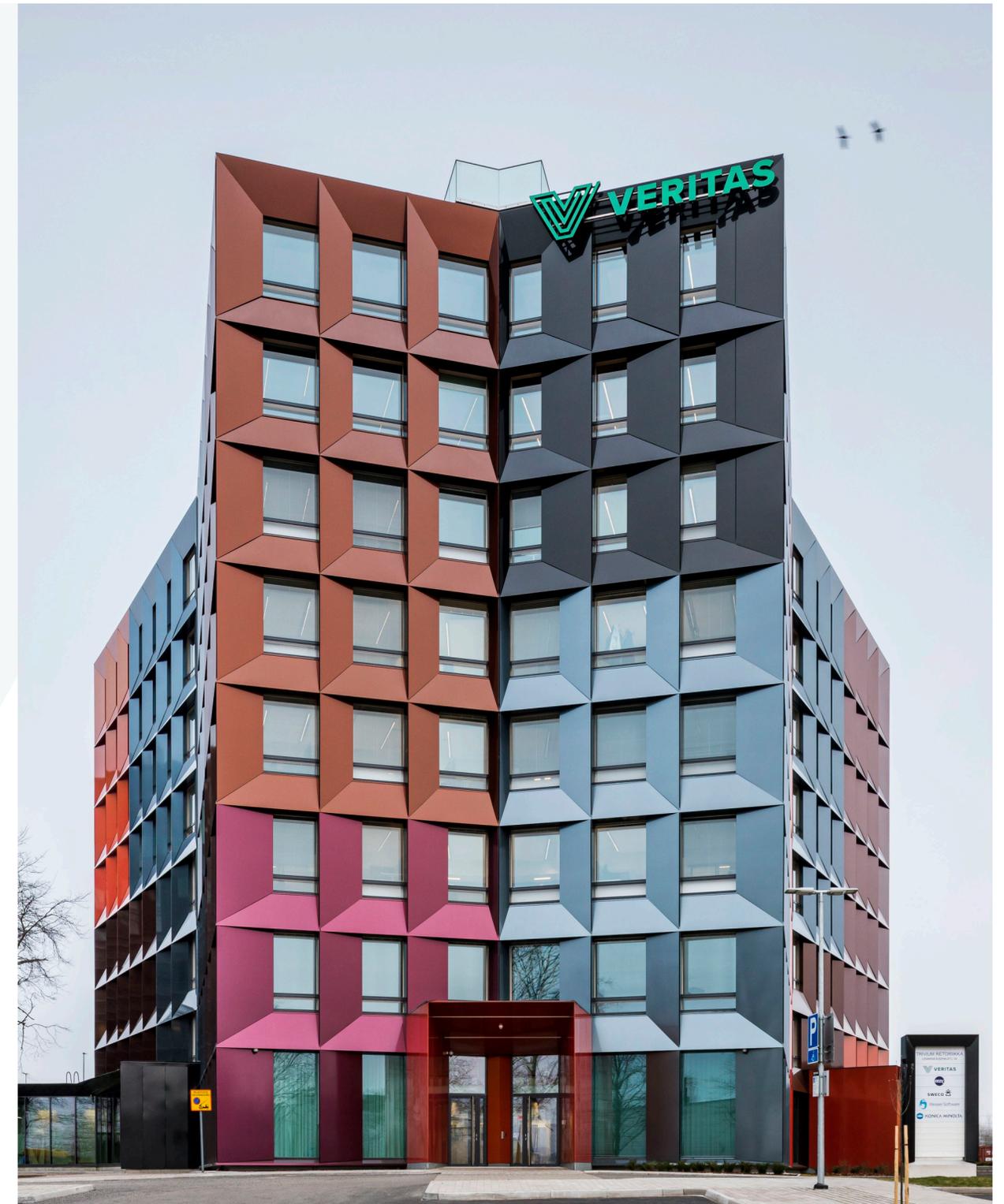
For the assessment of the environmental efficiency of the existing properties, Veritas applies the BREEAM In-Use method. Four properties per year are assessed in terms of their energy performance for BREEAM environmental certification. BREEAM (Building Research Establishment Environmental Assessment Method) provides a leading

European environmental classification system for both new construction projects and buildings in use. During 2020, four of Veritas' properties received certification based on the assessment as planned.

In 2020, the new building for Veritas' headquarters was completed and the BREEAM certification process is currently pending. Veritas aims for a BREEAM Excellent performance rating, which is the second-best BREEAM rating and not yet granted for many buildings in Finland. In the new building, energy efficiency and environmental friendliness were considered as significant criteria for all technical solutions. The building features, for example, solar panels and altogether 18 geothermal wells. In 2020, a decision was made on an energy recycling project for another large property located in central Turku (Kiinteistö Oy Maamiesten kauppatalo). The project will be implemented during 2021. This project will further reduce the overall emissions of Veritas' properties.

