



## **PUBLIC TRANSPARENCY REPORT**

**2023**

**Aalto University Foundation**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| SLS 1     | CORE              | N/A          | N/A        | PUBLIC     | Senior Leadership Statement | GENERAL       |

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

The purpose of Aalto University is to shape sustainable future via research, education and positive societal impact. In line with our values, Aalto University Endowment is committed to responsible investing and is managed in a sustainable way. We believe that our goals are best achieved by integrating all financially material considerations, including sustainability, to endowment management. Successful long-term investing needs to be sustainable as unsustainable investments will ultimately fail. We believe information on sustainability is thus fundamental information that complements traditional financial information, providing a more holistic picture on the risks, return potential and broad impact of any given investment.

The main objectives of our Sustainable Investing Policy are:

- Our long-term target is a carbon neutral portfolio. An actionable, medium-term target is to reduce portfolio carbon intensity, a measure of risk related to GHG emissions, at least 30-50% by the end of 2022 compared to a global market index. Thereafter we are targeting a declining trend of carbon intensity in line with the benchmarks set in the EU Sustainable Finance Action Plan.
- All our external managers have integrated sustainability considerations into their investment process and act as active owners, as applicable.
- We continuously seek active investment strategies with positive contribution to both sustainability targets and return profile of the endowment.

The endowment invests via co-mingled funds, which means that the security selection is outsourced to external portfolio managers. Some of our goals, such as overall exposure to GHG emissions, are broad enough to be managed via top-down, endowment level choices. Others, such as physical climate risks or opportunities e.g., in green revenue or new technologies, are best implemented bottom-up by our external managers by analyzing granular, company specific information. Hence our efforts within sustainable investing are heavily focused on selecting and monitoring external managers.

The endowment invests in a range of investment strategies that use both corporate securities and other financial instruments. The exact method for sustainable investing varies by the type of investment. For example, exclusions are important in passive investment strategies while often sub-optimal for active strategies. We want our managers to continue their progress towards full ESG-integration and to act as active owners. We require transparency, good corporate governance and interest alignment from all our managers.

As an institution with a public mission, the university recognizes the importance of good governance and open communication to all external stakeholders, including our donors, funding providers and the general public. Our sustainability goals are integrated into our endowment strategy and reporting, both of which are made available publicly. Both the policy setting and reporting on progress towards these goals are covered regularly in Board and Investment Committee meetings. Implementation of the policy is the responsibility of the Head of Investments.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

The endowment made broad progress towards our sustainability objectives during the year. Many of the steps taken are not new initiatives but rather build on the work done since its inception. The carbon intensity of the endowment's public equity investments at the end of 2022 was 44% below the global market index and has declined materially since 2020. In 2022, the endowment finalized the switch of its passive listed equity exposure from traditional index funds to ESG screened index funds. In addition, we implemented a conversion of one of our largest allocations, a global equity fund, into a zero-carbon intensity fund. This is achieved by selling short the highest emitting companies within industries while controlling for other, unwanted risk exposures. We believe this approach is both advanced and effective vs. other approaches to manage the portfolio's emission risks. We aim to expand the emission risk analysis and reporting to other asset classes as data becomes available.

At the end of 2022, ESG integration is broadly applied across the funds in which the endowment is invested. Our managers are following their ESG policies with vast majority utilizing negative screening together with active engagement. Almost half of the portfolio is invested in funds that explicitly target a positive sustainability profile in their investment strategy. The most common target is carbon risk reduction.

An increasing emphasis is also on utilizing opportunities born out of the transition to a more sustainable world. This includes investments expected to both benefit from and contribute to the real economy transition on a forward-looking basis. A significant part of manager selection efforts in 2022 fell within this theme. First such fund investment was implemented in 2022 with additional allocations likely to follow in the coming years.

2022 was generally challenging for ESG and sustainability focused investments as they tend to underweight or exclude energy sector investments that clearly overperformed the market during the year. The return impact from targeting lower carbon exposure also hurt the endowment's return, but the impact was limited due to careful implementation. We aim to implement the carbon risk reduction across sectors and industries, aiming to avoid other, unwanted biases in the portfolio risk profile.

Sustainable investing was covered in regular discussions with external managers, going beyond their formal ESG reporting, into more granular investment rationale and risk considerations. Many of our counterparties are actively conducting research in these areas and have a significant role in the financial industry through their engagement. We continue to work actively with our counterparties to both learn from latest research and to provide our thoughts and feedback to their processes and engagement efforts.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

The main challenge in our sustainable investing relates to the uncertainty around the energy transition both regarding the pace and process, but also variation across sectors and countries. This risk is two-sided: the investments likely to benefit most from rapid transition are likely to suffer most should the transition stall e.g., due to political risks. Therefore, balancing climate related risk management with other considerations, such as diversification, is critical. For example, estimating the degree to which current market prices already discount risks related to high emissions is unclear. Most emission data is backward looking, available with long lags and often estimated. Forming timely, forward looking investment decisions, even though challenging, remains our focus and we will continue to develop these capabilities. This could include e.g., refining our carbon risk related goals from current carbon intensity to focus on more forward looking, carbon transition related metrics. The challenge is to have data that is valuable both for investment decision making and portfolio monitoring and reporting.

Transparency is a key area of improvement. Reported emissions data on private companies is behind public companies and is an important area for future development. Our policy covers the whole endowment portfolio, but admittedly the focus on implementation and reporting has been on the public market investments. To tackle this challenge, further analytical capabilities need to be developed to guide our investment decision making and monitoring in the private markets.

Another development area relates to evaluating and monitoring the active ownership and engagement work by our fund managers. Staying invested and actively engaging with high emitting companies that can have a credible transition path is often the preferred strategy vs. selling the shares to another investor that might not have the same sustainability considerations or ambitions. More structured monitoring of our external manager of active ownership and engagement is needed. We will also continue to follow research and make evidence-based decision regarding active ownership.

Given the progress already achieved in reducing the carbon risk of the endowment, further reductions are likely to be more gradual. Some potential new investments that are positive in terms of both sustainability targets and return profile on a forward-looking basis could include investments in higher emitting companies with ambitious emission reduction plans. Such new investments could increase our carbon footprint in the short term.

It is safe to say that reaching our long-term target of a carbon neutral portfolio will increasingly rely on the decarbonization of the whole investment universe and less on active investment decisions at the endowment.

### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Iikka Niemelä

Position

President

Organisation's Name

Aalto University Foundation

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| OO 1      | CORE              | N/A          | N/A        | PUBLIC     | Reporting year | GENERAL       |

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

|  | Date | Month | Year |
|--|------|-------|------|
| Year-end date of the 12-month period for PRI reporting purposes: | 31   | 12    | 2022 |

## SUBSIDIARY INFORMATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| OO 2      | CORE              | N/A          | OO 2.1     | PUBLIC     | Subsidiary information | GENERAL       |

Does your organisation have subsidiaries?

(A) Yes

(B) No

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------|---------------|
| OO 2.1    | CORE              | OO 2         | OO 2.2     | PUBLIC     | Subsidiary information | GENERAL       |

**Are any of your organisation's subsidiaries PRI signatories in their own right?**

- (A) Yes
- (B) No

## ASSETS UNDER MANAGEMENT

### ALL ASSET CLASSES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection        | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| OO 4      | CORE              | OO 3         | N/A        | PUBLIC     | All asset classes | GENERAL       |

**What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?**

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 1,383,086,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

## ASSET BREAKDOWN

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection      | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-----------------|---------------|
| OO 5      | CORE              | OO 3         | Multiple indicators | PUBLIC     | Asset breakdown | GENERAL       |

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

|                       | (1) Percentage of Internally managed AUM | (2) Percentage of Externally managed AUM |
|-----------------------|--|--|
| (A) Listed equity     | 0%                                       | 47.9%                                    |
| (B) Fixed income      | 0%                                       | 15.1%                                    |
| (C) Private equity    | 0%                                       | 11.7%                                    |
| (D) Real estate       | 0%                                       | 0%                                       |
| (E) Infrastructure    | 0%                                       | 0%                                       |
| (F) Hedge funds       | 0%                                       | 25.3%                                    |
| (G) Forestry          | 0%                                       | 0%                                       |
| (H) Farmland          | 0%                                       | 0%                                       |
| (I) Other             | 0%                                       | 0%                                       |
| (J) Off-balance sheet | 0%                                       | 0%                                       |

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| OO 5.1    | CORE              | OO 5         | Multiple   | PUBLIC     | Asset breakdown:<br>Externally managed assets | GENERAL       |

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

|             | (1) Listed equity | (2) Fixed income - SSA | (3) Fixed income - corporate | (4) Fixed income - securitised | (5) Fixed income - private debt |
|-------------|-------------------|------------------------|------------------------------|--------------------------------|---------------------------------|
| (A) Active  | 51.1%             | 46.3%                  | 3.5%                         | 0%                             | 46%                             |
| (B) Passive | 48.9%             | 4.2%                   | 0%                           |                                |                                 |

| Indicator | Type of indicator | Dependent on | Gateway to   | Disclosure | Subsection                                    | PRI Principle |
|-----------|-------------------|--------------|--------------|------------|---|---------------|
| OO 5.2    | CORE              | OO 5, OO 5.1 | SAM 3, SAM 8 | PUBLIC     | Asset breakdown:<br>Externally managed assets | GENERAL       |

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

|                             | (1) Segregated mandate(s) | (2) Pooled fund(s) or pooled investment(s) |
|-----------------------------|---------------------------|--|
| (A) Listed equity - active  | 0%                        | 100%                                       |
| (B) Listed equity - passive | 0%                        | 100%                                       |
| (C) Fixed income - active   | 0%                        | 100%                                       |
| (D) Fixed income - passive  | 0%                        | 100%                                       |
| (E) Private equity          | 0%                        | 100%                                       |
| (H) Hedge funds             | 0%                        | 100%                                       |

## MANAGEMENT BY PRI SIGNATORIES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                    | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------------|---------------|
| OO 6      | CORE              | OO 5         | N/A        | PUBLIC     | Management by PRI signatories | GENERAL       |

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

90%

## GEOGRAPHICAL BREAKDOWN

| Indicator | Type of indicator | Dependent on           | Gateway to | Disclosure | Subsection             | PRI Principle |
|-----------|-------------------|------------------------|------------|------------|------------------------|---------------|
| OO 7      | CORE              | Multiple, see guidance | N/A        | PUBLIC     | Geographical breakdown | GENERAL       |

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

|                                 |                |
|---------------------------------|----------------|
| (A) Listed equity               | (3) >10 to 20% |
| (B) Fixed income – SSA          | (5) >30 to 40% |
| (C) Fixed income – corporate    | (1) 0%         |
| (E) Fixed income – private debt | (1) 0%         |
| (F) Private equity              | (2) >0 to 10%  |
| (I) Hedge funds                 | (3) >10 to 20% |

## STEWARDSHIP

### STEWARDSHIP

| Indicator   | Type of indicator | Dependent on                        | Gateway to                          | Disclosure                          | Subsection                          | PRI Principle                       |
|---|-------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| OO 8  | CORE              | Multiple, see guidance              | Multiple indicators                 | PUBLIC                              | Stewardship                         | GENERAL                             |
| <b>Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?</b> |                   |                                     |                                     |                                     |                                     |                                     |
|   |                   | (1) Listed equity - active          | (2) Listed equity - passive         | (3) Fixed income - active           | (4) Fixed income - passive          | (5) Private equity                  |
|   |                   |                                     |                                     |                                     |                                     | (8) Hedge funds                     |
| (A) Yes, through internal staff   |                   | <input type="checkbox"/>            |
| (B) Yes, through service providers  |                   | <input type="checkbox"/>            |
| (C) Yes, through external managers  |                   | <input checked="" type="checkbox"/> |
| (D) We do not conduct stewardship   |                   | <input type="radio"/>               |

### STEWARDSHIP: (PROXY) VOTING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------------------|---------------|
| OO 9 HF   | CORE              | OO 5         | OO 9       | PUBLIC     | Stewardship: (Proxy) voting | GENERAL       |

**Does your organisation have direct investments in listed equity across your hedge fund strategies?**

- (A) Yes
- (B) No

| Indicator | Type of indicator | Dependent on           | Gateway to          | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|------------------------|---------------------|------------|-----------------------------|---------------|
| OO 9      | CORE              | Multiple, see guidance | Multiple indicators | PUBLIC     | Stewardship: (Proxy) voting | GENERAL       |

**Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?**

|                                      | (1) Listed equity - active          | (2) Listed equity - passive         | (3) Hedge funds                     |
|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) Yes, through internal staff      | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (B) Yes, through service providers   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (C) Yes, through external managers   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (D) We do not conduct (proxy) voting | <input type="radio"/>               | <input type="radio"/>               | <input type="radio"/>               |

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-----------------------------|---------------|
| OO 9.1    | CORE              | OO 9         | PGS 10.1,<br>PGS 31 | PUBLIC     | Stewardship: (Proxy) voting | GENERAL       |

**For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?**

**Percentage of your listed equity holdings over which you have the discretion to vote**

|                             |        |
|-----------------------------|--------|
| (A) Listed equity – active  | (1) 0% |
| (B) Listed equity - passive | (1) 0% |
| (C) Hedge funds             | (1) 0% |

# ESG INCORPORATION

## EXTERNAL MANAGER SELECTION

| Indicator  | Type of indicator | Dependent on | Gateway to                       | Disclosure   | Subsection                 | PRI Principle                    |
|--|-------------------|--------------|----------------------------------|--|----------------------------|----------------------------------|
| OO 12  | CORE              | OO 5, OO 5.1 | Multiple indicators              | PUBLIC   | External manager selection | 1                                |
| <p><b>For each externally managed asset class, does your organisation incorporate ESG factors when selecting external investment managers?</b></p> |                   |              |                                  |  |                            |                                  |
| <b>(1) Yes, we incorporate ESG factors when selecting external investment managers</b>   |                   |              |                                  | <b>(2) No, we do not incorporate ESG factors when selecting external investment managers</b> |                            |                                  |
| (A) Listed equity - active   |                   |              | <input checked="" type="radio"/> |  |                            | <input type="radio"/>            |
| (B) Listed equity - passive  |                   |              | <input checked="" type="radio"/> |  |                            | <input type="radio"/>            |
| (C) Fixed income - active  |                   |              | <input checked="" type="radio"/> |  |                            | <input type="radio"/>            |
| (D) Fixed income - passive   |                   |              | <input type="radio"/>            |  |                            | <input checked="" type="radio"/> |
| (E) Private equity   |                   |              | <input checked="" type="radio"/> |  |                            | <input type="radio"/>            |
| (H) Hedge funds  |                   |              | <input checked="" type="radio"/> |  |                            | <input type="radio"/>            |

## EXTERNAL MANAGER APPOINTMENT

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                   | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|------------------------------|---------------|
| OO 13     | CORE              | OO 5, OO 5.1 | Multiple indicators | PUBLIC     | External manager appointment | 1             |

**For each externally managed asset class, does your organisation incorporate ESG factors when appointing external investment managers?**

|                             | (1) Yes, we incorporate ESG factors when appointing external investment managers | (2) No, we do not incorporate ESG factors when appointing external investment managers |
|-----------------------------|--|--|
| (A) Listed equity - active  | <input checked="" type="radio"/>   | <input type="radio"/>  |
| (B) Listed equity - passive | <input checked="" type="radio"/>   | <input type="radio"/>  |
| (C) Fixed income - active   | <input checked="" type="radio"/>   | <input type="radio"/>  |
| (D) Fixed income - passive  | <input type="radio"/>  | <input checked="" type="radio"/>   |
| (E) Private equity          | <input checked="" type="radio"/>   | <input type="radio"/>  |
| (H) Hedge funds             | <input checked="" type="radio"/>   | <input type="radio"/>  |

## EXTERNAL MANAGER MONITORING

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                  | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-----------------------------|---------------|
| OO 14     | CORE              | OO 5, OO 5.1 | Multiple indicators | PUBLIC     | External manager monitoring | 1             |

For each externally managed asset class, does your organisation incorporate ESG factors when monitoring external investment managers?

|                             | (1) Yes, we incorporate ESG factors when monitoring external investment managers | (2) No, we do not incorporate ESG factors when monitoring external investment managers |
|-----------------------------|--|--|
| (A) Listed equity - active  | <input checked="" type="radio"/>   | <input type="radio"/>  |
| (B) Listed equity - passive | <input checked="" type="radio"/>   | <input type="radio"/>  |
| (C) Fixed income - active   | <input checked="" type="radio"/>   | <input type="radio"/>  |
| (D) Fixed income - passive  | <input type="radio"/>  | <input checked="" type="radio"/>   |
| (E) Private equity          | <input checked="" type="radio"/>   | <input type="radio"/>  |

## ESG NOT INCORPORATED

| Indicator | Type of indicator | Dependent on    | Gateway to | Disclosure | Subsection           | PRI Principle |
|-----------|-------------------|-----------------|------------|------------|----------------------|---------------|
| OO 16     | CORE              | OO 11, OO 12–14 | N/A        | PUBLIC     | ESG not incorporated | 1             |

**Describe why your organisation does not currently incorporate ESG factors into your investment decisions.**

Externally managed

(S) Fixed income – passive

These investments are developed market government bond exchange traded funds (ETFs). We have not yet found effective ways to do this and we've focused our efforts on asset classes seen as more material in our allocation.

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| OO 18     | CORE              | OO 11–14     | OO 18.1    | PUBLIC     | Labelling and marketing | 1             |

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

- (A) Yes, we market products and/or funds as ESG and/or sustainable
- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

| Indicator | Type of indicator | Dependent on        | Gateway to          | Disclosure | Subsection                        | PRI Principle |
|-----------|-------------------|---------------------|---------------------|------------|-----------------------------------|---------------|
| OO 21     | CORE              | Multiple indicators | Multiple indicators | PUBLIC     | Summary of reporting requirements | GENERAL       |

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

| Applicable modules  | (1) Mandatory to report (pre-filled based on previous responses) | (2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module | (2.2) Voluntary to report. No, I want to opt-out of reporting on the module |
|---|--|---|---|
| Policy, Governance and Strategy   | <input checked="" type="radio"/>                                 | <input type="radio"/>   | <input type="radio"/>   |
| Confidence Building Measures  | <input checked="" type="radio"/>                                 | <input type="radio"/>   | <input type="radio"/>   |
| (T) External manager selection, appointment and monitoring (SAM)<br>– listed equity - active  | <input checked="" type="radio"/>                                 | <input type="radio"/>   | <input type="radio"/>   |
| (U) External manager selection, appointment and monitoring (SAM)<br>– listed equity - passive | <input checked="" type="radio"/>                                 | <input type="radio"/>   | <input type="radio"/>   |
| (V) External manager selection, appointment and monitoring (SAM)<br>– fixed income - active   | <input checked="" type="radio"/>                                 | <input type="radio"/>   | <input type="radio"/>   |
| (X) External manager selection, appointment and monitoring (SAM)<br>– private equity          | <input checked="" type="radio"/>                                 | <input type="radio"/>   | <input type="radio"/>   |

(AA) External manager selection, appointment and monitoring (SAM)  
– hedge funds

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

| Indicator | Type of indicator | Dependent on     | Gateway to | Disclosure | Subsection        | PRI Principle |
|-----------|-------------------|------------------|------------|------------|-------------------|---------------|
| OO 31     | CORE              | Reporting status | N/A        | PUBLIC     | Report disclosure | GENERAL       |

Your organisation is in its voluntary reporting period; do you wish to make your responses available to the public?

