

RESPONSIBILITY FOR
CUSTOMERS

RESPONSIBILITY FOR
INVESTMENTS

RESPONSIBILITY
FOR THE PERSONNEL

OUR WAY OF
WORKING



KEVA'S RESPONSIBILITY KPIs
2021

CONTENTS

CEO's review:					
Responsibility permeates everything we do	3	Responsibility for investments	18	Our way of working	45
Recognition from external stakeholders	3	Chief Investment Officer's message	19	Ethically sound practices	45
We join in the discussion, we listen to our customers	3	Interview with the Head of Responsible Investment	22	Aiming for cost efficiency	45
Our customers are at the centre of exceptional conditions, labour shortage and health and social services reform	4	Listed equities	24	Anti-bribery and anti-corruption	46
We developed new services and provided information	4	Private equity investments	28	Political influencing	46
Strong engagement	4	Corporate bonds	29	Responsible procurements	46
Towards carbon neutrality in direct real estate investments	5	Investments in emerging market sovereign bonds	30	Risk management and contingency planning	47
Employee experience creates employer image	5	Real estate and infrastructure investments	31	Stakeholders expect development of privacy and data protection	48
Second year of corona was a burden	6	Hedge fund investments	35	Environmental impacts of the Keva building	49
Read more in our annual report	6	Collaborative engagement	35	Stakeholder dialogue strengthens confidence	50
		Engagement with the industry and memberships	38	Tax footprint	59
Our responsible mission	7	Keva's public pledges for responsible investment	38		
Responsibility for the livelihood of hundreds of thousands of Finns	7	Participation in research projects	38	GRI content	65
Keva's responsibility goals and indicators	9				
		Responsibility for the personnel	39		
Responsibility for customers	12	Change in the operating environment	39	The English translation of Keva's report complies with the Finnish convention with regard to writing figures. This means that in percentages commas rather than decimal points are used and that the separator between whole euros and eurocents is a decimal point.	
Digitalisation improves service	12	Keva ensure the wellbeing of its personnel during an exceptional period	39		
We strive to secure an uninterrupted livelihood	12	Building and experimenting with a new everyday life	40		
Influencing disability retirement	13	Fairness of employee remuneration	41		
Services and collaboration to support strategic work ability management	15	Promoting equality	41		
Customer experience and willingness to recommend of employer and employee customers	16	Building a good employee experience	42		
		Sickness absences decreased during the corona year	44		



CEO's review: RESPONSIBILITY PERMEATES EVERYTHING WE DO

I took up the helm as Keva CEO at the start of November 2021. During the time of my predecessor, Timo Kietäväinen, Keva had taken major leaps forward in determining and systematically promoting responsibility. Kietäväinen was appointed Keva CEO in 2016 and during his term of office Keva's reputation as an earnings-related pensions provider and stakeholders' perception of Keva as a reliable and responsible actor saw significant improvement.

At the latest during my predecessor's term as CEO, it became apparent that responsibility is one of the most important priorities and choices steering the activities of an earnings-related pensions provider. Our reputation and esteem depend highly on our responsibility image and vice versa.

Our customers, decision-makers, labour market parties and society as a whole expect us to act responsibly and the expectations of each stakeholder have a slightly different focus.

We have made a start on updating our strategy. Our strategy work is geared to responding to stakeholder expectations of the responsibility of an earnings-related pensions provider. Our updated strategy will steer our operations and responsibility ambitions over the next few years.

We aim to complete the update by summer 2022 and guide goal setting in future years.

Recognition from external stakeholders

Keva has been measuring the development of its own public image through research for several years now. T-Media's Reputation&Trust research carried out in Q2/2021 showed that the public at large considers Keva to be the most trusted actor in the earnings-related pensions sector. Our reputation has improved in all the dimensions researched since 2014. Respondents trust Keva's financial expertise in particular and also value the way we operate and the quality of the services we provide. On the other hand, the public at large says it knows Keva less well than the largest earnings-related pension companies.

My predecessor Timo Kietäväinen said of the Reputation&Trust research that there is still much room for improvement in strengthening trust in the entire earnings-related sector. This is best done by operating openly and by promoting transparency across the pensions industry.

We join in the discussion, we listen to our customers

As part of strengthening our image, in 2021 we published our first municipal decision-maker barometer. This survey carried out for municipal councillors and members of municipal boards helped us to raise concerns that there are insufficient applicants for all vacancies in municipalities. The barometer shows the greatest shortage to be in experts in the health and social services sector



CEO Jaakko Kiander

and education, and discussion on the future of these sectors continues.

Keva drew the attention of Finns to the important work done in the public sector to prolong careers and disability as a phenomenon through the multimedia "We take care" campaign. Almost 30,000 visitors checked out the topics on the campaign website during the year. There was also brisk discussion in social media channels.

In early autumn, we joined almost 350 participants who took part in the Finnish Innovation Fund Sitra's Reveal your skills weeks. During the weeks, Keva published the Kompassi workbook, which was originally intended for in-house use, for access by all Finns. The workbook helps everyone to make their own skills visible and was downloaded from the net several hundred times.

Our customers are at the centre of exceptional conditions, labour shortage and health and social services reform

Public sector employees have shouldered a great and heavy responsibility for the consequences of and treatment during the continued coronavirus situation, and this has been reflected in extra workload in, for example, the health and social services sectors, education and the security sector.

Changes in customer needs and the operating environment continue to drive service development and customer work at Keva. We aim to provide

information, expertise and effective services for employers and to promote capabilities to predict and prevent work ability risks.

We developed new services and provided information

During the year, we served our employee and employer customers online and by telephone. As meeting restrictions eased during the course of the autumn, we re-started customer meetings and i.a. regional network meetings in situ until we again switched back to online meetings and events as the coronavirus situation worsened towards the end of the year.

We continued to develop our digital services for employers: the Learning environment, Work ability paths game and Surveys were all given new, updated content. New instructions supported the deployment and utilisation of the Key Data online service.

Work ability management development networks continued to operate actively and the number of network members grew further. Working life development projects were funded by workplace wellbeing promotion grants totalling EUR 500,000 in organisations of various sizes across Finland.

Strong engagement

Keva is an active owner. We have outsourced a significant part of the management of our investment assets to our international network of asset

managers. We exercise ownership steering both directly through asset managers and together with other investors.

Voting at general meetings is one of the most important means of engagement. In 2021, voting coverage was almost 100%, which means more than 125,000 individual votes in around 9,000 meetings globally.

Other ways of engagement besides voting are goal-oriented engagements with investee companies and which can take years to reach the desired outcome. Last year, Keva had over 1,500 ongoing engagements with investee companies. About one-third of these engagements concerned environmental themes such as carbon emissions and other environmental impacts during a product's entire life cycle as well as sustainability reporting.

For ten years now, we have been systematically mapping asset managers' views of the development and implementation of ESG themes in the companies in which we invest. This work continues and goes deeper.

We also engage in international joint ventures where investor groups seek to influence companies. The most relevant of these are CDP, which encourages increased reporting, Climate Action 100+, which drives emissions reductions, and IIGCC, which seeks to influence governments among other things.

Towards carbon neutrality in direct real estate investments

Keva strongly supports the development path pursued by the Paris Agreement to limit the average rise in global warming to below preferably 1.5 degrees Celsius compared to pre-industrial levels. The goal is for carbon neutrality by 2050, when greenhouse gas emissions and the emissions absorbed by carbon sinks would be in balance.

In accordance with Finland's climate goals, Keva has committed to using only low-emission energy in its investment properties by 2030. Our ambition is to halve carbon dioxide emissions arising from energy use in our properties by 2025 and to reach carbon neutrality by 2030.

Since the start of our environmental programme, carbon dioxide emissions have decreased and are already more than 51% lower than the reference year of 2018. This means that we have reached our interim goal for 2025 well ahead of time. Besides energy-saving and property-specific energy production measures, procurement of renewable electricity in particular contributed to this rapid progress.

In April 2021, we entered into a 10-year agreement with Norwegian energy company Statkraft to secure the availability of carbon-neutral electricity for all our residential and business properties. The agreement includes the construction of a wind farm in Northern Ostrobothnia.

The first Keva homes were connected to ground-

source heat in Kuopio in September. Ground-source heat reduces consumption of energy purchased and increases the share of renewable energy, not to mention tenant comfort. Ground-source heat investments are also financially viable and thus help to ensure the ability to pay pensions over the long term.

Employee experience creates employer image

We believe that Keva's reputation as a workplace that attracts experts to apply for a job with us is largely and lastingly created from the reality experienced by our present employees. Reputation travels fast. This is why we summed up the employer promise that tells what you can expect when you work for Keva or come to work for us. We have also worked on the cornerstones of good leadership. These have been summed up in the heart of management of Keva employees and what each of our employees can expect of their own manager.

This work will continue during 2022, when we will reflect on the cornerstones of expert work, or what is good expert work as Keva transforms, what can be expected of colleagues and what is expected of each employee.

In 2021, we were a partner in Oikotie's Responsible Employer campaign and came third in the Finland's large employers series in the working life responsibility survey in the campaign. In the 2021 survey, the strongest principle for Responsible

Keva's reputation as an employer is largely and lastingly created from the reality experienced by our present employees.

Employer was "the meaning of work and development". In 2022, we will be one of the main partners in the campaign and hope that partnership will strengthen our responsibility image both internally and externally.

Last year, Regional Sports Federations awarded us a Finland's most active workplace" certificate for promoting employee physical activity and developing activities. In the survey, we received a full score for sports conditions. Other strengths were "the amount of support for employee physical activity" and "physical activity communication". Areas for development were "physical activity of the personnel" and "the status, management and resourcing of physical activity".

Second year of corona was a burden

The corona pandemic was a burden on work communities and Finns throughout almost all of 2021. Most Keva employees worked from home and the Management Group monitored the pandemic situation and decided protection measures on an almost weekly basis.

The pandemic speeded up a transformation of the way we work at Keva. After the summer holidays, teams and units considered their policies and procedures. Consideration was based on the goals and needs of each team or unit, whereas just a few common conditions such as tools were decided at the Keva level. We switched to hybrid working, with a mix of office and remote working in line with job requirements and employee needs, but working solely from home is not an option.

Besides burdening health safety and routines, remote working mainly greatly affected cooperation, innovation and a sense of community. We sought to compensate for everyday physical encounters by among other things providing Keva employees with an opportunity to improve their personal interaction skills by training, which included online courses, Teams discussions and videos. In addition, we organised interactive and communal virtual celebrations on May Day and at Christmas, for example. All in all, various indicators show that the personnel got through the corona year reasonably well.

Read more in our annual report

This publication, Keva's Responsibility KPIs, is Keva's responsibility report 2021. Keva's responsibility KPIs complement the financial statements and report of the Board of Directors adopted by our Board of Directors on 2 March 2022. To avoid duplication, this publication refers to statistics and other information already published in the annual report.

The information presented in Keva's responsibility KPIs publication is GRI referenced, i.e. it partially complies with the indicators in accordance with Global Reporting Initiative (GRI) guidelines. This publication has been compiled from the key responsibility topics identified in the internal materiality analysis conducted in Keva in 2017 and in the responsibility programme work determining the heart of responsibility and which ended in 2019.

Jaakko Kiander
CEO

OUR RESPONSIBLE MISSION

The purpose and mission of Keva's operations is to ensure the earnings-related pensions of public sector employees after they retire from paid employment. In addition, an earnings-related pension provider's mission includes investing the accumulated pension assets so that they can be used to partially fund pensions to be paid in years and decades to come.

Keva manages the processing of local government pension applications and payment of pensions and, together with its member organisations, is responsible for funding pensions. Funding is based on pension contributions and investment returns. In addition, Keva manages the pension applications and pension payments of those in the service of the State, Evangelical Lutheran Church, Kela, Bank of Finland and the Financial Supervisory Authority.