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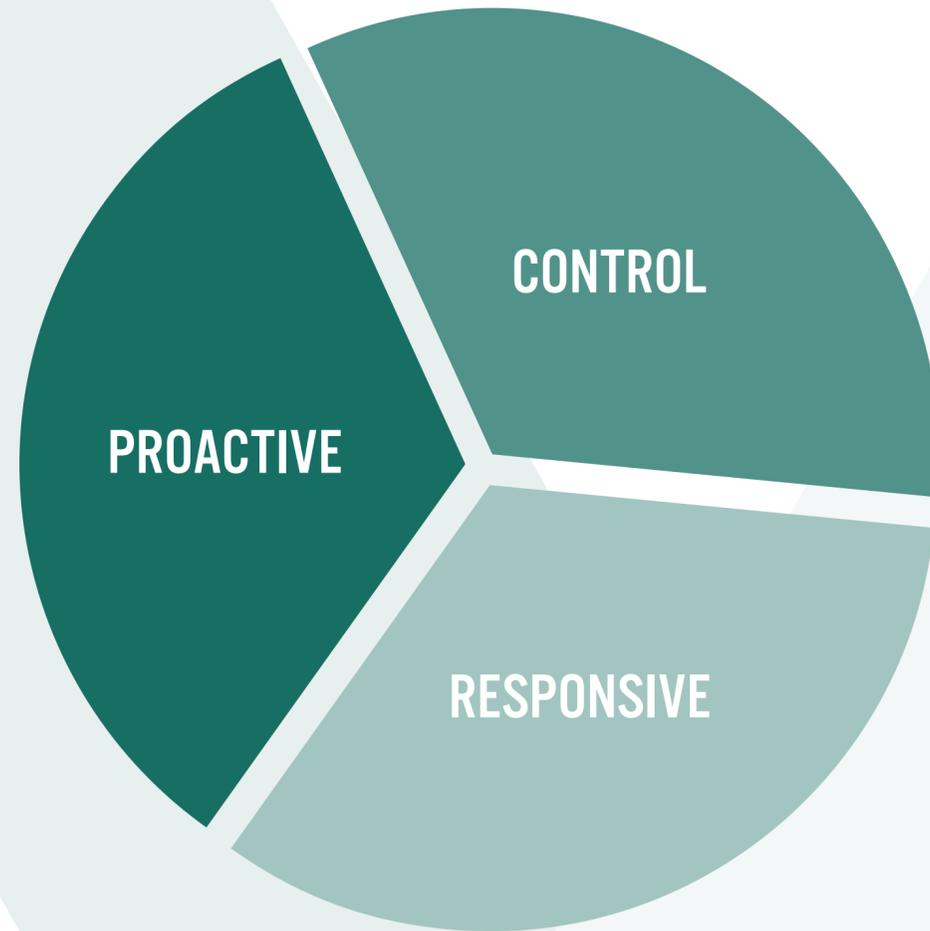
**THE OVERALL GOAL IS TO ACHIEVE
CARBON NEUTRALITY BY 2030
FOR ALL PROPERTIES WE OWN.**





GOOD GOVERNANCE

Our goal is to ensure transparent and functional administration. Our operations are guided by our values, our Code of Conduct and good insurance practice. We act in an ethical and fair manner.



COMPLIANCE AT VERITAS

PROACTIVE

- Values, Code of Conduct, operating principles, guidelines, policies etc.
- Training, communications and counselling
- Monitoring and communicating legislative and regulatory initiatives
- Engagement in business development
- Anticipatory identification of compliance risks

CONTROL

- Compliance audits and the follow-up of the related observations
- Compliance reporting (whistleblowing)

RESPONSIVE

- Initiation of necessary corrective measures if any actions are observed that are contrary to regulations or otherwise incorrect
- Internal investigations in cases of malpractice etc.

Compliance is a duty of every manager and supervisor.

Every Veritas employee is responsible for complying with the guidelines and regulations in their own work.



EVERY EMPLOYEE SHALL BE FAMILIAR WITH THE REGULATIONS

As a pension insurer, we operate in a highly regulated field of business under the supervision of authorities. Accordingly, both Veritas and its employees shall comply with the national and international legislation, regulations and rules issued by authorities as well as with Veritas' internal guidelines and operating principles.