(A) Yes, publish all responses to Core indicators and any Plus indicators that are indicated for publication  
 (B) No, keep all our responses private for this year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection        | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| OO 32     | CORE              | OO 3, OO 31  | N/A        | PUBLIC     | Report disclosure | GENERAL       |

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

(A) Publish as absolute numbers  
 (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|--|---------------|
| PGS 1     | CORE              | OO 8, OO 9   | Multiple indicators | PUBLIC     | Responsible investment policy elements | 1, 2          |

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

| Indicator | Type of indicator | Dependent on | Gateway to             | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------------------|------------|--|---------------|
| PGS 2     | CORE              | PGS 1        | Multiple, see guidance | PUBLIC     | Responsible investment policy elements | 1             |

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 3     | CORE              | PGS 1, PGS 2 | N/A        | PUBLIC     | Responsible investment policy elements | 6             |

**Which elements of your formal responsible investment policy(ies) are publicly available?**

**(A) Overall approach to responsible investment**

Add link:

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

**(B) Guidelines on environmental factors**

Add link:

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

**(C) Guidelines on social factors**

Add link:

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

**(D) Guidelines on governance factors**

Add link:

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

**(E) Guidelines on sustainability outcomes**

Add link:

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

**(J) Guidelines on exclusions**

Add link:

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

(N) Stewardship: Guidelines on engagement with other key stakeholders

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 4     | PLUS              | PGS 1        | N/A        | PUBLIC     | Responsible investment policy elements | 1 – 6         |

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

(A) Yes

Elaborate:

The purpose of Aalto University is to shape sustainable future via research, education and positive societal impact. The endowment contributes to this purpose by enabling these academic activities via its annual funding and building financial resilience. Aalto University Endowment is committed to responsible investing and is managed in a sustainable way in line with our values. We believe that our goals are best achieved by integrating all financially material considerations to endowment management, including financially material sustainability considerations.

- (B) No

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 5     | CORE              | PGS 1        | N/A        | PUBLIC     | Responsible investment policy elements | 2             |

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa

(I) Other

Specify:

Our policy is to engage actively with our external managers to evaluate their performance and development on responsible investing, incl. their stewardship activities. Our engagement focuses on our overall responsible investing policy, hence no separate stewardship guidelines are formed.

- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 7     | CORE              | OO 9         | N/A        | PUBLIC     | Responsible investment policy elements | 2             |

**Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?**

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 8     | CORE              | PGS 1        | N/A        | PUBLIC     | Responsible investment policy coverage | 1             |

**What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?**

Combined AUM coverage of all policy elements

---

|  |  |
|--|--|
| (A) Overall approach to responsible investment |  |
| (B) Guidelines on environmental factors        |  |
| (C) Guidelines on social factors               |  |
| (D) Guidelines on governance factors           |  |

(7) 100%

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| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                             | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 9     | CORE              | PGS 2        | N/A        | PUBLIC     | Responsible investment policy coverage | 1             |

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

**AUM coverage**

|   |                               |
|---|-------------------------------|
| (A) Specific guidelines on climate change | (2) for a majority of our AUM |
| (B) Specific guidelines on human rights   | (2) for a majority of our AUM |

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|----------------------------|---------------|
| PGS 11    | CORE              | N/A          | Multiple indicators | PUBLIC     | Roles and responsibilities | 1             |

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

**(A) Board members, trustees, or equivalent**  
 **(B) Senior executive-level staff, or equivalent**

Specify:

Board, President, CFO

**(C) Investment committee, or equivalent**

Specify:

Advisory Investment committee advises on investment strategy (incl. sustainable investing policy) and its implementation.

**(D) Head of department, or equivalent**

Specify department:

Head of Investments is responsible for forming strategy (incl. sustainable investing) and its implementation.

(E) None of the above bodies and roles have oversight over and accountability for responsible investment

| Indicator  | Type of indicator | Dependent on                        | Gateway to   | Disclosure | Subsection                          | PRI Principle |
|--|-------------------|-------------------------------------|--|------------|-------------------------------------|---------------|
| PGS 11.1   | CORE              | PGS 1, PGS 2, PGS 11                | N/A  | PUBLIC     | Roles and responsibilities          | 1, 2          |
| <b>Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?</b> |                   |                                     |  |            |                                     |               |
| <b>(1) Board members, trustees, or equivalent</b>  |                   |                                     | <b>(2) Senior executive-level staff, investment committee, head of department, or equivalent</b> |            |                                     |               |
| (A) Overall approach to responsible investment   |                   | <input checked="" type="checkbox"/> |  |            | <input checked="" type="checkbox"/> |               |
| (B) Guidelines on environmental, social and/or governance factors  |                   | <input checked="" type="checkbox"/> |  |            | <input checked="" type="checkbox"/> |               |
| (C) Guidelines on sustainability outcomes  |                   | <input checked="" type="checkbox"/> |  |            | <input checked="" type="checkbox"/> |               |
| (D) Specific guidelines on climate change (may be part of guidelines on environmental factors)   |                   | <input checked="" type="checkbox"/> |  |            | <input checked="" type="checkbox"/> |               |
| (E) Specific guidelines on human rights (may be part of guidelines on social factors)  |                   | <input checked="" type="checkbox"/> |  |            | <input checked="" type="checkbox"/> |               |
| (H) Guidelines on exclusions   |                   | <input checked="" type="checkbox"/> |  |            | <input checked="" type="checkbox"/> |               |
| (L) Stewardship: Guidelines on engagement with other key stakeholders  |                   | <input type="checkbox"/>            |  |            | <input type="checkbox"/>            |               |
| (N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)  |                   | <input type="radio"/>               |  |            | <input type="radio"/>               |               |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 11.2  | CORE              | N/A          | N/A        | PUBLIC     | Roles and responsibilities | 1 – 6         |

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

(A) Yes

(B) No

Explain why:

We're not active in political engagement related to our investment activities

(C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 12    | CORE              | N/A          | N/A        | PUBLIC     | Roles and responsibilities | 1             |

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

(A) Internal role(s)

Specify:

Internal investment team: selecting and monitoring external managers, setting investment policy incl. sustainable investing, reporting

(B) External investment managers, service providers, or other external partners or suppliers

Specify:

External investment managers responsible for security selection and active ownership in line with the investment strategy in question. External, independent data providers.