We carry out this mission by providing services for the use of employers to support work ability management and to prevent the risks of disability.

Keva's statutory duty is to reduce the risk of disability in the public sector. Keva supports employer customers in their work ability management and in proactive measures to prevent disability. Keva, its employer customers and the employees insured by Keva share an ambition to strengthen employee work ability, prevent the risks of disability and to support the continuation of careers.

Responsibility for the livelihood of hundreds of thousands of Finns

Keva is Finland's largest earnings-related pension provider and serves around 1,100 local government

Key figures describing Keva

	2019	2020	2021
Sum of wages and salaries of Keva member organisations, €m	18 126	18 487	19 462
Contribution income from Keva member organisations, €m	5 127	5 252	5 489
Number of insured Keva member organisation employees at 31 Dec*	544 942	541 239	560 145
Number of Keva member organisation pension recipients at 31 Dec	413 084	418 696	423 827
Keva member organisation pensions paid, €m	5 488	5 728	5 915
Investments at fair value at 31 Dec, €m	56 166	58 009	66 857
Return on investments at fair value	12,8 %	4,7 %	15,8 %
Annual real return on investments since funding started in 1988 (capital weighted)	4,0 %	4,0 %	4,4 %
Annual real return on investments since funding started in 1988 (not capital weighted)	5,2 %	5,2 %	5,5 %
Operating costs, €m	82,2	76,6	79,9
Permanent personnel at 31 Dec	513	496	485
Number of State pension recipients at 31 Dec	246 874	242 145	237 008
State pensions paid, €m**	4 761	4 857	4 879
Number of Evangelical Lutheran Church pension recipients at 31 Dec	19 469	19 509	19 573
Evangelical Lutheran Church pensions paid, €m**	212	217	223
Number of Social Insurance Institution of Finland Kela pension recipients at 31 Dec	5 942	5 958	5 965
Social Insurance Institution of Finland Kela pensions paid, €m**	105	106	108
Number of Bank of Finland pension recipients at 31 Dec			1 404
Bank of Finland pensions paid, €m**			29

* The principles of calculating the insured were updated in 2020: zero-earning insured persons not in employment or service are excluded. The reference year 2019 has been calculated retrospectively using the updated principles.

** These payments have no impact through profit and loss on Keva's financial statements. Keva began to implement Bank of Finland pensions on 1 January 2021.

employers, 584 State employer customers, 270 church organisations, the Bank of Finland and the Social Insurance Institution of Finland Kela.

Of the 1.3 million employee customers, almost 424,000 have retired from local government sectors, more than 237,000 from the State, almost 20,000 from the Evangelical Lutheran Church and about 6,000 from Keva. Bank of Finland pensions were paid to 1,400 people. Around 560,000 local government employees have Keva earnings-related pension insurance cover.

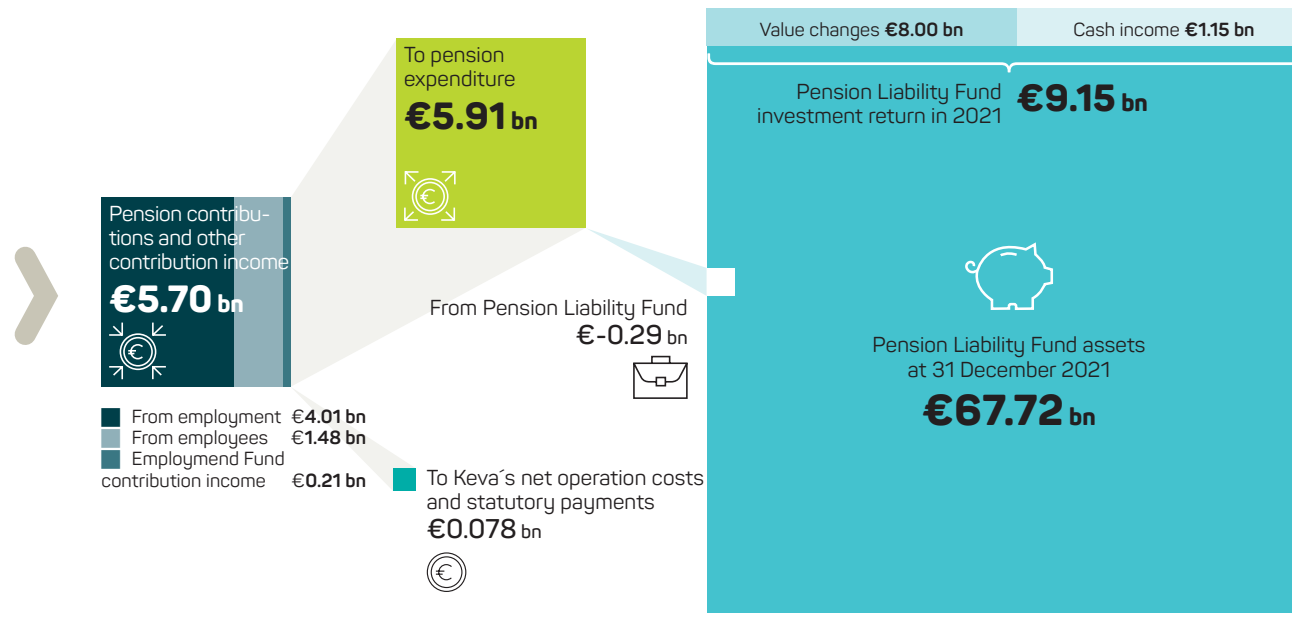
Circulation of earnings-related pension money

The majority of pensions are paid out of contributions collected from employers and employees. In 2021, around EUR 5.5 billion was collected in pension contributions from Keva member organisations, i.e. actors in the local government sector. The Employment Insurance Fund contributed around EUR 0.2 billion to pension payment.

Around EUR 5.9 billion was paid out in local government sector pensions. The gap of around EUR 0.3 billion between pension contributions and other contributions income compared to pensions paid was covered by the pension liability fund accrued from Keva's investments and returns on them.

The gap between pension contributions accrued and pensions paid will grow in coming years, and an increasing share of pensions will be paid out of pension liability fund investments and returns on them.

Circulation of earnings-related pension money of Keva's member organisations in 2021



Keva is not responsible for funding State and Church pensions and associated investment activities, which are managed by the State Pension Fund and the Church Pension Fund respectively.

More detailed information about Keva's customers can be found on pages 7–8 of the Annual Report and accrual of contributions on page 12.

Responsibility Programme guides unit activities
Keva's responsibility is achieved by actions and devel-

opment in four areas: responsibility for customers, the personnel, investments and Keva's way of working.

The Management Group adopted the Responsibility Programme in December 2019. Under the programme, the development of responsible operations takes place in Keva's units, functions and processes.

Part of implementing the strategy
The mission of Keva's strategy adopted in March

2019 is "Responsible pension provision and support for working life", and the Responsibility Programme helps to answer the question of "what Keva's responsibility means".

The programme has defined goals for 2020-2022 for each of the four areas. In addition, the programme outlines what will happen in each area of responsibility over the following couple of years. The goal is to integrate measurement of responsibility results into Keva's strategy indicators.

Units and functions are responsible

The units, functions and processes set the goals for responsible operations, make detailed plans and evaluate the actions to achieve the goals. The units also plan and budget how they will reach their goals.

The Responsibility Team coordinates the work of the units and makes initiatives for the operational planning of units, functions and processes. The Responsibility Team monitors stakeholder expectations, for example, and promotes development of the responsibility approach of Keva employees.

Keva's responsibility goals and indicators

The goals of Keva's work with responsibility are part of Keva's strategic goals and Keva's Board of Directors and Management Group use largely the same indicators to monitor implementation of the strategy and responsibility. All Keva employees can monitor almost all goals and indicators in Keva's intranet..

Keva's responsibility goals and indicators 2021

	Goal for 2021	Achieved in 2021
Responsibility for customers		
Start of disability pensions	0,83	0,85
Service level of pension decisions	91,2	94,3
Employee customer experience of ease of service	85	86
Satisfaction of employer customers with touchpoints /NPS	72	71
Responsibility for investments		
Cumulative real return on investments	4,4	6,6
Climate targets for real estate investments:		
Reduction in CO ₂ emissions		
by the end of 2025 -50%		
by the end of 2030 -100%		-51 %
Responsibility for the personnel		
Employee readiness to recommend Keva as a workplace, index eNPS	20	Not measured
Employee sickness absences	< 2,5 %	2,0 %
Our way of working		
Ratio of operating expenses to expense loading components	54,2	50,1
Reprimands received as a result of complaints	0	1
Stakeholder assessment of openness	75 %	Not measured
Data protection incidents	10	9
Energy consumption and waste at the Keva building	Below 2019 levels	Achieved

Explanation of indicators

Indicator	Direction	Explanation of indicators
Start of disability pensions	Lower, better	Number of persons retiring from service for the first time on disability pension in relation to the number of persons insured. Only insured persons in an employment or public-service employment relationship studied.
Service level of pension decisions	Higher, better	Percentage of all decisions where the processing time is less than 1 month or the decision has been given before the start of pension or the decision has been issued in less than 3 months and no later than within 30 days of the start of pension.
Employee customer experience of ease of service / CES	Higher, better	Summary of the service experience at contact points (telephone services, My Pension online service). CES (Customer Effort Score) measures the customer's effort: "How much effort did you exert to get the service you required?" Calculated weighted by transaction volumes at contact point.
Employer customer satisfaction with contact points / NPS	Higher, better	Summary of the service experience at contact points (customer visits, online service, feedback from event attendees, telephone call feedback). Measures the willingness of customers to recommend through individual service experiences. Asks on a question of 0–10 "How likely are you to recommend Keva / our services?" Calculated by subtracting the percentage (0–6) of detractors from the percentage of promoters (9–10). The result may be anything between -100 and +100. The figure is the mean of the NPS for all channels.
Cumulative real return on investments	Higher, better	The cumulative real return on investments is the difference between the nominal return on investments and inflation over the past 10 years. The nominal return on investments is calculated as the average annual return for the past ten years in each case and is divided by the effect of inflation in the corresponding period.
Environmental objectives for real estate investments	Lower, better	The climate impact or CO ₂ emissions arising from the use of energy in properties has been defined as the most significant environmental impact of real estate investments. The long-term ambition is for emission neutrality by the end of 2030. The interim goal is to halve these emissions by the end of 2025 (compared to 2018). The indicators monitored are specific emissions, kgCO ₂ /unit m ² /year, compared to the emissions level in 2018.
Personnel's willingness to recommend Keva as a workplace, eNPS	Higher, better	eNPS is calculated using the formula: the percentage (0–6) of detractors subtracted from the percentage of promoters (9–10).
Employee sickness absences	Lower, better	Trend in employee sickness absences calculated by the number of sick days as calendar days in relation to the number employees at the end of the month.
Ratio of operating expenses to expense loading components	Lower, better	The cost-effectiveness indicator is calculated in the same way as part of the ratio of operating expenses to expense loading components intended to cover a TyEL company's business costs, excl. group structure. Investment operation costs, the costs and statutory payments of maintaining work ability are not included in the share funded by the ratio of operating expenses to expense loading components. The ratio of business costs to the ratio of operating expenses to expense loading components gives the effectiveness: the lower the ratio, the more effective operations are.
Reprimands received as a result of complaints	Lower, better	The number of reprimands that the Parliamentary Ombudsman or some other regulatory authority overseeing Keva's operations has issued based on complaints made to him.
Stakeholder assessment of openness	Higher, better	The percentage of respondents in a stakeholder survey who consider that "Keva acts openly and transparently".
Data protection incidents	Lower, better	Irregularity in the processing of personal data where a data breach has occurred.
Energy consumption in the Keva building	Lower, better	Consumption of electricity and district heat in the Keva building during the year.
Waste in the Keva building	Lower, better	Amounts (kg) of biowaste, metal, glass and general waste in the Keva building during the year.