In recent years, we have intensely developed our internal guidelines and operating principles to better match any new or amended regulations and our new ways of operating. We work continually to ensure that every Veritas employee is familiar with the regulations and company guidelines related to their own work and also comply with them in their work.

We offer training and educate ourselves on a continual basis. We can learn from each other every day at work. Every Veritas employee has both an opportunity and a duty to take part in training and education related to their work, including, for example, online training intended for the entire personnel and training tailored for specific groups or individuals.



In 2021, we aim to achieve the same percentage as in 2020, which means that internal training courses will be passed by all Veritas employees.

GETTING FAMILIAR WITH THE GUIDELINES AND PROCEDURES ALREADY DURING THE INDUCTION PHASE

As part of their induction, all new Veritas employees are introduced to those guidelines and procedures that concern them as Veritas employees and their own work. The entire personnel shall regularly take online courses on the principles related to compliance and the Code of Conduct. We arrange annual training sessions to maintain our employees' competence in data protection and information security.

In 2020, we provided the entire personnel with online courses concerning personal data protection as well as money laundering and terrorist financing. Training in insider regulations was provided for all those who are new insiders on a permanent basis.



DATA PROTECTION AND INFORMATION SECURITY ARE THE CORE OF GOOD GOVERNANCE

Pension companies handle personal data and other confidential information. It is vital for our operations to ensure data security and confidentiality when processing this information. We observe insurance secrecy and do not give, without permission, any information to any parties other than the individual or company in question and those entitled to receive information by virtue of the law. Only those Veritas employees who need the information for their work duties have the right to process information.

Since May 2018, the EU General Data Protection Regulation (GDPR) has been applicable to the processing of personal data. To meet the requirements of the GDPR, we have, among other things, updated our IT systems and renewed our data protection organisation and ways of operating in terms of personal data processing. This development work will continue in the future. .

OUR WAY OF OPERATING

As a pension insurance company, Veritas acts in the capacity of a controller as referred to in the GDPR and is subject to the legal obligations pertaining to controllers. The GDPR requires that we inform the registered individuals (or, data subjects) what personal information we have collected and

how the information is processed. On our website, we publish data policy statements concerning the processing of personal data as required by the GDPR. More information about processing of personal information is available at veritas.fi/en/data-protection.

The principles of data protection and information security as approved by Veritas shall be complied with in all phases of personal data processing. Our updated data protection and information security policy was approved by the Executive Group on 26 June 2020. The new log management principles were approved by the Executive Group on 25 May 2020.

The Executive Group receives regular reports on the status and development of information security and personal data processing.

Any significant changes, new threats or realised risks will be reported immediately.

NOTIFICATIONS OF PERSONAL DATA BREACHES

Veritas has an internal channel for personal data breach notifications. Any personal data breaches and the resulting risk for the individuals in question will be evaluated by our Data Protection Officer. The majority of cases in 2020 resulted in no risk as concerns the individual's rights or freedoms. In cases involving a potential or high risk, Veritas will proceed as prescribed in the GDPR.

In 2020, by virtue of the GDPR, three requests were received for a copy of personal data being processed by Veritas. Veritas responded to these requests within four weeks.

DEVELOPING GOOD GOVERNANCE AND REPORTING

The Board of Directors and Executive Group of Veritas discuss the most significant principles of responsibility policies and related development projects and decisions. Within the Executive Group, General Counsel Piia Vuoti is in charge of responsibility matters and Chief Investment Officer Kari Vatanen for responsible investment-related matters.

We communicate about our activities in terms of developing good governance, for example, on our website and in our annual reports. One goal of our corporate responsibility

GOAL 7:

WE DEVELOP REPORTING AS TO HOW WE IMPLEMENT RESPONSIBILITY IN INVESTMENT ACTIVITIES

A

PRI REPORT SCORE FOR GOOD GOVERNANCE IN 2020*

*- In 2021, our goal is to further improve good governance in relation to responsible investment. We aim to achieve the best possible score in terms of governance.

programme concerns the development of reporting as part of good governance.

OWNERSHIP STEERING

The Ownership Policy of Veritas defines our actions as an owner and our expectations for the companies in which we hold an interest. The policy was approved by the Board of Directors on 15 December 2020. The first ownership steering principles that were in line with the amended legislation concerned the year 2020.

The aim of our investment activities is to secure the long-term and sustainable funding of the earnings-related pension system. We endeavour to achieve this aim by, for example, making direct investments in companies listed in Finland or another EU state, and in

real estate entities we own fully or partly. Other equity investments (investments in non-listed companies or in companies with their domicile outside of the EU) are primarily made through investment funds.