(C) We do not have any internal or external roles with responsibility for implementing responsible investment

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 13    | CORE              | PGS 11       | N/A        | PUBLIC     | Roles and responsibilities | 1             |

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Explain why: (Voluntary)

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                 | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------|---------------|
| PGS 14    | CORE              | PGS 11       | N/A        | PUBLIC     | Roles and responsibilities | 1             |

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation
- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

## EXTERNAL REPORTING AND DISCLOSURES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 16    | CORE              | N/A          | N/A        | PUBLIC     | External reporting and disclosures | 6             |

**What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?**

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 17    | CORE              | N/A          | N/A        | PUBLIC     | External reporting and disclosures | 6             |

**During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?**

- (A) Yes, including all governance-related recommended disclosures
- (B) Yes, including all strategy-related recommended disclosures
- (C) Yes, including all risk management-related recommended disclosures
- (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|------------------------------------|---------------|
| PGS 19    | CORE              | N/A          | N/A        | PUBLIC     | External reporting and disclosures | 6             |

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------|---------------|
| PGS 20    | CORE              | N/A          | N/A        | PUBLIC     | Capital allocation | 1             |

**Which elements do your organisation-level exclusions cover?**

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection         | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------------|---------------|
| PGS 21    | CORE              | N/A          | N/A        | PUBLIC     | Capital allocation | 1             |

### How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 22    | CORE              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity      (2) Fixed income      (3) Private equity      (6) Hedge funds

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

                      

(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---|---------------|
| PGS 24    | CORE              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Overall stewardship strategy | 2             |

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

## STEWARDSHIP: ESCALATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------------|---------------|
| PGS 36    | CORE              | OO 8, OO 9   | N/A        | PUBLIC     | Stewardship: Escalation | 2             |

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

**(1) Listed equity**

**(2) Direct listed equity holdings in hedge fund portfolios**

(A) Joining or broadening an existing collaborative engagement or creating a new one

(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal

(C) Publicly engaging the entity, e.g. signing an open letter

|   |                                     |                                     |
|---|-------------------------------------|-------------------------------------|
| (D) Voting against the re-election of one or more board directors   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (F) Divesting   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (G) Litigation  | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (H) Other   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings | <input type="radio"/>               | <input type="radio"/>               |

**(H) Other - (1) Listed equity - Specify:**

Board nominations

| Indicator | Type of indicator | Dependent on           | Gateway to | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|------------------------|------------|------------|-------------------------|---------------|
| PGS 37    | CORE              | Multiple, see guidance | N/A        | PUBLIC     | Stewardship: Escalation | 2             |

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) Joining or broadening an existing collaborative engagement or creating a new one**
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing**
- (D) Reducing exposure to the investee entity**
- (E) Divesting**
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

| Indicator | Type of indicator | Dependent on | Gateway to            | Disclosure | Subsection                                       | PRI Principle |
|-----------|-------------------|--------------|-----------------------|------------|--|---------------|
| PGS 39    | CORE              | OO 8, OO 9   | PGS 39.1,<br>PGS 39.2 | PUBLIC     | Stewardship:<br>Engagement with<br>policy makers | 2             |

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                       | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 39.1  | CORE              | PGS 39       | N/A        | PUBLIC     | Stewardship:<br>Engagement with<br>policy makers | 2             |

**During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?**

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

External managers engaged both on a standalone basis via sovereign engagement programmes and via broader groups of stakeholders such as trade associations.

- (D) We engaged policy makers on our own initiative

Describe:

External managers engaged both on a standalone basis via sovereign engagement programmes and via broader groups of stakeholders such as trade associations.

- (E) Other methods

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                                       | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--|---------------|
| PGS 39.2  | CORE              | PGS 39       | N/A        | PUBLIC     | Stewardship:<br>Engagement with<br>policy makers | 2             |

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers
- (C) **No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year**

Explain why:

Only through external managers who report on this themselves.

## CLIMATE CHANGE

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 41    | CORE              | N/A          | PGS 41.1   | PUBLIC     | Climate change | General       |

**Has your organisation identified climate-related risks and opportunities affecting your investments?**

- (A) **Yes, within our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

We are constantly developing ways to measure and identify risks and opportunities related to climate change and green transition, including information on asset pricing impacts. Risks incl. regulatory risk and risk of explicit cost on emissions. These are mitigated e.g. via reducing exposure to highest emitting companies and high risk industries. Opportunities relate to e.g. growth opportunities, favorable regulatory changes and changing customer preferences across industries for companies that contribute to greener economy. Both impact our external manager selection and monitoring. This is part of our strategic assessment of the investment portfolio which we consider as our standard planning horizon.

- (B) Yes, beyond our standard planning horizon
- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 41.1  | CORE              | PGS 41       | N/A        | PUBLIC     | Climate change | General       |

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**Ⓐ (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Sustainability is central to long-term investing, and we evaluate the alignment of our investments with the goal of a sustainable, net-zero future. These considerations are integrated in all investment decisions, as we believe that non-sustainable investments will ultimately lead to worse outcomes and is counterproductive to both the financial outcome of the investments and the transition to a sustainable future. These considerations are present in both the investment strategy and in the implementation of this strategy, i.e. selecting investments and investment products than have explicit targets e.g. on reduced carbon intensity or exposure to investments which are expected to contribute to and benefit from a green transition.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 42    | PLUS              | N/A          | N/A        | PUBLIC     | Climate change | General       |

**Which sectors are covered by your organisation's strategy addressing high-emitting sectors?**

**(A) Coal**

Describe your strategy:

Thermal coal is excluded in passive equity products, active equity managers have more discretion to engage with the companies in this specific sector or base the rationale to hold these companies on a forward looking assessment.