- Start of disability pensions
- Service level of Keva's pension decisions
- Employee customer experience of ease of service, CES
- Employer customer satisfaction with contact points / NPS

- Long-term return on investments
- Improvement in active ownership mechanisms
- Environmental objectives for real estate investments



KEVA'S RESPONSIBILITY



- Personnel's willingness to recommend Keva as a workplace
- Employee sickness absences

- Ratio of operating expenses to expense loading components
- Complaints received and reprimands issued as a result of them
- Stakeholder assessment of openness
- Data protection incidents
- Energy consumption and waste at the Keva building

**We ensure cost-effective intergenerational pension provision and responsible pension funding.
We develop working life to prolong careers.**

Good governance and openness guide the way we work.

**We operate sustainably and long term.
We take the living environment into account in our decision-making.**

RESPONSIBILITY FOR CUSTOMERS

Keva's customers are public sector insured employees and pension recipients as well as public sector employers. Keva ultimately exists to provide pension cover for its employee customers. The earnings-related pension provider's total customer relationship package means that Keva bears responsibility also for public sector employers and understands that prolonging careers calls for long-term work to promote work wellbeing in the public sector.

The decisions of earnings-related pension providers are based on the law and the principles of good governance. Keva's responsibility for its customers includes fair, equal and non-discriminatory treatment. In addition, Keva does its best to ensure the protection of customer data and the secure processing of pension matters.

Keva is a public actor and complies with the Act on the Openness of Government Activities. Keva supports openness and transparency in all its operations as far as possible so long as this does not compromise the data protection of the individual.

Good governance means, for example, that an employee customer is granted all the benefits to which they are entitled to at once. The customer is consulted when necessary and Keva will, on its own initiative, obtain any missing information.

Information about claims for rectification of Keva's pension decisions as well as decisions of appeal bodies can be found on pages 17 and 34 of the Annual Report.

Digitalisation improves service

Keva has expanded digital solutions in customer service: the services of the advisory robot Ilona expanded from the Keva.fi website and My Pension service to the application service side in 2021. Ilona serves in Finnish and Swedish in online services and in Swedish at keva.fi.

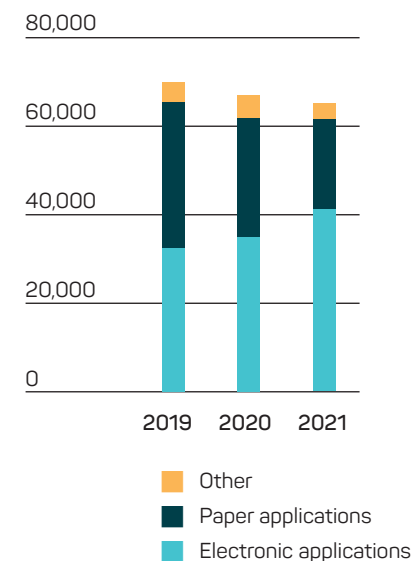
Keva seeks to provide its customers with easy, effortless interaction in everything related to pension provision. In 2021, Keva updated the My Pension online service and added to it new services such as the pension recipients' payment pages. The online pension calculator can be used to check how much pension has accrued for work done to date. Customers can use the My Pension service to apply for a pension and make changes relating to pension payments, such as changes in banking details.

Keva supports both employer work ability management and communication using digital services. The content of digital services in work ability management was diversified in 2021 and user numbers rose. Employer customer communications were made easier by developing new digital channels for interaction and employers will be able to benefit from these improvements starting in 2022.

We strive to secure an uninterrupted livelihood

The minimum old-age pension retirement age increases by three months each year. For example,

Applications received by source 2019–2021



the earliest old-age pension retirement age for persons born in 1958 is 64. The goal across the entire pensions sector is to raise the earliest old-age pension retirement age to 65 years and to influence prolonging work careers.

Continuity of livelihood requires that the register information of the pension applicant is correct and up-to-date, and that the applicant applies for a pension in good time before the planned start of the pension. Keva reminds customers to check their register information so that when applying for a pension, processing the pension is as fast as possible and there is no interruption of livelihood. At best, a customer can receive a decision on their application in less than 24 hours.

In the case of discretionary pensions and benefits, the timely application and filing of relevant information, such as medical statement B, at the same time as the application is important to ensure fast processing and continuity of livelihood.

Continuity of livelihood is monitored using Keva's service level indicator.

Increasing use of electronic service

Keva recommends applying for a pension via the My Pension online service because electronic communication speeds up application processing and ensures the continuity of livelihood. Electronic application helps the customer to complete the application correctly first time and to provide the attachments required.

The number of online applications continued to grow during 2021 and accounted for more than 57% (2020: 52%) of all applications. More than 81% (2020: 78%) of old-age pension applications and more than 92% (2020: 91%) of partial early old-age pension applications were made online. Of all disability pension applications, 36% (2020: 30%) were submitted online.

Despite the strong growth in handling matters online, Keva guarantees an opportunity to interact and receive personal advice also for persons with limited opportunities to use an e-option.

Influencing disability retirement

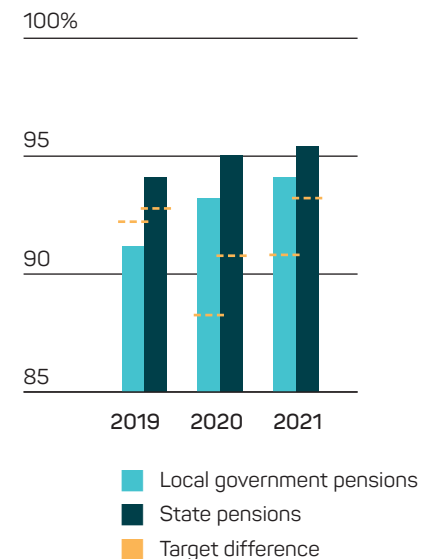
An important part of Keva's responsibility is to support the continuation of careers and efforts to prevent premature withdrawal from working life due to disability.

An employee facing disability is looking at a major life change on a human level. Not all disability retirement can be prevented. This is why there is earnings-related pension provision to ensure a livelihood also in the event of disability.

Vocational rehabilitation helps employees to continue working for longer

Keva supports both employers and employee customers in prolonging careers. Keva supports employers in the strategic management of work ability. In the case of an individual employee

Service level 2019–2021



The service level is the percentage of all decisions where the processing time is less than 1 month or the decision has been issued before the start of pension or the decision has been issued in less than 3 months and no later than within 30 days of the start of pension.

customer, solutions to diminished work ability are sought through means of work ability management.

When an employee’s ability to work has significantly diminished and workplace arrangements are no longer adequate, vocational rehabilitation can provide possibilities to continue in working life. Vocational rehabilitation methods include work try-outs and training.

Mental health issues have emerged as a significant factor threatening work ability. This is why in autumn 2021, Keva launched a pilot aimed at identifying ways to support people who are unable to work because of depression to retain a connection with working life.

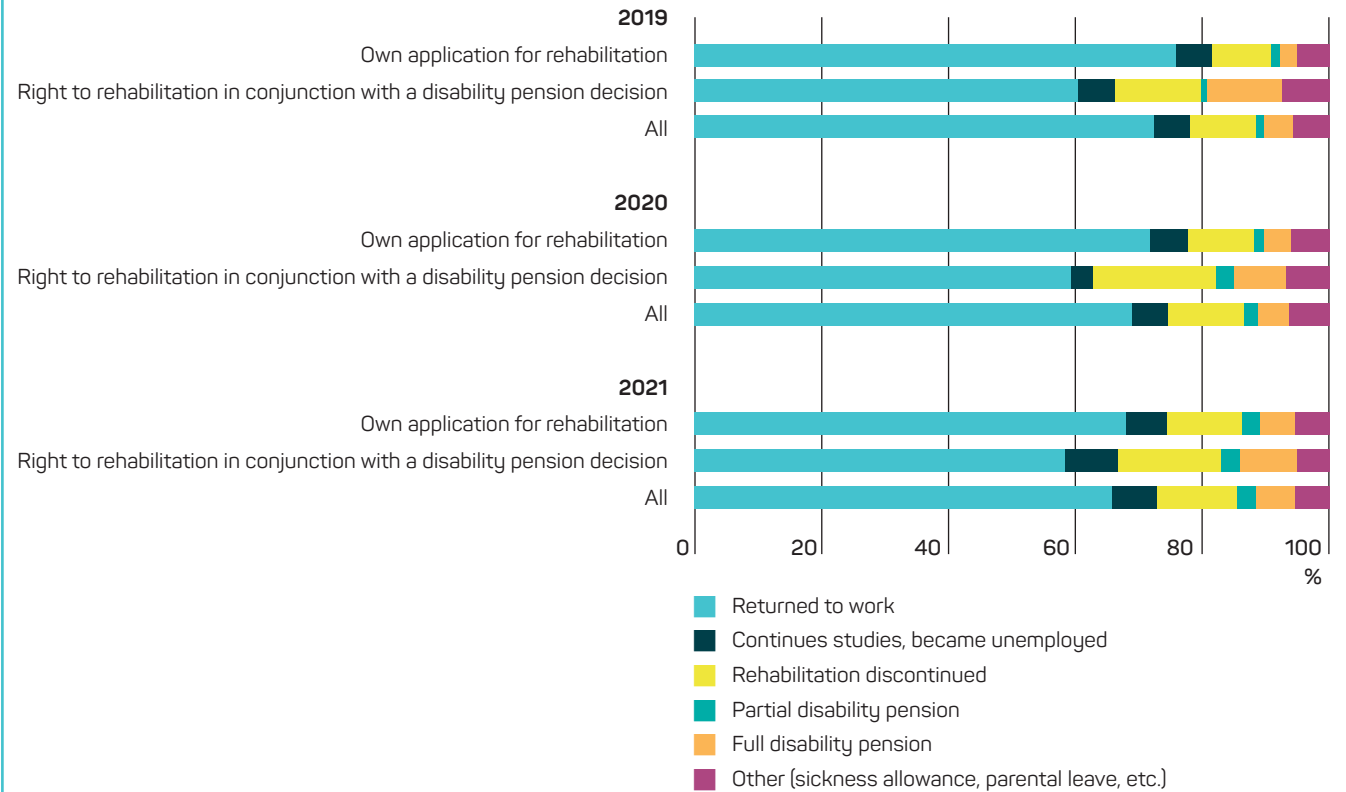
Keva helps customers to find rehabilitation plans to enable them to continue to work for as long as possible. If necessary, the help of an external service provider is available to help with the plan.

A partial disability pension may be the right alternative where the person is able to continue working by reducing their workload. If these means are insufficient, the employee’s livelihood is secured by the statutory pension provision and disability pension alternatives - partial disability pension or full disability pension – available.

Good outcomes

Compared with other earnings-related pension providers, Keva has been very successful in vocational rehabilitation. The public sector has traditionally made workplace and working time arrangements

Rehabilitated by Keva for the labour market 2019–2021



that allow employees to continue working. Employee job descriptions have been modified and relocation opportunities have been good.

Services and collaboration to support strategic work ability management

Keva provides employer customers with research-based knowledge, statistics, training and services for the long-term and proactive strengthening of work ability management. These services contribute to enabling effective strategic HR management. Successful work ability management results in an improvement in the wellbeing and productivity of work communities and lower disability costs.

Working life quality in the public sector also helps

to ensure that the future competitiveness of municipalities, local authority corporations and municipal limited liability companies, State, Church and Kela workplaces is retained going forward and that the labour shortage can be partly met by prolonging careers. In addition, improving the quality of working life improves the quality and efficiency of public service production.