The good management and governance of the companies we invest in will, for their part, secure the returns of investments in the long run, and therefore, we pursue to influence the companies through ownership steering.

Responsibility is an essential part of our mandate to invest pension assets in a profitable and secure manner. In our opinion, those organisations that genuinely and carefully consider the aspects of responsibility in their operations will succeed better financially and encounter less risks in the

long term. For this reason, it is important for Veritas that all our investments ensure the reliability of their governance.

ACTIVE OWNERSHIP

We want to be actively engaged as an owner and exercise long-term investment policies. For our portfolio companies, we continually monitor their strategy, financial performance, evaluation of operational risks as well as the capital structure of the company. In addition to financial performance indicators or analyses, we also evaluate the operational responsibility and corporate governance of our portfolio companies.

Especially for listed companies, we focus on compliance with the national and international best practices and recommendations. In Finland, this includes compliance with the Corporate Governance Code for listed companies, as issued by the Securities Market Association since 2015. We find it important that the companies clearly justify any deviations from the corporate governance codes. In terms of non-listed companies, we expect that the companies comply with the applicable corporate governance codes, whenever possible.

The companies we invest in shall observe good corporate governance in the selection and activities of their administrative bodies as well as the distribution of profits.

FOCUS ON DOMESTIC OWNERSHIP

Our ownership policy focuses on domestic ownership and direct influence, which we exercise, in practice, by attending shareholder meetings and by communicating with the companies' management. In the cases of indirect ownership, the investment funds are responsible for ownership steering.

We may co-operate with other shareholders and decide on joint activities, if it is deemed appropriate. We can also employ other channels of influence, such as direct contacts with the company management. The applicable methods of influence are selected on a case by case basis.

As an owner, we attend the shareholder meetings of companies listed in Finland. At shareholder meetings, we support the Board's proposals unless there is a justified cause for acting otherwise.

On our website, we publish annually a report on the implementation of our ownership policy, including the most significant voting events and our voting behaviour at the shareholder meetings of such companies listed in Finland in which we hold an interest. Reports have been published for the years 2019 and 2020.





RESPONSIBLE EMPLOYER

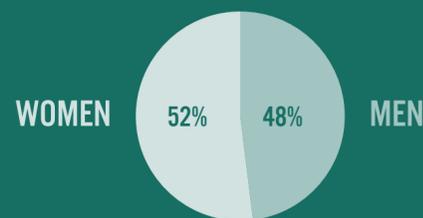
At Veritas, the basic elements of a responsible workplace are co-operation, renewal, integrity, transparency as well as flexibility and fair treatment. Thanks to our size, we can offer all employees diversified job descriptions and the opportunity to get to know their colleagues. Every Veritas employee is responsible for keeping up a good atmosphere at work, communicating openly and developing the work processes and competences.



We do our best to promote a good employee experience. The building blocks of a good employee experience include meaningful work, extensive involvement of employees, opportunities for influence, fair and equal treatment, open communication and, as the basic pillar, good leadership.

At Veritas, every employee does meaningful and diversified work as a valuable part of the Finnish pension system. We believe that it is important for every new employee to understand Veritas' operations, the pension insurance field as a whole and their own role as part of the system. We invest heavily in employee onboarding and discuss regularly our strategy and goals with personnel.

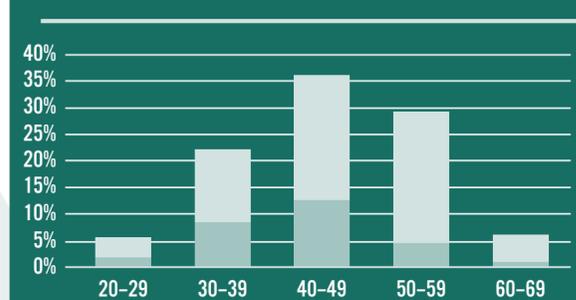
GENDER DISTRIBUTION OF THOSE IN SUPERVISORY AND MANAGERIAL POSITIONS



EQUALITY AND EQUAL OPPORTUNITIES AS THE STANDARD

At Veritas, equality and equal opportunities are a standard in our daily life: we can all boldly be ourselves. This is reflected in gender and age-related equality, in particular, and also in our bilingualism. Of our supervisors, 69 per cent are female and the share of women in all management and executive positions is 52 per cent.