**(B) Gas**

**(C) Oil**

Describe your strategy:

Oil Sands producers are excluded in passive equity products, active equity managers have more discretion to engage with the companies in this specific sector or base the rationale to hold these companies on a forward looking assessment.

**(D) Utilities**

**(E) Cement**

**(F) Steel**

**(G) Aviation**

**(H) Heavy duty road**

**(I) Light duty road**

**(J) Shipping**

**(K) Aluminium**

**(L) Agriculture, forestry, fishery**

**(M) Chemicals**

**(N) Construction and buildings**

**(O) Textile and leather**

**(P) Water**

**(Q) Other**

- **(R) We do not have a strategy addressing high-emitting sectors**

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 43    | CORE              | N/A          | N/A        | PUBLIC     | Climate change | General       |

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios

**● (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees**

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 44    | CORE              | N/A          | N/A        | PUBLIC     | Climate change | General       |

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

**(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

We aim to identify climate-related risks by following academic and practitioner research and engaging actively with our counterparts. Assessing these risks is challenging and our focus is to identify risks that are i) expected to be material on whole portfolio level and ii) can be managed through our investment process. Some risks are given portfolio level goals while others are best managed by our external fund managers through their security selection process where such risks are material for the investment strategy in question.

(2) Describe how this process is integrated into your overall risk management

These risks are part of external manager selection and monitoring. We track our exposures to identified high risk areas and track our progress towards portfolio level goals set in our investment strategy. We also monitor how our external managers perform against their strategy specific KPIs.

**(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

Identified climate-risks inform our external manager selection and monitoring. This leads to a case-by-case approach where we evaluate climate related risks as part of a broader risk assessment framework of a given investment strategy. The main focus is on the carbon footprint of the endowment. The aim is to align the portfolio with the expected transition to a carbon neutral world, targeting a carbon neutral endowment in the long term. The carbon intensity of the endowment's public equity investments at the end of 2022 was 44% below global market index and has declined since 2020. This has been achieved by a combination of exclusions, active tilts and more sophisticated ways like a zero-carbon intensity fund achieved by selling short the highest emitting companies within industries while controlling for other risk exposures.

The process is constantly evolving and we aim to expand the carbon risk analysis and reporting to other asset classes as emission data becomes available. Investments with no credible transition path to a carbon neutral world have been excluded from passive investments. These are thermal coal and oil sands investments. Active managers may include such investments when in line with a credible sustainability policy which is subject to enhanced monitoring. An increasing emphasis is also on utilizing opportunities born out of the transition.

This includes investments with positive sustainability profiles and trends and positive contribution to the real economy transition on a forward-looking basis. An example of forward looking information is net-zero commitments. We track net-zero commitments made by companies according to the Science Based Targets initiatives (SBTi's) Net-Zero Standard framework.

(2) Describe how this process is integrated into your overall risk management

These risks are part of external manager selection and monitoring. We track our exposures to identified high risk areas and track our progress towards portfolio level goals set in our investment strategy. We also monitor how our external managers perform against their strategy specific KPIs.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 45    | CORE              | N/A          | N/A        | PUBLIC     | Climate change | General       |

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?**

- (A) Exposure to physical risk
- (B) Exposure to transition risk
- (C) Internal carbon price
- (D) Total carbon emissions
- (E) Weighted average carbon intensity

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

**● (3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.aalto.fi/en/aalto-university/endowment-and-investment-strategy>

- (F) Avoided emissions
- (G) Implied Temperature Rise (ITR)
- (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- (I) Proportion of assets or other business activities aligned with climate-related opportunities
- (J) Other metrics or variables
- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection     | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------|---------------|
| PGS 46    | CORE              | N/A          | N/A        | PUBLIC     | Climate change | General       |

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

(A) Scope 1 emissions

(1) Indicate whether this metric was disclosed, including the methodology

(1) Metric disclosed

(2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.aalto.fi/en/sustainability/sustainability-reports>

(B) Scope 2 emissions

(1) Indicate whether this metric was disclosed, including the methodology

(1) Metric disclosed

(2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.aalto.fi/en/sustainability/sustainability-reports>

(C) Scope 3 emissions (including financed emissions)

(D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection              | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|-------------------------|---------------|
| PGS 47    | CORE              | N/A          | Multiple indicators | PUBLIC     | Sustainability outcomes | 1, 2          |

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

(A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities  
 (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Explain why:

Identification of sustainability outcomes of our investment activities is in the making. While we have identified potential outcomes, arguing for and identifying causality between our actions and outcomes remains a challenge. This is because we invest predominantly in the public markets and via comingled funds. For example, our actions to reduce the carbon intensity of our portfolio likely have no direct impact on global GHG emissions but does impact our financial risks. The most prominent area is active ownership by our external managers where we aim to improve our monitoring and tracking over the coming years. We'll continue to follow research-based evidence on potential sustainability outcomes.

# MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

## OVERALL APPROACH

### EXTERNAL INVESTMENT MANAGERS

| Indicator   | Type of indicator                   | Dependent on                        | Gateway to                          | Disclosure                          | Subsection                          | PRI Principle                       |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| SAM 1   | CORE                                | OO 21                               | N/A                                 | PUBLIC                              | External investment managers        | 4                                   |
| <b>For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?</b> |                                     |                                     |                                     |                                     |                                     |                                     |
|   | (1) Listed equity (active)          | (2) Listed equity (passive)         | (3) Fixed income (active)           | (5) Private equity                  | (8) Hedge funds                     |                                     |
| <b>Organisation</b>   |                                     |                                     |                                     |                                     |                                     |                                     |
| (A) Commitment to and experience in responsible investment  | <input checked="" type="checkbox"/> |
| (B) Responsible investment policy(ies)  | <input checked="" type="checkbox"/> |
| (C) Governance structure and senior-level oversight and accountability  | <input type="checkbox"/>            |
| <b>People and Culture</b>   |                                     |                                     |                                     |                                     |                                     |                                     |
| (D) Adequate resourcing and incentives  | <input checked="" type="checkbox"/> |
| (E) Staff competencies and experience in responsible investment   | <input checked="" type="checkbox"/> |

## Investment Process

|  |                                     |                                     |                                     |                                     |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (F) Incorporation of material ESG factors in the investment process  | <input checked="" type="checkbox"/> |
| (G) Incorporation of risks connected to systematic sustainability issues in the investment process                                 | <input checked="" type="checkbox"/> |
| (H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment | <input checked="" type="checkbox"/> |