Together and in networks

The corona pandemic continued to challenge Keva's customers and their operations in 2021. Keva provided its employer and employee customers alike with needs-based support and help with their challenges during the corona period. Besides corona,

other challenges facing customers included preparations for the wellbeing services counties, labour retention and availability issues, the shape of new everyday hybrid working as well as the related work ability risks and pension insurance aspects in challenging situations of change.

The earnings-related pensions provider maintained active contact and worked with customers through multi-channel communication, services to support a reduction in work ability risks and advice and guidance related to pension insurance. Key services were networks, which provided employers with an opportunity for peer learning and co-development to strengthen work ability as well as many events.



Research-based knowledge and competences

Keva supports its employer customers in work ability management through diverse digital services. The Key Data online service provides employer customers with information on the costs incurred by an organisation as a result of disability, the phenomena underlying the costs and how these costs can be impacted.

Customers can also carry out various surveys in the service for organisations to draw on in HR management development. Retirement statistics for individual employers were added to the Key Data service at the beginning of 2021. Surveys were expanded to cover supervisory work and wellbeing at work management.

The content of the digital learning environment to support effective work ability management and in 2021 the digital learning environment published six new service contents. Also, the digital Work Ability Path learning game was expanded and the content of the game was developed.

Research knowledge on public sector wellbeing at work, the costs of disability and organisations' wellbeing at work surveys were published in the Keva tutkii online tool. The research on public sector wellbeing at work published in March was carried out in cooperation with representatives of public sector labour organisations. In 2021, Keva intensified research collaboration in particular with the Finnish Institute of Occupational Health and Tampere University.

Work on active employer communication continued and employers received a monthly

summary of topical issues at Keva, Keva's services, events and trainings, research, statistics and pension contributions. Employers in the work ability management network were sent monthly information about upcoming events and topics to be discussed.

In 2021, Keva again granted a total of EUR 500,000 in workplace wellbeing promotion grants to local government sector and Evangelical Lutheran Church projects. A total of 51 applications for grants were received and support was granted to 21 organisations. The choice of projects ensured that the money was divided among organisations of different sizes, types and at different development stages in work ability management.

For more detailed information about working life services and support for continuing at work, see pages 8–10 of the Annual Report and online (in Finnish).

Customer experience and willingness to recommend of employer and employee customers

Keva continuously collects and utilises feedback about the experience of employer and employee customers of interaction with Keva. Customer satisfaction is a strategic indicator of Keva, which is also reported to Keva's Board of Directors.

Keva monitors the experience of employee and employer customers of interaction in different services. The satisfaction of employee customers

Employer customer satisfaction and readiness to recommend Keva

	2019	2020	2021
Overall assessment of Keva's operations (Percentage of respondents giving a good (4) or excellent (5) grade in the annual employer customer satisfaction survey)	75	79	80
NPS	Not comparable	63	71

Employee customer experience of ease of service

	2019*	2020	2021
CES (Customer Effort Score) % of respondents experiencing that interaction with Keva is easy 4 or 5 (scale 1–5). The result has been weighted by volumes in different interaction channels.	-	85	86

* The way of measuring employee customers has changed and no comparable data before 2020 is available.

is measured by how much effort is required to get an issue resolved, Customer Effort Score (CES), and measurement is weighted by the number of interactions in different service channels. Employer customers similarly assess different interaction situations and the Net Promoter Score (NPS) is used as the indicator.

Both CES and NPS have improved steadily in recent years. In 2021, the NPS was 71 (2020: 63) and the CES was 86 (2020: 85).

Besides continuous monitoring, a customer satisfaction survey for employers was conducted in August-September 2021. The results showed that satisfaction with Keva's operations had improved year on year. More than 80% of respondents now felt that Keva had managed to serve them well or excellently. The NPS rating also showed positive development. The survey showed that employers were very satisfied with the usefulness of services and the ease of collaboration.

Projects that received workplace wellbeing promotion grants in 2021

Municipality of Asikkala (EUR 10,000):

Asikkala wellbeing at work heroes project

Municipality of Hailuoto (EUR 15,000):

Becoming a community expert through the power of strengths

Municipality of Hollola (EUR 20,000):

Wellbeing through hybrid working

Kajaani University of Applied Sciences (EUR 40,000):

KUAS's path to achievement – building a coaching culture at a university of applied sciences

Town of Kauhajoki (EUR 20,000):

Greater wellbeing at work through cooperation across sector boundaries

Port of Kemi (EUR 10,000):

Agile development of work ability

Central Finland Health Care District (EUR 10,000):

Concern for a good, safe everyday life

Municipality of Laihia (EUR 10,000):

Implementation of working models for proactive work ability management

Town of Lapua (EUR 30,000):

Signs of working life skills – Town of Lapua model

Lapua Cathedral Parish (EUR 20 000):

Customer value through lifecycle service and a new common spark to work

Southwest Häme Municipal Education and Training Consortium (EUR 15,000):

A wellbeing expert as an organisation's resource

Diocese of Oulu (EUR 10,000):

RatKee – a solution-centred, proactive consulting project

Oulu City Theatre (EUR 30,000):

From behind the scenes to the spotlight: wellbeing at work for the theatre

Siun sote - Joint municipal authority for North Karelia social and health services (EUR 50,000):

Wellbeing siunsote employee – a critical success factor

Puro Tekstiilihuoltopalvelut Oy (EUR 10,000):

Programme to support ageing employees

Seinäjäki Parish (EUR 30,000):

Strength and joy for work through TYK work ability rehabilitation

Siun työterveys Oy (EUR 15,000):

Virtual learning environment as the developer of skills of an occupational health nurse

TeeSe Botnia Oy Ab (EUR 15,000):

Effectiveness and cost efficiency to work ability management

Helsinki-Uusimaa Regional Council (EUR 75,000):

Regional Councils: Learning and developing together

City of Vantaa (EUR 45,000):

Lasting work ability – promoting mental wellbeing services

Town of Viitasaari (EUR 20,000):

Knowledge, skill and will to support the mind

RESPONSIBILITY FOR INVESTMENTS

KeVa's responsible investment highlights in 2021



66.8

bn EUR
investment assets at 31 Dec 2021



6.6%

return on investments over 10 years
(real return excluding capital weighting)

5.5%

return on investments since funding
began in 1988 (real return without capital
weighting)



Attendance at
9,164
general meetings

99%

attendance rate at general meetings

125,125

votes cast in general meetings



1,500

goal-oriented engagement projects in
equity and corporate bond investments

489

engagement projects relating
the environment (E) theme

281

engagement projects relating
the social (S) theme

754

engagement projects relating
the governance (G) theme



-51%

in CO₂ emissions derived from energy
use in our direct real estate investments
compared to 2018

Chief Investment Officer's message

The multigenerational pension liability is the foundation for responsible investments at Keva. The return on pension assets is important for safeguarding future pensions. As a long-term investor, we assess the risks and opportunities by integrating environmental, social and governance (ESG) criteria in our investment decisions.

Responsible investment at Keva has evolved over the past twenty years from inclusion in the investment strategy by the Board of Directors to an integrated element in investment decisions and the development of expertise across the investment teams. Responsible investment is demanding work, the success of which can only be assessed in the long term.

In addition to our own investment professionals, Keva's assets are managed by a global network of asset managers to whom just over 70% of our assets have been outsourced. Our network consists of more than a hundred asset managers, each with an expertise in their own various geographies and industries. We have been carefully building this network for years and it has proved to be a successful solution. The asset manager's in-depth understanding of the investment objects and their ability to operate profitably in the long term lies at the heart of our responsible investment. Active dialogue with the asset managers allows us to systematically ensure that Keva's long-term interests are carried out and

to continuously educate ourselves in the area of responsible investment.

For a decade now, we have been systematically surveying the views of asset managers in our portfolio on the development and implementation of ESG themes of our investments. The survey has expanded and deepened every year and helped us focus on relevant issues for our portfolio as well as understand the often highly complex phenomena underlying investment decisions.

Active ownership requires engagement

As a signatory to the UN Principles for Responsible Investment (PRI), Keva is committed to integrating ESG criteria in the investment process and exercising active ownership.

Our goal is to promote the sustainability of the investee companies by engaging actively with them in different ways.

Regular contact and discussions with the asset managers form a comprehensive and practical way to influence both the investee company and the asset manager. In fund investments engagement can also take place through advisory committees (LPAC).

The equity owner is in the best position to engage with a company. This is a way to take a stand on strategic decisions such as the election of board members.

Active ownership is carried out both directly by our asset managers and in collaboration with other



CIO Ari Huotari

investors. Voting at general meetings is one of the most important means of engagement. In 2021, voting coverage was nearly 100%, which means more than 125,000 individual votes in approximately 9,000 meetings globally.

In addition to voting, Keva has carried out goal-oriented engagements with investee companies. These engagements can occasionally take years to reach the desired outcome. In 2021 Keva had over 1500 ongoing engagements with investee companies. About one-third of these engagements concerned environmental themes such as carbon emissions and other environmental impacts during a product's entire life cycle as well as sustainability reporting

Keva has sought to collaborate engagement efforts with other investors in a number of projects, where investor groups seek to influence companies. The most relevant of these are CDP, which encourages increased reporting, Climate Action 100+, which drives emissions reductions, and IIGCC, which seeks to influence governments among other things.

Climate change constitutes a challenge for investors

In 2021, Keva formed our investment beliefs on climate change. In them we outline that Keva is a strong supporter of an orderly transition in line with

the Paris Agreement to limit global warming preferably to below 1.5 degrees Celsius, compared to pre-industrial levels. Signatory countries aim for a climate-neutral world, where greenhouse gas emissions and carbon sinks are in balance by mid-century to achieve this long-term temperature goal.

According to scientific data, the uncontrolled progress of climate change will endanger the growth of the global economy. Climate change may be a risk that an investor cannot mitigate with increased diversification or by disposing of individual investments.

The potential speed and scale of climate change may in many ways affect the operational environment of corporations and industries. Entire industries can be revalued due to e.g., emissions, and may highlight the divide between the winner and loser companies.

In 2021, we carried out a climate scenario analysis for our investment portfolio. Its most important contribution was an understanding of how climate science can be linked to investment through scenarios in a way that harmonises assumptions about climate change and its impacts and mitigation. In climate scenario modelling our intention is to seek to expand the strategic asset-class level scenario modelling with a climate dimension.

Keva seeks to be aware of the improving

methodologies for analysing climate change to make well-founded investment decisions considering climate change in the future. Keva is committed to continually developing the analysis of climate change, tools, indicators, and understanding of the opportunities and risks of climate change for our investments. In Keva's opinion, climate change will represent both investment opportunities and risks in the long term.