AGE DISTRIBUTION OF STAFF ● WOMEN ● MEN



PERSONNEL KEY FIGURES

Average number of personnel	157
Mean age of employees, years	45.3
Female employees, %	71
Male employees, %	29
Swedish as native language, %	34
Finnish as native language, %	66
Average duration of employment relationship, years	10.3
Permanent employment relationship, %	97
Full-time, %	82
Part-time, %	18
Fixed-term employment relationships, %	3
New employment relationships	19
Ended permanent employment relationships Including retirements with pension	16 4
Exit turnover of permanent employees, %	9.9
Training days/person	2.8

Our pay system is fair and equal. Across the entire personnel, the pay is based on the demands of the particular task as well as the employee's qualifications and performance. For the classification of salary classes, we use the Hay Job Evaluation system. Our low organisation structure guarantees that there is no unnecessary hierarchy.

THE EMPLOYEE EXPERIENCE BEGINS AT RECRUITMENT

We lay the foundation for a good employee experience already when recruiting a new employee. We treat all applicants respectfully and fairly, and keep them posted about the progress of the recruitment process. We communicate openly about the various phases of recruitment and the factors underlying our decisions. All applicants are personally informed about the recruitment process, and no one is left with uncertainty.

We treat applicants with respect and endeavour to make the interviews as relaxed as possible, with a human touch. We believe that a good experience as an applicant creates a solid foundation for the new employee's commitment to Veritas.

BROAD ONBOARDING AS THE BASIS OF COMPETENCE

At Veritas, an individual induction plan is drawn up and a personal onboarding trainer appointed for each new employee.

The plan includes, in addition to the onboarding training concerning the employee's own job, also an introduction to Veritas' other functions as well as the field of earnings-related pension insurance as a whole. A personal onboarding plan will also be drawn up for those who move on to new tasks or return to work from a longer period of absence from work. The extent of the plan depends on the employee's work experience and duration of absence.

The onboarding plan draws on the courses offered within our online training environment. It is particularly important for us that both new and more experienced Veritas employees are always up to date about the regulations governing the field. During the onboarding phase, new employees have, at least, one follow-up discussion with their supervisors and, following the onboarding phase, there will be a concluding discussion.

Because of the broad and diversified job descriptions, we can offer comprehensive and holistic customer service, which is an essential aspect for us. Continual development is an integral part of our way of operating. At Veritas, every employee has the opportunity to influence one's own work, learn new and develop themselves so as to achieve the shared goals. In addition to their expertise and competence, all employees are expected to uphold their service approach and technical skills.





Every year, each employee meets with the supervisor for a motivation and competence discussion to consider future competence demands and the employee's preferences for individual development. On the basis of the discussion, a personal development plan is drawn up to ensure the adequate competence and development of the employee. A range of development methods are available, including a substitute system, job expansion and enrichment, job rotation and cross-training, as well as modern virtual training platforms.

The ever-changing operational environment, technological advancements and modern ways of working all call for new types of competence. We endeavour to develop future-proof capabilities.

EXCEPTIONAL METHODS TO MAINTAIN WELL-BEING AT WORK UNDER EXCEPTIONAL CIRCUMSTANCES

The year of the corona pandemic has brought new challenges and opportunities to working life. It has required creativity and an innovative approach to manage matters that used to be everyday routine. While our employees have almost entirely transferred to remote working, they have flexibly adopted new virtual tools and become accustomed to the new normal. The situation has also forced us, as an employer, to pay special attention to the coping and well-being of our employees.

