

Investment-related climate policy

Climate change is one of the most significant worldwide risks of our time. The impacts of climate change also extend to investments. For investors, climate change presents both risks and opportunities.

Our goal is to select and influence our investments so as to advance the prevention of climate change. Our long-term goal is for our investments to be in line with the Paris Agreement. The objective of the Paris Agreement is to endeavour to keep the global temperature rise well below a 2°C increase.

The purpose of this document is to outline the measures that Veritas Pension Insurance is taking to manage climate risks. These measures include:

- The analysis, monitoring and reporting of carbon risk
- The assessment, monitoring and reporting of the economic impacts of climate change
- Asserting influence on investments as a means of tackling climate change.

Analysis, monitoring and reporting of carbon risk

We monitor the carbon intensity of our investments, and our long-term objective is to ensure that our investment portfolio is in line with the Paris Agreement. Our goal is to reduce the carbon intensity of our portfolio and to increase our share of low-carbon investments. We endeavour to develop our portfolio to be carbon neutral by 2035, to the extent possible within our investment environment.

Assessment, monitoring and reporting of the economic impacts of climate change

We continuously develop our analyses and reporting on climate risks and opportunities in accordance with the TCFD (Task Force on the Climate-related Financial Disclosures) reporting framework. We endeavour to understand the economic impacts of climate change, such as physical risks and transition risks, as they relate to our investment portfolio, and we assess our investment portfolio using different scenarios. We report on the climate risks in accordance with the TCFD guidelines.

Asserting influence on investments as a means of tackling climate change

We endeavour to assert influence on our investments as a means of tackling climate change and advancing the shift towards a low-carbon economy. We encourage our investments to report in accordance with the TCFD reporting framework and the EU Taxonomy.

Objectives by asset class

Direct equity and fixed-income investments

We communicate with our portfolio companies regarding the essential risks and opportunities of climate change for each company. We examine the possible climate change-related risks and opportunities as part of our normal company analysis work.

We encourage companies to report on their environmental impacts and to set ambitious goals to reduce their environmental load and to assess their climate change-related risks in accordance with the TCFD

guidelines. We encourage companies to report openly on the carbon intensity and other environmental impacts of their activities, and in terms of listed companies, to provide commensurate reporting to investors through the CDP and TCFD guidelines.

We endeavour to favour Green Bonds as far as possible.

Investment funds

When selecting investment funds, we assess the funds in terms of responsibility issues, and climate change assessment plays an important role in this process. In terms of the responsibility rating of the funds, we consider the written guidelines of fund managers, the amount and quality of reporting as well as the consideration of risks and opportunities inherent to the selection of investments.

Our goal is for all funds in which we invest to take climate change factors into account either in a separate climate policy or as part of their overall responsibility policy. Furthermore, their responsibility policy must be integrated into their decision-making processes. Within our investment portfolio, we endeavour to increase the share of investment funds that take climate perspectives into account in their investment decisions.

Real properties

Our goal is to improve the energy efficiency and environmental friendliness of buildings, and we have been working towards this goal for nearly 20 years already. We have joined the Energy Efficiency Agreement for the real estate sector as a means of demonstrating our commitment to the responsible use of energy. The Ministry of Employment and the Economy, Ministry of the Environment, Energy Authority and RAKLI have established an Agreement on the energy efficient use of rental housing and commercial properties for the years 2017–2025. By joining this voluntary agreement, we are committed to improving the use of energy in accordance with the goals presented in the action plan.

We are actively working to reduce our carbon footprint. Our goal is for all of the real properties we own to be carbon neutral by 2030. We have undertaken to make significant energy investments as a means of reaching our goal of carbon neutrality.

The carbon dioxide emissions included in the carbon footprint are comprised primarily of the heating, cooling and electricity and water consumption of the real properties. The real estate electricity purchased by Veritas is renewable and environmentally friendly. Additionally, we have built solar power stations at three of our properties and, in the future, an increasing number of the buildings owned by Veritas will utilise electricity produced by their own solar power stations. The district heating in our properties in Turku properties is also renewable. All other properties using district heating will shift to renewable district heating as soon as the energy companies make it available.

We conduct energy assessments annually at four of our properties, and we are applying for BREEAM environmental certification for these locations. Currently, seven of our properties have this certification.

Approval of the Investment-related Climate Policy

The Board of Directors of Veritas Pension Insurance approves the Investment-related Climate Policy on an annual basis.