Our systematic work continues

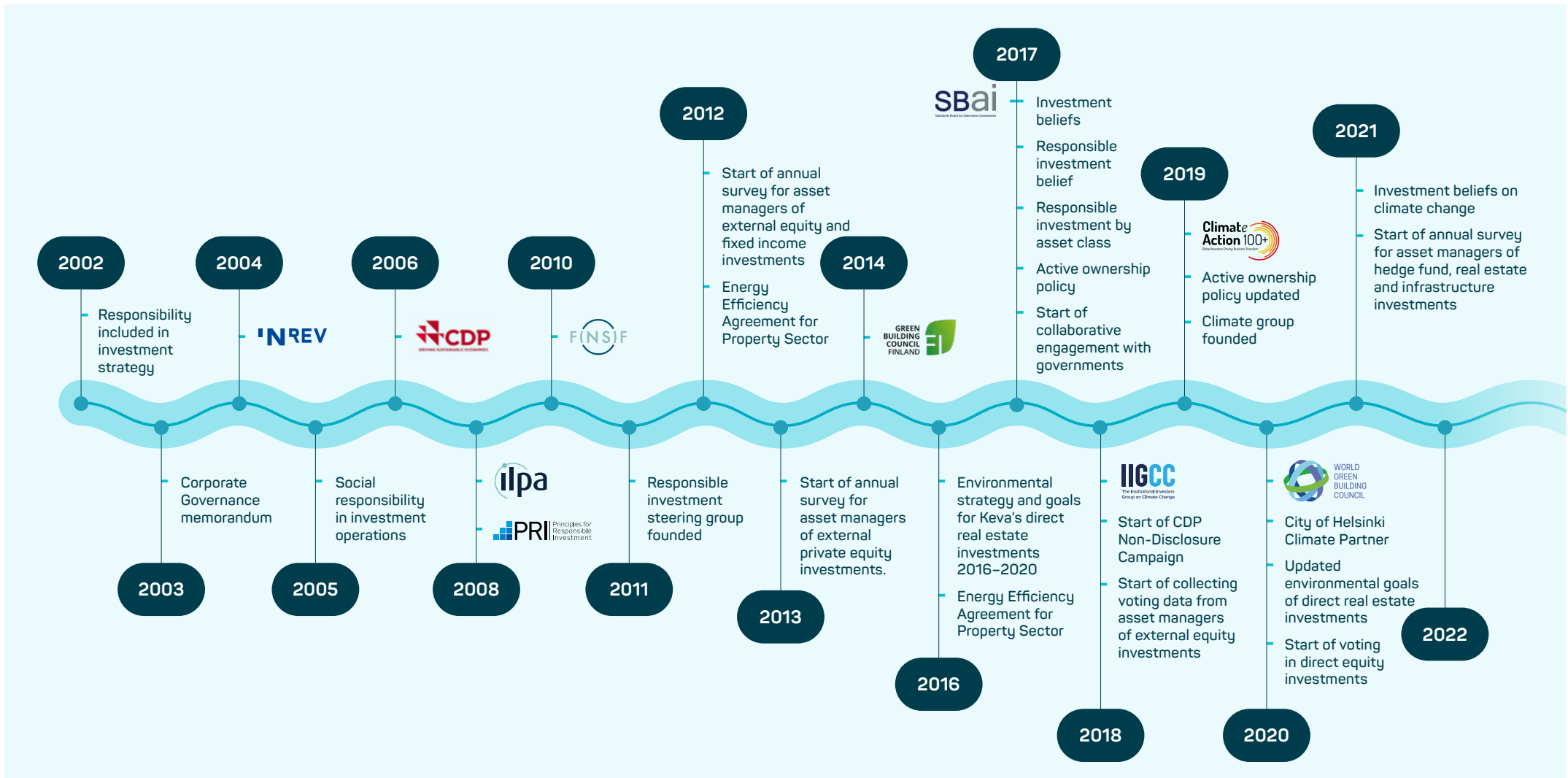
We are constantly aspiring to better understand the different aspects of responsible investments and how they are developing.

The annual survey for our asset managers has become a key source of information for Keva. Analysing the results and discussing them with our asset managers continues and enables a deeper understanding of different themes.

As we are developing our processes, emphasis is placed on enhancing reporting and the flow of information. Improving the quality of data used in investment decisions is a common challenge in the industry.

The regulation of responsible investment is constantly evolving and we monitor its global development with our asset managers.

Progress in responsible investment at Keva



Interview with Kirsi Keskitalo, Head of Responsible Investment: Identifying relevant information is a challenge within responsible investment

Investment decision-making requires screening a large amount of data and the ability to focus on information relevant to your objective. Within the constantly increasing field of ESG information the challenge is the same.

Kirsi Keskitalo, Head of Responsible Investment at Keva, says that the challenge is applying the large amount of the latest international data from different sectors to the investment process. This requires our investment professionals to continuously develop and educate themselves in the field of ESG. For our investment professionals to be able to focus on relevant issues requires an effective work- and information flow within the organisation.

The Responsible Investment Steering Group drives the practical development of responsible investing at Keva. The Steering Group is composed of a representative from each of Keva's investment teams and Kirsi Keskitalo acts the convener of the Group.

– We actively monitor the international development of responsible investment and provide relevant information for the use of our investment professionals. The group makes development proposals to investment teams and to the Chief Investment Officer, distributes information internally, and prepares and presents questions relating to responsible investing to the Chief

Investment Officer for decisions, Keskitalo says.

Kirsi Keskitalo heads the responsible investment research and coordination team at Keva. The team supports the investment teams in their projects related to ESG and brings to their attention the latest developments in the industry. The team is also responsible for the annual ESG survey of Keva's more than 100 asset managers in cooperation with the investment teams.

The team is also responsible for the exclusion process at Keva. Keva excludes investments in companies that manufacture so-called controversial weapons prohibited under international agreements from its listed equity and corporate bond investments, including assets managed by external asset managers. Excluded weapons include nuclear weapons, cluster bombs, land mines, and biological and chemical weapons.

– The aim is to ensure that excluded investee companies are neither purchased nor owned. The screening is done biannually and its implementation is systematically monitored. At year-end 2021, Keva excluded 51 equity investments and 69 corporate bond investments, Keskitalo says.

We also monitor the implementation of international norms in the companies we invest in. Keva obtains regularly reports on norm violations for the companies held in the portfolio. For direct investments, we have outlined a process where the primary aim is to engage with the company where norm violations are found.

The norms-based screening covers 50% of Keva's total investment portfolio. The coverage of norms-



Head of Responsible Investment Kirsi Keskitalo

based screening is 97% in listed equity investments and 54% in corporate bonds.

The assessment of climate impact is evolving

The means used to assess the effects of climate change on investment portfolios are constantly developing. Still, it proves a challenge to analyse the long-term impacts of climate change for a global investor like Keva, with thousands of investments.

– A forward-looking analysis of the economic effects of climate change relies on a multitude of assumptions spanning decades into the future. The assumptions entail, among others, how different scenarios for climate change and their effects channel through to socio-economic pathways, how corporations change during the period in question, as well as pricing of financial assets and emissions, to name a few, Keskitalo explains.

Some companies providing solutions to climate change may prove successful, whereas others may fail and be replaced. Some of today's perceived losers may become winners in the long term. The different outcomes and their interaction are not a foregone conclusion as the changes may simultaneously impact a corporation or industry positively and negatively.

- The effects of climate change will ultimately unfold to the investor as asset value changes, Keskitalo says.

According to Keskitalo, investors carry a great deal of responsibility in assessing the credibility of the methods used, whether it concerns data comprehensiveness, calculation methodologies, or various analysis provided by service providers. The phenomenon can appear very different depending on the method used. As time passes, the outcome may change, although the same method is used. Relying solely on one approach can prove precarious, favouring several calculation methods.

Learning from climate scenario analysis

Scenario analysis on the climate is used to illustrate different future outcomes for climate risk and to better understand climate risk in the portfolio over long time periods. The scenarios provide projections of so-called socio-economic pathways in different warming scenarios over the following decades, even a hundred years.

- Climate scenarios require making assumptions on factors that are often subject to considerable

uncertainty, such as climate models, expected technological progress and potential regulatory changes as well as consumer reactions. The scenarios result in a number of potential development paths which are used to assess the impact at the individual company level. Climate scenarios are, however, not predictions of the future and do not assign probabilities on the development paths, Keskitalo reminds us.

Interpreting the scenario analysis is challenging due to the large number of assumptions, as well as the issues related to data coverage and quality, and modelling. Different scenario models have been found to generate even conflicting end results.

- Last year, we commissioned climate scenario modelling of our investments. Our aim was to obtain information about the impacts of climate change as well as an understanding of how climate analysis can be done today. The analysis included both the physical risks of climate change – rising sea levels and extreme weather – as well as the risks relating to the transition to a low-carbon society.

- However, we faced challenges related to the usefulness of the information, Kirsi Keskitalo adds.

Keva formed an internal climate group in 2019 with representatives from portfolio management, the strategy team, and the responsible investment team to keep ourselves aware of new research.

- The climate group's primary purpose is to increase knowledge on investment-related research on climate change and share best practices. In 2019,

we initiated a project to produce a climate scenario analysis of our investment portfolio. We had extensive carbon intensity data and tools, but they were not a good fit for the forward-looking scenario modelling and were thus inadequate in content to be used.

In 2022, the climate group will focus on strengthening expertise in the technologies needed to mitigate climate change. These include new technologies needed for the energy transition.

We rely also on our asset managers expertise and networks when learning about climate issues. In addition to the regular discussions and deeper understanding brought by our annual survey, we regularly attend for example, the company meetings and seminars with our asset managers. In 2021, Keva's investment professionals representing different teams participated in a training on climate change organised by one of our asset managers in cooperation with Columbia University.

Keskitalo highlights the importance of an investment professional's review of their own approach as one of the main challenges in responsible investments at the moment. It is particularly important in responsible investment to have a long term horizon.

- Corporations have, through time, been founded and evolved to provide solutions for the individual's and society's challenges. This will continue in the future. It is imperative for an investor to look past the daily headlines and look for longer term solutions, Kirsi Keskitalo says.

Listed equities

Keva's listed equity investment programme offers a diversified exposure to the global stock market. At year-end 2021, the portfolio was valued at EUR 26.7 billion, comprising a total of 46 separate investment strategies and around 7,000 stocks. External asset managers manage a significant part of the portfolio.

Shareholders often have the best possibilities to influence a company's operations. The most important ways of implementing responsible investment are voting in annual general meetings, targeted discussions with corporate management and ESG analysis incorporated into the investment process.

Voting in general meetings

In 2021, Keva voted in more than 9,000 general meetings globally. This equates to a participation rate of 99%. Keva voted on more than 125,000 proposals of which 79% were in favour, 16% against and in 2% of the votes Keva abstained or did not vote on an individual proposal.

The annual ESG survey and goal-oriented engagements

Besides voting, we use discussions and other contact to engage with companies in which we invest. Our asset managers have an important role to play in this.

In 2021, our asset managers performed around 1,300 goal-oriented engagements targeting some 800 companies, according to our annual ESG survey. The key themes raised at the overall portfolio level

were carbon dioxide emissions (reporting, net-zero goals, and actions to reduce emissions), the independence and diversity of the company's Board of Directors and the development of sustainability reporting. Compared to earlier years, themes related to the environment in particular increased.

The results are based on Keva's annual ESG survey to our internal investment teams and external asset managers. The figures relate to the reported engagements.

CASE

Engagement is not solely about questioning poor decisions or pinpointing mistakes. One of the asset managers of our sustainability portfolio defines engagement as follows: "An exceptional company is not a perfect company however, and we view our role as crucial in helping to steer companies to make good decisions over the long term."

There are regional differences in engagement themes. Globally, and especially in the developing markets, carbon dioxide emissions emerged as the main topic of engagement. In Japan, it was the development of general sustainability reporting and in Europe and the United States governance issues.

CASE

One of our managers investing in Chinese equities suggested to a household tissue manufacturer that it could partly replace virgin pulp with recycled raw

material. This would reduce carbon dioxide emissions originating in production and reduce the use of forest resources. A member of the company's Board of Directors has experience of a similar process and reacted positively to the proposal.