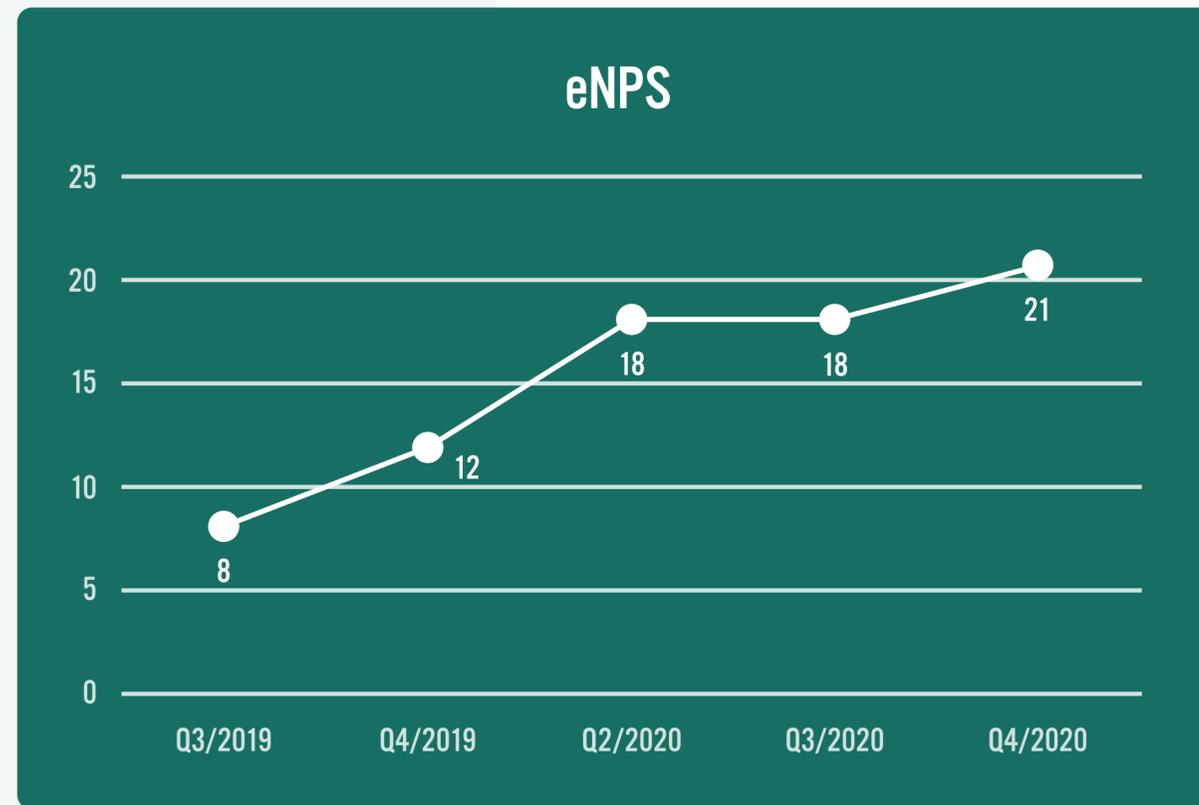
In 2020, we streamlined and added flexibility to our remote work practices so as to make the remote work routines as easy and convenient for all as possible. Our Risk Manager kept us regularly posted about the coronavirus situation, and our CEO posted his own review in the intranet every week. Supervisors contacted their team members personally, at least once a week, to hear how they are doing. According to the surveys conducted, investing in good leadership and internal communications has paid off in the form of employee satisfaction and efficiency.

Coronavirus has also urged us to consider new options for social activities. As a result, we can meet virtually for a coffee or lunch, or an exercise break.

In addition to the maintenance and promotion of the mental well-being of our personnel, we supported their physical well-being and musculoskeletal fitness and offered a new application for exercise and stretching during breaks. In addition, we encouraged those who were working remotely to go out and take a walk during the working day, and also to have walking meetings whenever possible.

Already before the coronavirus outbreak, we had endeavoured to make it easier for our employees to balance work and personal or family life by means of flexible working

hours and optional remote working. A family friendly approach is part of our corporate culture; even fathers can take their paternal leaves as paid leaves. An important part of every supervisor's work is to support the work ability of their team members and, together with them, to try to find flexible solutions to varying challenges in different phases of life.



Employee Net Promoter Score (eNPS) is a method for measuring employees' commitment and willingness to recommend their employer. The eNPS survey asks how likely an employee is to recommend Veritas as an employer. The eNPS score is calculated by deducting the percentage share of critics (ratings 0–6) from the share of promoters (ratings 9–10). The lowest possible eNPS score is thus -100 and the highest is 100. An eNPS score of higher than 0 can be considered a good outcome. If the eNPS score is over 20, the outcome is excellent.



CO-OPERATION WITH A HUMAN TOUCH

Our aim is to ensure that as many employees as possible contribute to the development of our shared work through their competence and views. In developing our operations, we have for years made use of, for example, strategy groups. The members of the strategy groups represent different functions of the organisation, with varying roles and backgrounds and work experience ranging from a few months to decades. Each and every Veritas employee thus has an opportunity to influence and contribute with their competence and personality.

In December 2020, we moved to our new headquarters at Kupittaa in Turku. During the preceding couple of years, the working group entitled INTO (In to the future office), which included Veritas employees representing different functions and roles in the organisation, had prepared for the move. The INTO group aimed at involving employees to include their views in the planning of the new headquarters. In practice, the work comprised communications, collegial encouragement, learning about different facilities, pop-up events for the entire personnel, planning and arranging workshops, analysing survey results and making compromises.

We develop co-operation across organisational borders through, for example, the

Veritas Future coaching programme. The second round of the programme was initiated in 2020. The coaching programme is open to all Veritas employees regardless of their role. The aim is to create networks, provide a deeper understanding about Veritas and the earnings-related pension system as a whole, and to offer opportunities to contribute to the implementation of Veritas' strategy.

