

Sustainable investing and the promotion of environmental and social sustainability factors in the selection of insurance savings investments

Information about OP Fund Management Company Ltd's investment funds and OP Life Assurance Company Ltd's investment baskets aimed at sustainable investing and the promotion of environmental and social sustainability. The investments can be added to individual unit-linked insurance, individual capital redemption contracts, individual unit-linked insurance for businesses and individual capital redemption contracts for institutional customers.

<p>OP Funds (including OP Life Assurance Company's investment baskets) investing in companies that produce positive effects on the environment and/or society and human wellbeing.</p>	
<p>OP-Climate</p>	<p>The objective of the fund is to make sustainable investments in companies that exert a positive impact on climate change. Climate themes are considered with a holistic approach that emphasises the selection and monitoring of investment instruments and shareholder engagement. The benchmark index for the fund is the MSCI World Climate Paris Aligned index, which takes into consideration reductions in CO2 emissions in line with the Paris Agreement. The investments are focused on industries that promote environmental sustainability, including renewable energy, energy efficiency, green construction, pollution prevention, measurement and monitoring equipment, recycling, water supply and waste management. We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk category, based on data received from an external service provider.</p>
<p>OP-Clean Water</p>	<p>The objective of the fund is to make sustainable investments in companies that have a positive impact on the availability of clean water worldwide. Water themes are considered with a holistic approach that emphasises the selection and monitoring of investment instruments and shareholder engagement. The benchmark index for the fund is the S&P Global Water NTR index. The fund invests in companies that create solutions to challenges in water availability and treatment and in companies that operate within their value chains. Investments are focused on companies that promote environmental sustainability, including water infra-structure companies, water technology and materials manufacturers as well as companies that produce solutions for water pollution prevention, measurement, recycling and wastewater treatment. We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk category, based on data received from an external service provider.</p>
<p>OP-Life Forest Owner</p>	<p>The objective of the investment basket's underlying fund, the OP-Forest Owner special common fund, is to make sustainable investments and achieve measurable positive impacts on climate change, biodiversity and human well-being. The fund increases the carbon sequestration and biodiversity of forests and expands the recreational use of forests. The fund's forests serve as carbon sinks, as timber extraction does not exceed growth. Growth is improved by means of effective and timely forest management and, for example, by fertilising forests with wood ash that has no negative impacts on biodiversity. The forest also creates new carbon sinks by reforesting waste land. Bogs are restored using discretion in order to improve biodiversity and water protection. All of the fund's forests are PEFC certified, and some are also FSC certified. The forest certificates ensure sustainable forest management and the preservation of biodiversity. FSC certification also requires that 5% of a forest covered by the certificate is voluntarily excluded from any commercial use. The fund participates in climate action more broadly by leasing forest estates to wind farms. The fund offers its forests for recreational use with expanded freedom to roam by, for example, leasing hunting rights to local hunting societies and by enabling opportunities for the construction of hiking routes on land owned by the fund. The fund reports annually on the following factors: number of carbon sinks, number of certified forests, number of forests excluded from commercial use, number of leases for hunting rights, and number of leases for wind farms.</p>

OP funds (including OP Life Assurance Company's investment baskets promoting environmental and social sustainability by excluding companies that engage in business harmful to the environment and society and by selecting and placing greater weight companies that take ESG factors into consideration more effectively than benchmark companies.

<p>OP-Life Asian Index OP-Life American Index OP-Life European Index OP-Life World Index OP Life Nordic Countries Index</p>	<p>The objective of the investment basket's underlying funds (OP-Life Asian Index, OP-Life American Index, OP-Life European Index, OP-Life World Index, OP Life Nordic Countries Index) is to promote environmental and social factors by means of exclusion lists and by placing greater weight on companies with a better ESG profile. The funds do not invest in companies that have ties to the manufacture of controversial weap- ons. The funds also exclude companies that have violated international standards (UN Global Compact and OECD guidelines for multinationals) and companies that have committed very severe violations. The funds follow the MSCI ESG Universal benchmark index, which places greater weight on companies with a better ESG profile. This ESG assessment considers the improved development of a company's sustainability and the company's current ESG rating.</p>
<p>OP-Sustainable World</p>	<p>Companies that are among the best in their sector in terms of ESG issues are selected for inclusion in the fund. The fund excludes a wide range of harmful and controversial industries, including fossil fuel production and use, tobacco, alcohol, gambling, weapons, adult entertainment and nuclear energy. Neither do the funds invest in companies that are involved with child labour or corruption. We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk category based on data received from an external service provider. The fund's benchmark index does not correspond to the fund's investment policy with respect to ESG features.</p>
<p>OP-Low-carbon World</p>	<p>The fund seeks diversified equity market returns while keeping the carbon footprint at less than half that of a widely diversified global equity index. In its investments, the fund excludes companies whose production causes excessively high emissions in proportion to revenue. In addition to general exclusion rules, the fund excludes companies with business in fossil fuels or tobacco. The fund's benchmark index is the MSCI ACWI Low Carbon Leaders Net index. We monitor and report on factors such as the investments' share of green revenue, carbon intensity and ESG risk category, based on data received from an external service provider.</p>
<p>OP-Life Public Services Real Estate</p>	<p>The investment basket's underlying fund, OP Public Services Real Estate special common fund, promotes environmental and social sustainability by providing healthy and safe facilities for social use in the public and private sectors. The properties invested in offer comfortable, practical and modern work environments for the nursing, education and service sectors. A large share of the fund's buildings are made of wood. The fund also carries out conversion projects in which an existing building is given a new lifecycle and purpose. We prefer energy efficient solutions and always assess the potential for renewable energy and install production capacity if the criteria are met. In selecting investments, we place emphasis on the sustainability of the properties' location and analyse the accessibility and convertibility of the properties. By supervising construction, we ensure the quality of construction and that the buildings are long-lived and safe for users. The fund reports annually on the following factors: average energy category of new constructions, use of renewable energy in properties, amount of wood construction and new construction involving demolition, and the number of beds in nursing facilities.</p>
<p>OP-Life Rental Yield</p>	<p>The investment basket's underlying investee fund, OP-Rental Yield special common fund, promotes environmental and social sustainability by supporting sustainable urbanisation in the form of infill development and by favouring energy efficient solutions. The minimum requirement for energy efficiency is 'C'. We always assess the potential for renewable energy and install production capacity if the criteria are met. In selecting investments, we place emphasis on properties in locations that enable access to services on foot or by bicycle or public transport. The fund enables the construction of new, healthy homes and a high-quality alternative to home ownership. By supervising construction, we ensure the quality of construction and that the buildings are long-lived and safe for users. The fund reports annually on the following factors: average energy category of new constructions, use of renewable energy in properties, number of homes built in the invested properties, accessibility, and conform-ance with environmental certificates with respect to public transport.</p>