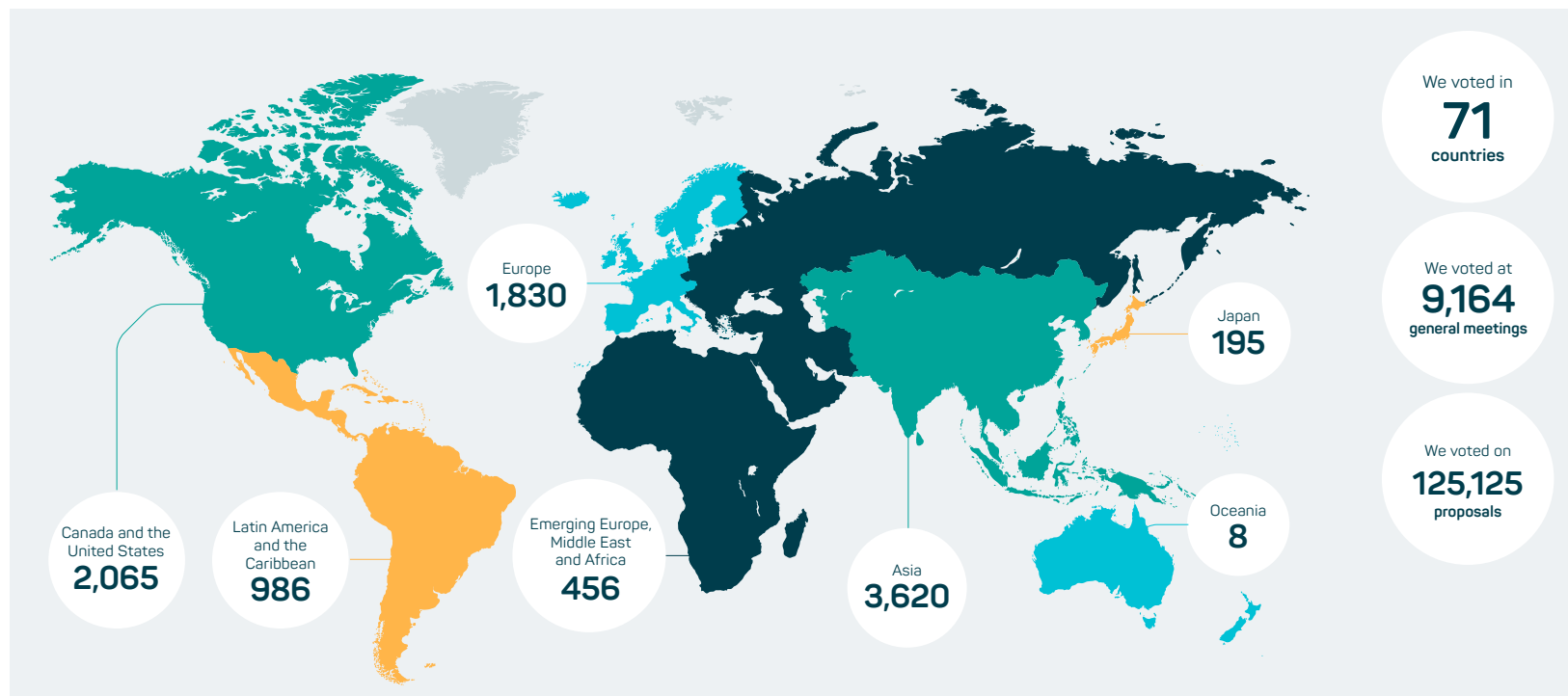
Since Chinese legislation does not currently allow wastepaper imports, the company is exploring the possibility to produce the raw material for tissue paper in overseas factories, so that only cutting and packaging would be done in China.

Around half of the engagement processes have lasted for less than a year and a third from one to three years. A small number of cases have, however, already continued for more than five years. Environmental issues and reporting on them as well as a company's long-term strategy are often topics of long engagement processes.

CASE

At times, engagement may last a very long time. One of our asset managers in developing countries first discussed the diversity of the Board and the number of independent Board members in a family-owned Philippine food company back in 2007. Over the years, the asset manager has had numerous discussions with the company, approached it in writing and voted against the re-election of Board members. Many years of work were finally rewarded when two independent female members were appointed to the Board.

General meetings by geographical location

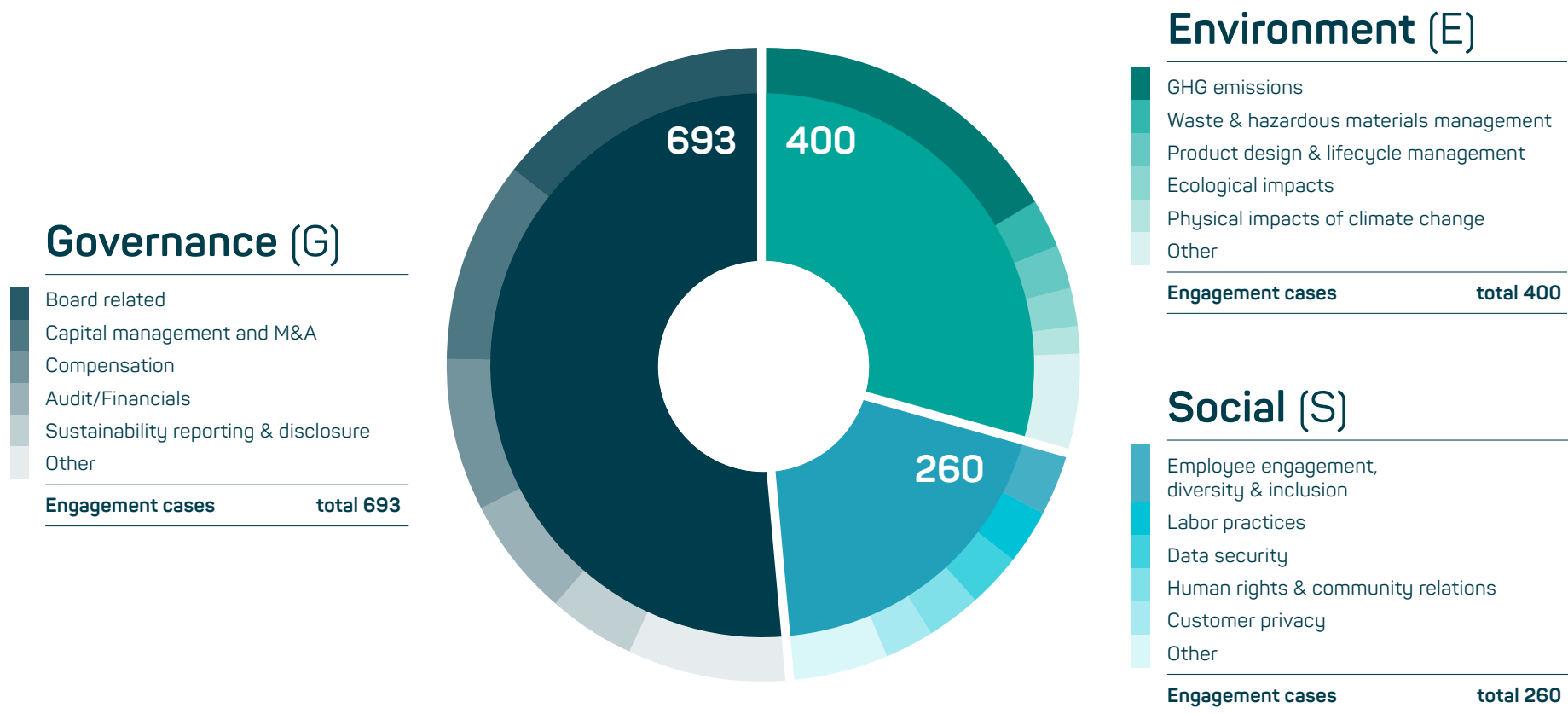


General meetings by region and distribution of votes given

Region	Number of general meetings	Number of general meetings attended	Attendance rate %	Number of proposals	For %	Against %	Not voted %	Other* %
Asia excl. Japan	3 637	3 620	100	36 312	81	18	1	0
Africa	89	88	99	2 582	84	16	0	0
Canada and United States	2 090	2 065	99	23 722	72	18	1	9
Europe	2 000	1 950	98	45 081	84	14	1	0
Japan	196	195	99	2 262	95	5	0	0
Latin America and the Caribbean	1 009	986	98	11 011	73	20	5	1
Middle East and North Africa	252	252	100	4 118	68	10	22	0
Oceania	8	8	100	37	86	11	0	3
All	9 281	9 164	99	125 125	79	16	2	3

*The category includes meeting proposals where voting was neither clearly in favour nor against.

Main themes of engagement in equity investments 2021



Climate change and carbon intensity

We are committed to developing our own climate analyses and tools and indicators to model the impacts of climate change.

Taking the impacts of climate change into account when making investment decisions and in portfolio risk management has become more widespread, based on our annual survey's results. Almost half of Keva's equity strategies already report in line with TCFD (Task Force on Climate-Related Financial Disclosures) recommendations, have set an emission goal for their portfolio or have carried out risk analysis relating to the physical impacts of climate change.

We currently use Weighted Average Carbon Intensity (WACI) as the carbon metric of the equity portfolio, which is also the metric recommended by TCFD. The metric seeks to describe the portfolio's exposure to carbon-intensive companies using information from the latest financial statements but does not consider any future development. It is conceivable that the figure roughly measures the risk posed to the portfolio at a particular time by emissions trading and other regulation.

During 2018-2021, the carbon intensity of all our listed equity investments decreased by 30% and was at year-end 2021 18% lower than the benchmark index. The trend during the monitoring period was significantly affected by the strategy change in our internal equity investments, which reduced investments in resource-intensive sectors in the portfolio.

The calculations have taken into account companies' own operations and the emissions of the energy bought, i.e. Scope 1 and 2 emissions.

When examining the development of carbon intensity of the portfolio over time, it is worth acknowledging that changes in country and sector weightings, share prices and the coverage of companies' emissions reporting give rise to variations between measurement times. Carbon intensity must be followed over the long term.

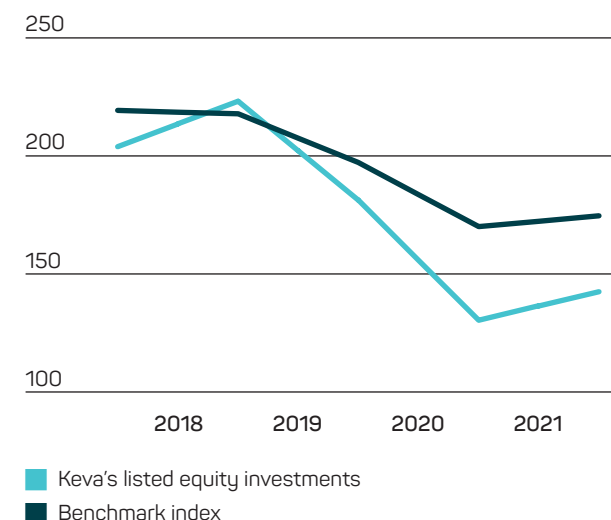
We monitor the development of accounting and reporting standards – such as TCFD and PCAF (Partnership for Carbon Accounting Financials) for measuring carbon footprints.

Internal equities

Responsible investment is integrated into the investment process, and we assess the responsibility of companies as part of industry-dependent evaluation criteria. Sources of information we use include research reports produced by an external ESG service provider and securities brokers, companies' own reports and publications.

¹ MSCI data is used to calculate the carbon footprint of listed equity investments. Of the data, 70% is reported by the companies themselves. Besides the direct emissions of investment entities, it is also important to take into account the indirect, Scope 3 emissions, from subcontractor chains and products, but so far there have been major challenges in reporting these. Keva follows the development of Scope 3 data.

Development of the portfolio-weighted carbon intensity in Keva's listed equity investments 2018–2021 compared to the benchmark index



tCO₂/revenue USDm, scope 1+2

During the monitoring period (2018-2021) the portfolio-weighted carbon intensity of all our listed equity investments decreased by 30% and at year-end 2021 was 18% lower than the benchmark index.

Benchmark index: The benchmark index comprises the following indexes: MSCI Europe IMI, MSCI USA IMI, MSCI Emerging Markets IMI, MSCI Japan IMI and MSCI ACWI IMI

The formula for calculating weighted carbon intensity is:

$$\sum_i \text{Investment } i \text{ portfolio weight} * \frac{\text{Investment } i \text{ emissions}}{\text{Investment } i \text{ net sales}}$$

We met all portfolio companies in 2021. We also attended several capital markets days of companies in the portfolio and listened to company management in conjunction with interim results and seminars.