GOAL 8:

WE CO-OPERATE AND INVOLVE OUR EMPLOYEES

92%

IN EMPLOYEE SURVEYS CONDUCTED IN 2020, A TOTAL OF 92 PER CENT OF VERITAS EMPLOYEES AGREED FULLY OR ALMOST FULLY WITH THE QUESTIONS CONCERNING THEIR ABILITY TO INFLUENCE THEIR OWN WORK AND MATTERS RELATED TO THEIR WORK COMMUNITY, AND THEIR WILLINGNESS TO WORK FOR THE SHARED GOALS.

*- We will continue to adhere to co-operation and involvement in the future (target ≥ 90%) and, in particular, pursue to develop co-operation across organisational borders..

SUPPORTING GOOD LEADERSHIP

Each employee has the right to good leadership. Leadership and supervisory work have a great impact on motivation and work ability and, thereby, on the well-being of all employees, also outside the workplace.

The year 2020 was exceptional in many respects: Veritas was undergoing a major transition in terms of our organisational culture and, at the same time, the majority of Veritas employees transferred to remote working owing to the global corona pandemic. In this situation and under the exceptional circumstances, the role of good leadership became ever more accentuated. Each supervisor had to work hard to support the work ability of their team members and, together with them, to find solutions to the challenges of the everyday life.

It is important for us that supervisors can concentrate on good leadership – the most essential of their tasks – and receive sufficient support for it. The induction of new supervisors always includes coaching in leadership skills, and all of our supervisors participate in supervisory training on a regular basis. In 2020, we tested, for the first time, online coaching to provide supervisory training for our personnel. In addition to the more traditional coaching and training, we support supervisors in their work through regular

meetings so as to facilitate open discussion on topical leadership themes while also seeking solutions to everyday issues. Moreover, we continually consider new ways to develop supervisory work.

GOAL 9:

EVERYONE HAS THE RIGHT TO GOOD LEADERSHIP

8.5

IN THE EMPLOYEE SURVEYS CONDUCTED IN 2020, THE SUPERVISORY WORK RECEIVED HIGH SCORES (AVERAGE 8.5 ON THE SCALE 1–10), WHICH IS A RESULT OF SEVERAL YEARS OF DEVELOPMENT WORK.*

*- In the future, our goal is to keep up the high scores (average ≥ 8.5) and, most of all, to reduce the standard deviation of the scores (current SD 1.2; target ≤ 1).



GRI INDEX

Reporting principles

In reporting, we have used the GRI standard (Global Reporting Initiative) as applicable. We also report on risks and opportunities related to climate change in accordance with the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).



GRI STANDARD

CONTENT

REPORTING

102 – GENERAL DISCLOSURES

Organizational profile

102-1	Name of the organization	Veritas Pension Insurance Company Ltd.
102-2	Activities, brands, products and services	Statutory earnings-related pension insurance
102-3	Location of headquarters	Lemminkäisenkatu 34, Turku, Finland
102-4	Location of operations	Finland
102-5	Ownership and legal form	A private limited company. More information in the Corporate Government Statement.
102-6	Markets and sectors served	Finland
102-7	Scale of the reporting organization	Annual report and financial statements
102-8	Information on employees and other workers	Corporate Responsibility Report, “Responsible employer”
102-9	Supply chain	Corporate Responsibility Report, “Responsibility is a part of everything we do”
102-10	Significant changes to the organization and its supply chain	No significant changes
102-11	Precautionary Principle or approach	Risk management principles
102-12	External initiatives or principles to which the organization subscribes, or which it endorses	Corporate Responsibility Report, “Responsible investment”
102-13	Membership of industry associations and advocacy organizations	Finance Finland (FA), The Finnish Pension Alliance TELA



GRI STANDARD

CONTENT

REPORTING

102 – GENERAL DISCLOSURES

Strategy

102-14

Statement from senior decision-maker

Corporate Responsibility Report, “Review of the CEO”

Ethics and integrity

102-16

Values, principles, standards and norms of behavior

veritas.fi /en > About us > Vision and strategy, Code of Conduct

Governance

102-18

Governance structure

Corporate Governance Statement, “Company management and administration”

Stakeholder engagement

102-40

List of stakeholder groups

Corporate Responsibility Report, “Responsibility is a part of everything we do”

102-41

Employees covered by collective bargaining agreements

100% of employees

102-42

Identifying and selecting stakeholders

Internal materiality analysis

102-43

Approach to stakeholder engagement

Corporate Responsibility Report, “Responsibility is a part of everything we do”

102-44

Key topics and concerns raised through stakeholder engagement

Corporate Responsibility Report, “Responsibility is a part of everything we do”



