

Responsible investment principles

Veritas Pension Insurance contributes to the implementation of the statutory earnings-related pension scheme in Finland. As a pension insurer, we bear our share of the financial responsibility for managing the pension funds. The activities in which we invest must be professional and in keeping with the interests of our beneficiaries.

We invest pension funds in a way that is profitable, secure and responsible. We comprehensively take responsibility issues into account in all our investment activities and weigh them individually on a case by case basis. We believe that this approach will alleviate risks and increase returns in the long run. Through our actions, we endeavour to better safeguard the stability of the financial market.

Responsibility plays a vital role in all that we do. Our responsible investing activities are guided by our strategy, our investment plan and the following factors:

- Incorporation of responsibility factors in all investment decisions
- Compliance with international norms
- Ownership steering and engagement with investments
- Investment-related climate policy.

Incorporation of responsibility factors in all investment decisions

We broadly incorporate responsibility issues in all our investment activities, ensuring that we take environmental (E), societal and social (S) and governance (G) perspectives into consideration. The ESG factors vary between asset classes, so we conduct analyses using different criteria for different investments. In accordance with our views, organisations that genuinely and thoroughly consider ESG factors in their activities succeed better financially and encounter fewer risks in the long term.

The reliable management of our investments is of primary importance to us if we are to achieve a profitable and secure investment return that is in keeping with our mandate. We always ensure that our investments and our own activities are sound and in accordance with the principles of good governance.

Compliance with international norms

We undertake to comply with international norms as part of our investment activities. We consider the essential norms to be the principles of the UN's Global Compact and the separate guidelines issued by the Organisation for Economic Co-operation and Development (OECD) and International Labour Organisation (ILO). In norm violation cases, we primarily seek to influence a change to the operating methods deployed by the investment and, secondarily, to exclude the investment from our portfolio.

Ownership steering and engagement with investments

The Ownership Policy of Veritas Pension Insurance defines our actions as an owner and our expectations for the companies in which we hold an interest. We contribute to and endeavour to influence the activities of our investments whenever deemed necessary with regard to responsible ownership and whenever possible through practical means of influence, such as the extent of ownership and right to vote. As far as possible, we influence the activities of our investments and the markets, alone and through co-operation with others, whenever necessary.

Investment-related climate policy

The investment-related climate policy of Veritas Pension Insurance defines the measures the company is taking to minimise climate risks. Our long-term climate policy goal is for our investments to be in line with the Paris Agreement.

Our goal is to select and influence our investments so as to advance the prevention of climate change. At the same time, we believe that we will support beneficial innovations and sustainable growth in the long term. We endeavour to avoid investments in companies that use nonrenewable energy and carbon-intensive companies that show no intentions to make any changes for the better.

We report on climate risks in accordance with the TCFD (Task Force on Climate-related Financial Disclosures) guidelines and encourage our investments to do the same. Furthermore, we encourage our investments to report in accordance with the EU Taxonomy.

Co-operation with other investors

As far as possible, we are working collaboratively with other institutional investors on initiatives that support the development of responsible investment activities. As investors, our investment analyses rely on public information and, therefore, we advocate increased transparency and essential reporting.

We have undersigned the UN Principles for Responsible Investment (PRI). Additionally, we have undersigned the Fiduciary Duty in the 21st Century Investor Statement. We are also members of the CDP community and Climate Action 100+ initiative. In addition, we are a member of Finland's Sustainable Investment Forum (Finsif).

Approval of the Responsible Investment Principles

The Board of Directors of Veritas Pension Insurance approves the Responsible Investment Principles on an annual basis.