We also often raise ESG issues in meetings and discussions with management. There has been a clear increase in companies' awareness of the importance of ESG issues to investors. These issues are already better taken into account in business operations and companies are able to report on them.

In 2020, we initiated voting at general meetings in line with our Active Ownership Policy. In 2021, we voted in 87% of general meetings. The figures are included in total figures reported earlier.

We apply norm-based screening to existing and new companies in the portfolio. We automatically receive information about all companies that have been found to be in breach of UN Global Compact norms. In 2021, no companies in the internal equity portfolio were found to have breached Global Compact norms.

Cooperation with asset managers

Cooperation with asset managers is based on a long-lasting partnership, trust and transparency. The strategies in Keva's external equity portfolio represent various investment styles and invest in different markets. However, all active strategies share a long investment horizon and focus on their proprietary company research and analysis. Our asset managers

are selected through a careful process. We consider it important that our asset managers share Keva's investment beliefs.

At year-end 2021, the external equity portfolio contained 43 active investment strategies and five passive index strategies. Some of the passive investment strategies track ESG indices in Europe and in the emerging markets.

We discuss with our asset managers on a regular basis, more than 60 times in 2021, and responsibility issues are almost invariably raised in these discussions. In 2021, the main responsibility themes in discussions were the EU's taxonomy, the Sustainable Finance Disclosure Regulation (SFDR) and carbon neutrality analysis. Over the years, we have come to know several of our asset managers extremely well and they also serve as a source of information and learning in the area of responsible investment.

In the external equity portfolio, we follow the implementation of international norms regularly.

Private equity investments

Private equity investments are investments in unlisted companies. Return on private equity investments is to a large degree the result of active ownership. A private equity investor is often the majority shareholder in the investee company. This means that ownership steering is strong and the foundation for value creation. The company can be developed by streamlining business, investment, recruiting

key personnel, acquisitions and by financial means. The development of ESG issues is a natural part of company development and value creation.

We primarily make capital commitments in closed-end private equity funds where the investor commits for multiple years. Keva's private equity portfolio is diversified by investment strategy, industry, geography and vintage. At year-end 2021, the portfolio was valued at EUR 8.9 billion and contained 52 asset managers. 60% of the portfolio was allocated to 10 asset managers through several dozen investment strategies. In total, the portfolio has investments in more than 1,000 companies.

Limited partner advisory committees (LPAC) are the most important means of engagement for investors. The advisory committees are typically composed of the largest fund investors and meet between two and four times a year. An advisory committee not only engages with the investee company but also the asset manager and bring issues concerning responsible investment for discussion more generally.

In 2021, Keva held seats on advisory committees of 86 funds and almost invariably holds a seat on the advisory committee in the largest fund investments. During the year, we attended around 100 advisory committee meetings. At the meetings, asset managers presented ESG development projects and how they integrate ESG issues into the investment and value creation process. In addition, asset

managers reported on the ESG projects carried out or under way in portfolio companies as well as the outcomes of these projects.

Other forms of engagement include regular meetings with asset managers. In 2021, these meetings almost invariably discussed various ESG issues, such as employee wellbeing, diversity, and equality, as well as environmental issues and how these are taken into account in the asset manager's own business and investee companies. Keva had around 70 meetings with asset managers last year.

We carry out an ESG survey to our asset manager on a regular basis. The 2021 survey highlights that more than 80% of our asset managers are signatories of UN Principles for Responsible Investment (PRI). The use of sustainability and climate-related risk reporting frameworks e.g., SASB and TCFD has also increased and over half of our asset managers report in line with the recommendations by- SASB and TCFD.

Keva is a member of the Institutional Limited Partners Association (ILPA), which is the international umbrella organisation for limited partners (LP) and has by nature influence over LPs. ILPA strives to develop and promote processes, corporate governance, and transparency.

Corporate bonds

Direct corporate bond investments

Our direct investments in corporate bonds are focused on the lower-risk, higher-rated spectrum. These investments cover bonds that are issued by companies and financial institutions in the European market. At year-end 2021, the portfolio was valued at EUR 3.9 billion and held bonds from 130 companies in the portfolio.

ESG aspects are an integral part of our investment decisions, and we use industry-specific assessments for the evaluation. In general, our typical sources of information include analysis and data provided by the ESG service suppliers, securities brokerage firms and the companies themselves.

ESG aspects are invariably discussed in our meetings with the corporate management. We meet companies in conjunction with new bond issues as well as on a routine basis. During 2021, we met with around 50 companies. It is increasingly typical that the events and materials provided for investors include ESG aspects.

The fixed income market is experiencing growing importance and volume of so-called green bonds. These are instruments earmarked for climate-related or environmental projects. Green bonds have to demonstrate their credentials in order to be properly classified under certain protocols. Due to their growing significance in the market, they play

an important role in our portfolio as well. Similarly, so-called social bonds are increasing in awareness and volume. Social bonds are targeted to finance projects with positive societal outcomes.

Issuing green or social bonds alone doesn't make a company responsible corporate citizen. Issuers of these bonds are subject to the same stringent investment criteria we use for any other company. At year-end 2021, our investments in green and social bonds totalled EUR 900 million.

Norms-based UN Global Compact screening is applied both to companies held in our portfolio and to ones under consideration to be included. We receive information of the possible breaches in an automated form. During 2021, no breaches were evidenced.

Cooperation with asset managers

Cooperation with our asset managers is based on a long-lasting partnership, trust and transparency. Asset managers are selected into our portfolio through a profound process, and they are expected to share and act according to the same investment beliefs as Keva.

Corporate bonds in our externally managed portfolio are focused on the higher-risk, lower-rated spectrum – also known as high yield bonds. These are typically debt financing instruments with a specified use of proceeds. The buyer base is mostly professional investors. By assuming a lender's position, high yield bond investors exercise their

active investorship by influencing on the borrowing terms as well as by steering funding towards suitable purposes.

As the high yield market closely reflects the real-world phenomena, ESG is not an exception to this. In 2021, e.g., the issuance of high yield bonds categorized as sustainable financing by the rating agencies, was greater in volume than the total amount witnessed between 2014 and 2020. This trend was particularly pronounced in Europe.

At year-end 2021, our high yield corporate bond exposure was managed by 16 asset managers, through 18 different investment strategies. These assets totalled EUR 5.0 billion, and there were approximately 1000 individual companies in our portfolio, with a broad geographical and sectoral diversification. We follow the implementation of international norms regularly.

The annual ESG survey and goal-oriented engagements

During 2021, we carried out two ESG-related surveys with our external corporate bond managers. The first survey focused thematically on climate change in general and the second one specifically on the energy transition. Similar to previous years, we also monitored carefully the goal-oriented engagement work that our asset managers have undertaken.

As market structures and regulation vary by geography, this also impacts on how our asset

managers engage and the challenges and opportunities they see.

For example, the subset of our portfolio that focuses on high yield companies in the United States, has a significant weight in the energy and capital goods sectors. Hence, energy transition is a pronounced theme in this portfolio. In 2021, our asset managers developed e.g., their own frameworks to identify the potential leaders, adapters, and laggards in the energy transition, among their local and international peers.

The EU's sustainable development goals are also gaining a foothold. In 2021 we evidenced a move from principles into practice in our portfolio with e.g., reporting in line with TCFD recommendations, green transition target-setting and assessments of the physical risks related to climate change were more common among our European asset managers than in the US.

The growing importance and volume of green bond market has its pitfalls as well. The market is lacking standards as to what issuance has sufficient credentials for the green label. During the year, Keva's asset managers developed their own frameworks in order to ensure the consistency of the green bond analysis.

The use of different climate indicators varies in scope and metrics among our corporate bond managers. At the moment, carbon intensity continues to be the most frequently used metric.

Our external corporate bond managers had roughly 200 goal-oriented engagement cases with the portfolio companies during the year. Half of these cases were focused on environmental issues, especially in the energy and capital goods sectors. Among our US managers, these engagements were quite straightforwardly tackling carbon dioxide emissions. Among our European asset managers, the engagements had a more multidimensional nature, addressing e.g., air quality and energy efficiency.

It is also worth highlighting that our asset managers investing in the US market had several engagement cases requesting for higher-quality, transparent ESG-reporting from the investee companies. The United States is still lacking similar sustainability reporting directives as what Europe has in place.

Lastly, the third engagement theme worth noticing was the quality and composition of investee companies' Board of Directors. Many of the engagements in this topic came after debt restructurings.

Investments in emerging market sovereign bonds

Cooperation with asset managers

Cooperation with our asset managers is based on a long-lasting partnership, trust, and transparency. The Asset managers are selected into our portfolio through a profound process, and they are expected

to share and act according to the same investment beliefs as Keval.

Emerging market sovereign bonds are debt financing instruments issued by low and middle rank GDP economies. The buyer base is mostly professional investors. Sovereign debt financing is typically targeted to fund wide-range economic, political, and social reforms.

Our EM sovereign bond portfolio focuses geographically on Latin America, Asia, Eastern Europe, Africa, and the Middle East. The total number of individual countries in this portfolio is around 60. By number, there are more countries in the less developed end, however, money wise, there is greater weight in the more developed spectrum. At year-end 2021, our EM sovereign bond exposure was managed by 3 asset managers, through 3 different investment strategies. The portfolio was valued at EUR 2.0 billion.

Our emerging market sovereign bond managers monitor their portfolios in accordance with the international norms on a regular basis.

The annual ESG survey and goal-oriented engagements

In 2021, our emerging markets sovereign bond managers took part in our thematic climate change survey. Similar to other asset classes, their goal-oriented engagement work was carefully monitored throughout the year.

There were around 200 engagement cases in

our emerging market sovereign bond portfolio during the year. The high number of cases – compared to the number of countries in the portfolio – is due to multidimensional engagements in this asset class. Our asset managers are not only engaging directly with the sovereigns but also with supranational agencies, development banks, central banks and the countries’ ministries. Unsurprisingly, climate change was a common denominator in many engagement cases, as was more transparent reporting.

Emerging market countries are indeed on the frontline of climate change challenges and play a pivotal role in the efforts to find solutions to it. This is a role they share with several other market participants as shown in the table.

All our emerging market sovereign bond asset managers have carried out – or are in the process of carrying out – assessment of the physical risks related to climate change. With respect to the portfolio’s climate indicators, the most used ones at the moment are absolute emissions and carbon intensity.

Real estate and infrastructure investments

Direct real estate investments

Keval’s direct real estate investments include direct properties, shares of real estate companies as well as joint venture investments in the Nordic countries.

At year-end 2021, the market value of real estate

Examples of the roles of different actors in engagement in climate change on emerging markets

Market participant	Way of engagement in climate change
Supranational agencies	Regulation
Governments	Direct impact: regulation, taxation, subventions, loan guarantees Indirect impact: via state-owned energy and infrastructure companies
Multinational development banks	Loan guarantees
Central banks	Targeted asset purchase programs
Companies	Innovations, investments and risk-taking

portfolio was around EUR 2.9 billion. Keva’s direct real estate investments consists of around 130 properties with a net lettable surface area of around 970,000m² at year-end 2021. The properties are concentrated in the capital Helsinki region and in other growth centres in Finland. The portfolio consists of, in terms of value, offices (33%), residential (27%), retail (24%), hotels (10%) and other (6%).

Minimising the climate impacts caused by energy use in the properties is a key element in environmental responsibility. Keva’s ambition is to halve the carbon dioxide emissions arising from energy use in these properties by 2025 and to reach carbon neutrality by 2030. Our target to reach carbon neutrality is in accordance with the content of the Green Building Council’s (GBC) Net Zero Carbon Buildings Commitment, which we signed in 2020.