GRI STANDARD

CONTENT

REPORTING

102 – GENERAL DISCLOSURES

Reporting practice

102-45	Entities included in the consolidated financial statements	Annual report and financial statements
102-46	Defining report content and topic boundaries	Corporate Responsibility Report, “Responsibility is a part of everything we do”
102-47	List of material topics	Corporate Responsibility Report, “Responsibility is a part of everything we do”
102-48	Restatements of information given in previous reports	No changes.
102-49	Significant changes in the list of material topics and topic boundaries	This is the first Corporate Responsibility Report of Veritas, so there are no changes from previous reporting periods.
102-50	Reporting period	1.1.2020-31.12.2020
102-51	The date of the most recent previous report	This is the first Corporate Responsibility Report of Veritas. There is no previous report.
102-52	Reporting cycle	The report will be published annually.
102-53	Contact point for questions regarding the report	veritas@veritas.fi
102-54	The claim made by the organization if the report is prepared in accordance with the GRI standards	This report has been prepared in accordance with the GRI Standards level “Referenced”.
102-55	The GRI content index	Corporate Responsibility Report, “GRI index”
102-56	External assurance	The report has not been subjected to external assurance.



GRI STANDARD	CONTENT	REPORTING
103 –MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its boundary	Corporate Responsibility Report, “Responsibility is a part of everything we do”
103-2	The management approach and its components	Corporate Responsibility Report, “Review of the CEO” Corporate Responsibility Report, “Responsibility is a part of everything we do” Corporate Responsibility Report, “Good Governance” Corporate Responsibility Report, “Climate-related risks and opportunities in accordance with the TCFD”
103-3	Evaluation of the effectiveness of the management approach	Corporate Responsibility Report, “Review of the CEO” Corporate Responsibility Report, “Good governance”
200 - ECONOMIC DISCLOSURES		
Economic performance		
201-1	Direct economic value generated and distributed	Annual report and financial statements Corporate Responsibility Report, “Customers and beneficiaries”
201-2	Financial implications and other risks and opportunities posed by climate change that have potential impacts on the organization	Corporate Responsibility Report, “Responsible investment”
Indirect economic impacts		
203-2	Significant indirect economic impacts and their extent	Corporate Responsibility Report, “Customers and beneficiaries”
Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	The personnel is annually provided with training in Anti-bribery principles.



GRI STANDARD	CONTENT	REPORTING
300 – ENVIRONMENTAL DISCLOSURES		
Energia		
302-1	Energy consumption within the organization	Corporate Responsibility Report, “Responsibility within real properties”
302-4	Reduction of energy consumption	Corporate Responsibility Report, “Responsibility within real properties”
Water and emissions to water		
303-5	Water consumption	Corporate Responsibility Report, “Responsibility within real properties”
Emissions		
305-1	Direct greenhouse gas (GHG)emissions (Scope 1)	Corporate Responsibility Report, “Climate-related risks and opportunities in accordance with the TCFD” Corporate Responsibility Report, “Responsibility within real properties”
305-2	Energy indirect GHG emissions (Scope 2)	Corporate Responsibility Report, “Climate-related risks and opportunities in accordance with the TCFD” Corporate Responsibility Report, “Responsibility within real properties”
305-3	Other indirect GHG emissions (Scope 3)	Corporate Responsibility Report, “Responsibility within real properties”
305-4	GHG emissions intensity	Corporate Responsibility Report, “Climate-related risks and opportunities in accordance with the TCFD”
305-5	Reduction of GHG emissions	Corporate Responsibility Report, “Climate-related risks and opportunities in accordance with the TCFD” Corporate Responsibility Report, “Responsibility within real properties”
Waste		
306-2	Management of impacts related to waste	Corporate Responsibility Report, “Responsibility within real properties”



GRI STANDARD

CONTENT

REPORTING

400 - SOCIAL DISCLOSURES

Employment

401-1 Number of new employees hired, and employee turnover

Corporate Responsibility Report, "Responsible employer"

401-3 Parental leaves

In addition to statutory rights and those based on collective agreements, fathers are entitled to take as long a paid parental leave as mothers; also flexible arrangements are possible.

Training and education

404-1 Average hours of training per year per person

Corporate Responsibility Report, "Responsible employer"

404-2 Programs provided to upgrade employee skills, and transition assistance programs

Corporate Responsibility Report, "Responsible employer"

404-3 Percentage of total employees who received a regular performance and career development review

100 %

Diversity and equal opportunities

405-1 Diversity of governance bodies and employees

Corporate Responsibility Report, "Responsible employer"

Julkinen päätöksenteko

415-1 Political contributions

We do not support or assist political parties or politicians.