## Stewardship

|   |                                     |                                     |                          |                                     |                                     |
|---|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| (I) Policy(ies) or guidelines on stewardship  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (J) Policy(ies) or guidelines on (proxy) voting   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (K) Use of stewardship tools and activities   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (L) Incorporation of risks connected to systematic sustainability issues in stewardship practices | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (M) Involvement in collaborative engagement and stewardship initiatives                           | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (N) Engagement with policy makers and other non-investee stakeholders                             | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (O) Results of stewardship activities   | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |

## Performance and Reporting

|  |                                     |                                     |                                     |                                     |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (P) ESG disclosure in regular client reporting   | <input checked="" type="checkbox"/> |
| (Q) Inclusion of ESG factors in contractual agreements   | <input type="checkbox"/>            |
| (R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers | <input type="radio"/>               |

## SERVICE PROVIDERS

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection        | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------------|---------------|
| SAM 2     | CORE              | OO 21        | N/A        | PUBLIC     | Service providers | 4             |

**Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?**

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers**

## SELECTION

### RESPONSIBLE INVESTMENT PRACTICES

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                       | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|----------------------------------|---------------|
| SAM 4     | CORE              | OO 12, OO 21 | SAM 5, SAM 6, SAM 7 | PUBLIC     | Responsible investment practices | General       |

**During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?**

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year**

- (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
- (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                       | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 5     | CORE              | SAM 4        | N/A        | PUBLIC     | Responsible investment practices | 4             |

During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

#### Organisation

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

#### People and Culture

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

## Investment Process

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

## Performance and Reporting

(I) ESG disclosure in regular client reporting

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(J) Inclusion of ESG factors in contractual agreements

(K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

## STEWARDSHIP

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------|---------------|
| SAM 6     | CORE              | OO 8, SAM 4  | N/A        | PUBLIC     | Stewardship | 4             |

During the reporting year, which aspects of the stewardship approach did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

(A) The alignment of their policy(ies) or guidelines on stewardship with the investment mandate

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(B) Evidence of how they implemented their stewardship objectives, including the effectiveness of their activities

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(C) Their participation in collaborative engagements and stewardship initiatives

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(D) Details of their engagements with companies or issuers on risks connected to systematic sustainability issues

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(E) Details of their engagement activities with policy makers

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(F) Their escalation process and the escalation tools included in their policy on stewardship

(G) We did not review and evaluate any of the above aspects of the stewardship approach when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------|---------------|
| SAM 7     | CORE              | OO 9, SAM 4  | N/A        | PUBLIC     | Stewardship | 4             |

During the reporting year, which aspects of (proxy) voting did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?

(A) The alignment of their policy(ies) or guidelines on (proxy) voting with the investment mandate

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates
- (3) for a minority of our mandates

(B) Historical information on the number or percentage of general meetings at which they voted

(C) Analysis of votes cast for and against

(D) Analysis of votes cast for and against resolutions related to risks connected to systematic sustainability issues

(E) Details of their position on any controversial and high-profile votes

(F) Historical information of any resolutions on which they voted contrary to their own voting policy and the reasons why

(G) Details of all votes involving companies where the external investment manager or an affiliate has a contractual relationship or another potential conflict of interest

(H) We did not review and evaluate any of the above aspects of (proxy) voting when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

(I) Not applicable; our organisation did not select new external investment managers or allocated new mandates to existing investment managers for listed equity and/or hedge funds that hold equity.

# MONITORING

## RESPONSIBLE INVESTMENT PRACTICES

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                       | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 9     | CORE              | OO 14, OO 21 | N/A        | PUBLIC     | Responsible investment practices | 4             |

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

|                            |                             |                           |                    |                 |
|----------------------------|-----------------------------|---------------------------|--------------------|-----------------|
| (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (5) Private equity | (8) Hedge funds |
|----------------------------|-----------------------------|---------------------------|--------------------|-----------------|

### Organisation

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)

|                                     |                                     |                                     |                                     |                                     |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|

(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)

|                                     |                                     |                                     |                                     |                                     |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|

(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

|                          |                          |                          |                          |                          |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|

### People and Culture

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

---

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

---

### Investment Process

---

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

---

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

---

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)

---

### Performance and Reporting

---

|   |                                     |                                     |                                     |                                     |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)   | <input checked="" type="checkbox"/> |
| (J) Inclusion of ESG factors in contractual agreements  | <input type="checkbox"/>            |
| (K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year | <input type="radio"/>               |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                       | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 10    | PLUS              | OO 14, OO 21 | N/A        | PUBLIC     | Responsible investment practices | 1             |

**During the reporting year, which information did your organisation, or the service provider acting on your behalf, monitor for externally managed ESG passive products and strategies?**

**(1) Listed equity (passive)**

|   |                                     |
|---|-------------------------------------|
| (A) How the external investment managers applied, reviewed and verified screening criteria                                  | <input checked="" type="checkbox"/> |
| (B) How the external investment managers rebalanced the products as a result of changes in ESG rankings, ratings or indexes | <input checked="" type="checkbox"/> |
| (C) Evidence that ESG passive products and strategies meet the responsible investment criteria and process                  | <input checked="" type="checkbox"/> |
| (D) Other   | <input checked="" type="checkbox"/> |

(E) We did not monitor ESG passive products and strategies

○

(F) Not applicable; we do not invest in ESG passive products and strategies

○

**(D) Other - Specify:**

Verifying exclusion criteria with other third-party ESG data than used by the passive investment funds.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                       | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 11    | PLUS              | OO 14, OO 21 | N/A        | PUBLIC     | Responsible investment practices | 1             |

**Describe an innovative practice you adopted as part of monitoring your external investment managers' responsible investment practices in a specific asset class during the reporting year.**

Cross checking ESG mandates in the passive equity allocation with ESG data from other data provider to see nuances around the methodologies and practical implementation as well as discussing this with managers.

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                       | PRI Principle |
|-----------|-------------------|--------------|------------|------------|----------------------------------|---------------|
| SAM 12    | CORE              | OO 14, OO 21 | N/A        | PUBLIC     | Responsible investment practices | 1             |

**For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?**

|                           | (1) Listed equity (active)          | (2) Listed equity (passive)         | (3) Fixed income (active)           | (5) Private equity                  | (8) Hedge funds                     |
|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) At least annually     | <input checked="" type="checkbox"/> |
| (B) Less than once a year | <input type="checkbox"/>            |

(C) On an ad hoc basis

## STEWARDSHIP

| Indicator  | Type of indicator | Dependent on                        | Gateway to                          | Disclosure                          | Subsection                          | PRI Principle                       |
|--|-------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| SAM 13   | CORE              | OO 8, OO 21                         | N/A                                 | PUBLIC                              | Stewardship                         | 1, 2                                |
| <b>For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' stewardship practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?</b> |                   |                                     |                                     |                                     |                                     |                                     |
|  |                   | (1) Listed equity (active)          | (2) Listed equity (passive)         | (3) Fixed income (active)           | (5) Private equity                  | (8) Hedge funds                     |
| (A) Any changes in their policy(ies) or guidelines on stewardship  |                   | <input checked="" type="checkbox"/> |
| (B) The degree of implementation of their policy(ies) or guidelines on stewardship   |                   | <input type="checkbox"/>            |
| (C) How they prioritise material ESG factors   |                   | <input checked="" type="checkbox"/> |
| (D) How they prioritise risks connected to systematic sustainability issues  |                   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (E) Their investment team's level of involvement in stewardship activities   |                   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (F) Whether the results of stewardship actions were fed back into the investment process and decisions   |                   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| (G) Whether they used a variety of stewardship tools and activities to advance their stewardship priorities  |                   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

|   |                                     |                                     |                                     |                                     |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| (H) The deployment of their escalation process in cases where initial stewardship efforts were unsuccessful | <input type="checkbox"/>            |
| (I) Whether they participated in collaborative engagements and stewardship initiatives                      | <input checked="" type="checkbox"/> |
| (J) Whether they had an active role in collaborative engagements and stewardship initiatives                | <input type="checkbox"/>            |
| (K) Other   | <input type="checkbox"/>            |
| (L) We did not monitor our external investment managers' stewardship practices during the reporting year    | <input type="radio"/>               |

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection  | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-------------|---------------|
| SAM 14    | CORE              | OO 9, OO 21  | N/A        | PUBLIC     | Stewardship | 1, 2          |

**For the majority of your AUM in each asset class where (proxy) voting is delegated to external investment managers, which aspects of your external investment managers' (proxy) voting practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

|   | (1) Listed equity (active)          | (2) Listed equity (passive)         | (3) Hedge funds                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| (A) Any changes in their policy(ies) or guidelines on (proxy) voting  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| (B) Whether their (proxy) voting decisions were consistent with their stewardship priorities as stated in their policy and with their voting policy, principles and/or guidelines | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

|  |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|
| (C) Whether their (proxy) voting decisions were consistent with their stated approach on the prioritisation of risks connected to systematic sustainability issues   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (D) Whether their (proxy) voting track record was aligned with our stewardship approach and expectations   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (E) The application of their policy on securities lending and any implications for implementing their policy(ies) or guidelines on (proxy) voting (where applicable) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (F) Other  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (G) We did not monitor our external investment managers' (proxy) voting practices during the reporting year  | <input type="radio"/>    | <input type="radio"/>    | <input type="radio"/>    |

## ENGAGEMENT AND ESCALATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection                | PRI Principle |
|-----------|-------------------|--------------|------------|------------|---------------------------|---------------|
| SAM 15    | PLUS              | OO 14, OO 21 | N/A        | PUBLIC     | Engagement and escalation | 4             |

**Describe how your organisation engaged with external investment managers to improve their responsible investment practices during the reporting year.**

- Regular conversation around ESG topics in update calls
- ESG questionnaire surveying their approach and priorities regarding sustainability issues.

| Indicator  | Type of indicator | Dependent on                        | Gateway to                          | Disclosure                          | Subsection                          | PRI Principle                       |
|--|-------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| SAM 16   | CORE              | OO 14, OO 21                        | N/A                                 | PUBLIC                              | Engagement and escalation           | 4                                   |
| <b>What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?</b> |                   |                                     |                                     |                                     |                                     |                                     |
|  |                   | (1) Listed equity (active)          | (2) Listed equity (passive)         | (3) Fixed income (active)           | (5) Private equity                  | (8) Hedge funds                     |
| (A) Engagement with their investment professionals, investment committee or other representatives  |                   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (B) Notification about their placement on a watch list or relationship coming under review   |                   | <input checked="" type="checkbox"/> |
| (C) Reduction of capital allocation to the external investment managers until any concerns have been rectified   |                   | <input type="checkbox"/>            |
| (D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination  |                   | <input checked="" type="checkbox"/> |
| (E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified  |                   | <input checked="" type="checkbox"/> |
| (F) Other  |                   | <input type="checkbox"/>            |

(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring

○ ○ ○ ○ ○

## VERIFICATION

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection   | PRI Principle |
|-----------|-------------------|--------------|------------|------------|--------------|---------------|
| SAM 17    | CORE              | OO 14, OO 21 | N/A        | PUBLIC     | Verification | 1             |

**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

|                            |                             |                           |                    |                 |
|----------------------------|-----------------------------|---------------------------|--------------------|-----------------|
| (1) Listed equity (active) | (2) Listed equity (passive) | (3) Fixed income (active) | (5) Private equity | (8) Hedge funds |
|----------------------------|-----------------------------|---------------------------|--------------------|-----------------|

(A) We checked that the information reported was verified through a third-party assurance process

(B) We checked that the information reported was verified by an independent third party

(C) We checked for evidence of internal monitoring or compliance

(D) Other

(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year

**(D) Other - Specify:**

Regular holdings based screening using third-party ESG data and discussing observations with external managers.

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

| Indicator | Type of indicator | Dependent on | Gateway to          | Disclosure | Subsection                               | PRI Principle |
|-----------|-------------------|--------------|---------------------|------------|--|---------------|
| CBM 1     | CORE              | N/A          | Multiple indicators | PUBLIC     | Approach to confidence-building measures | 6             |

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (H) We did not verify the information submitted in our PRI report this reporting year

### INTERNAL REVIEW

| Indicator | Type of indicator | Dependent on | Gateway to | Disclosure | Subsection      | PRI Principle |
|-----------|-------------------|--------------|------------|------------|-----------------|---------------|
| CBM 6     | CORE              | CBM 1        | N/A        | PUBLIC     | Internal review | 6             |

#### Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year