Our action programme for carbon neutrality in energy use has three main objectives:

- to improve the energy efficiency in our properties by 20% by 2030
- to increase the share of renewable energy produced on site at the properties to 10% of the total energy consumption by 2030
- to secure that the remaining energy is purchased from low-carbon energy sources.

Improving energy efficiency calls for long-term, systematic work. In its direct real estate investments, Keva uses Motiva’s ETJ+ energy management

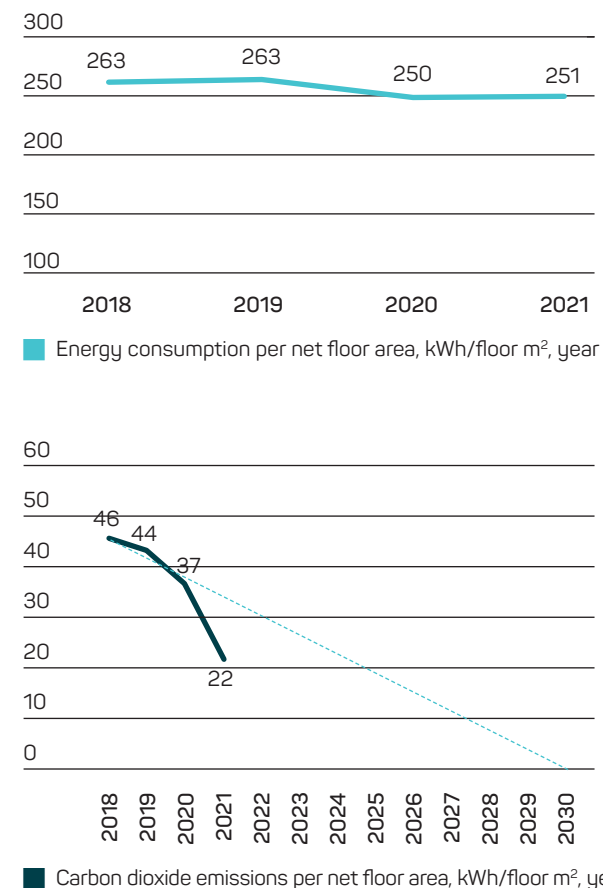
system which is specifically designed for Finnish conditions.

In 2021, Keva carried out more than 80 individual efficiency actions in energy use or in actions to produce renewable energy on-site. These delivered more than 1.5% of energy savings imputed and verified by measurement. Slightly more than half the energy savings in 2021 were achieved through traditional HVAC system control measures and by smart heating control of the housing stock. By year-end 2021, more than half of our rental housing stock had already smart heating control and renewable heat supply projects. Just under half of the savings in 2021 were achieved by investments in heat pumps and solar panel investments. A total of 13 such projects were completed.

Active measures have improved the energy efficiency of properties by more than 7,200 MWh/year or roughly 4% between 2019 and 2021. Own property-specific energy production reached 1% share of final consumption.

Similar to the year before, 2021 was an exceptional year. The widespread recommendations to work from home continued to impact the occupancy rates of commercial premises, particularly in office properties. The continued crisis period was naturally reflected also in the consumption of energy and water, and especially in the need of electrical energy in offices compared to the years preceding the pandemic. All this means that the calendar years

Trend in energy use and CO₂ emissions in internal real estate investments 2018–2020. The indicators have been presented as numerical characteristics relative to the net floor area of the investment properties



2020 and 2021 are comparable in terms of facilities use and energy consumption.

All in all, weather-adjusted energy consumption decreased in Keva's real estate stock by 0.6% compared to a year earlier. As the active energy savings measures led to more than 1.5% energy savings, the consumption resulting from the changes in the occupancy rates of premises has risen slightly compared to the previous year.

Water consumption was only slightly, less than 3%, down in comparable properties. The changes in energy and water consumption measured in 2021 thus reflect very broadly the active efficiency measures in energy use specified above.

Monitoring carbon dioxide emissions in real estate investments is based – not on weather-adjusted – but on measured energy consumption in line with international reporting guidance. Comparable carbon dioxide emissions attributable to energy use in investment properties decreased by more than 40% compared to a year earlier. Carbon dioxide emissions have decreased by more than 51% since the start of our investment programme (year 2018 as the reference year). This means we reached the interim carbon dioxide emissions goal for 2025 already during 2021, well ahead of time. Major cuts in carbon dioxide emissions are the result of the energy savings and property-specific energy production measures as well as in particular the procurement of renewable electricity.

CASE

We signed a 10-year power purchase agreement on renewable Finnish energy, to be provided from a wind farm due to be completed in Northern Ostrobothnia in 2022. This agreement is our largest single action to deliver real emissions reductions. Wind power will cover 70% of the electricity need of Keva's real estate investments.

Carbon dioxide emissions have already fallen significantly compared to the 2018 reference year as we started to buy electricity from 100% renewable sources already before the start of the wind power agreement. These actions led to the major reduction in emissions in energy use compared to the start of our environmental programme in 2018.

Within direct real estate investments, Keva has committed to the Property and Building Sector's Energy Efficiency Agreement coordinated by the Ministry of Economic Affairs and Employment and by the Energy Authority for the years 2017–2025. Additionally, we have committed to the climate commitment of Climate Partners, a collaboration network between the City of Helsinki and businesses, as well as to the World Green Building Council Network's Net Zero Carbon Buildings commitment.

Investments in real estate investment fund

The real estate investment funds in Keva's portfolio are diversified geographically, chronologically, by

investment style and property style. Most of the investment properties in the portfolio are located outside of Finland, mostly in Europe and the United States. At year-end 2021, the portfolio was valued at around 1.2 billion and the portfolio consists of investments in approx. 500 individual properties.

The real estate investment funds in Keva's portfolio almost invariably own the entire property, which means asset managers are able to engage directly with the properties. On the responsibility side, Keva's asset managers focus particularly on energy and water consumption of the properties as well as on safety, the environmental classification (such as BREEAM and LEED) of the buildings and construction projects, Global Real Estate Sustainability Benchmark (GRESB) reporting at the fund level and carbon footprint. ESG analysis has been integrated in the investment analysis.

Keva's investments are primarily made in closed-end funds where the investor commits for multiple years. During the life of the fund, limited partner advisory committees are the most important means of engagement. The advisory committees are typically composed of the largest fund investors and meet between two and four times a year. The advisory committee not only influences the property investment but also the asset manager and is able to bring ESG related issues for discussion more generally.

Last year, Keva had a seat on the advisory committee of 37 funds and attended around 70

committee meetings. Other forms of engagement include regular meetings with asset managers. In 2021, these meetings almost invariably discussed various ESG issues. Keva had around 50 meetings with asset managers last year.

We carry out an ESG survey to our asset manager on a regular basis. The 2021 survey highlights that more than 90% of our asset managers are signatories of UN Principles for Responsible Investment (PRI).

Around 70% of Keva's real estate investment funds take part in GRESB, (Global Real Estate Sustainability Benchmark, the ESG Benchmark for Real Assets). The GRESB reporting can help with comparing ESG perspectives internationally and screening for potential investment objects. GRESB covers a property's energy management, environmental and responsibility management perspectives. Several different systems, such as the Finnish RTS environmental classification and international BREEAM and LEED are in use in the environmental classifications of buildings and construction projects. Environmental classifications provide consistent methods for investors, the authorities, and occupiers of premises to compare the energy performance of properties using common criteria set by a third party.

Keva is a member of INREV (the European Investors in Non-Listed Real Estate). INREV serves as a joint forum for fund investors and seeks to diversely develop industry practices and standards, including with regard to responsible investment.

Infrastructure investments

Infrastructure traditionally refers to structures and facilities of importance to the functioning of society and include energy production and distribution, transport infrastructure, and social and digital infrastructure. Infrastructure will play a key role in the transition toward a more carbon-neutral society.

The majority of our infrastructure investments are in infrastructure funds, but we have also made direct investments in unlisted infrastructure projects. ESG issues are integrated into the investment analysis. The portfolio is in a build-up phase. The portfolio will in the coming years be diversified geographically, by vintage, style and infrastructure sector.

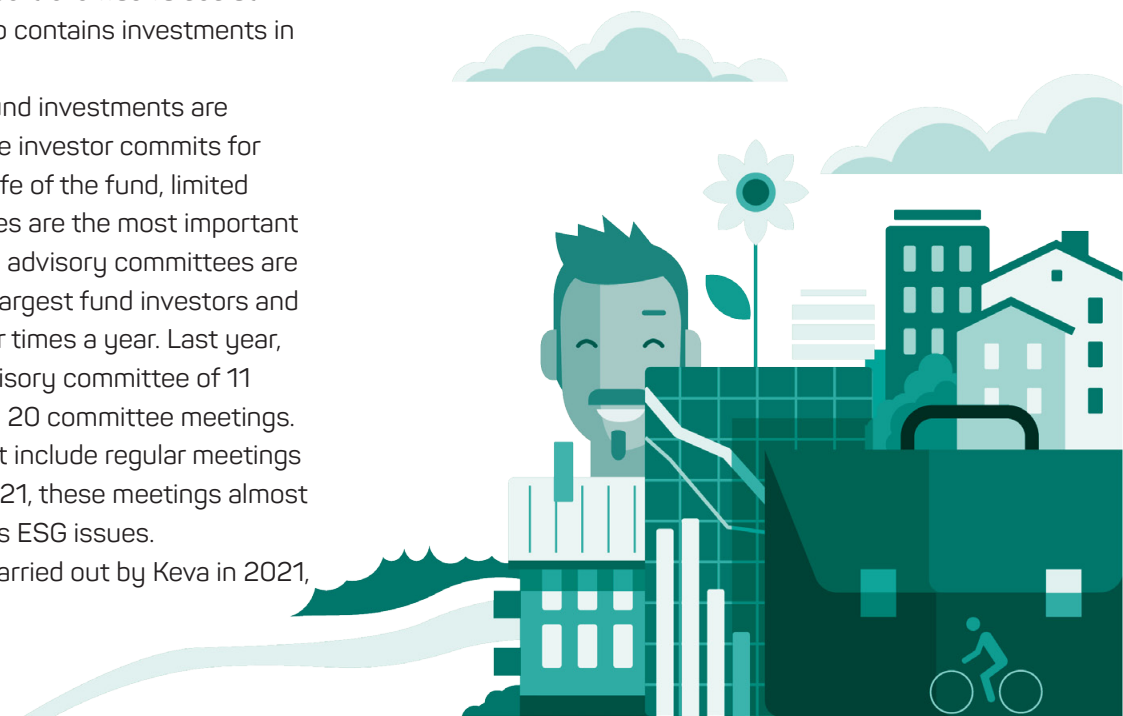
At year-end 2021, the portfolio was valued at EUR 1.3 billion. The portfolio contains investments in around 80 companies.

Keva's infrastructure fund investments are closed-end funds where the investor commits for multiple years. During the life of the fund, limited partner advisory committees are the most important means of engagement. The advisory committees are typically composed of the largest fund investors and meet between two and four times a year. Last year, Keva had a seat on the advisory committee of 11 funds and attended around 20 committee meetings. Other forms of engagement include regular meetings with asset managers. In 2021, these meetings almost invariably discussed various ESG issues.

From the ESG survey carried out by Keva in 2021,

most asset managers of infrastructure funds were, for example, signatories to the UN Principles for Responsible Investment (PRI).

The Global Real Estate Sustainability Benchmarking (GRESB) has become somewhat of a standard for infrastructure funds to apply for. GRESB reporting can help to compare the ESG perspectives internationally and to find potential investment objects. GRESB covers a property's energy management, environmental and responsibility management perspectives. A third of Keva's asset managers use GRESB classification.



CASE

In 2021, Keva and an international investor consortium acquired a 50% holding in the Swedish district heating and cooling company Stockholm Exergi AB. The City of Stockholm owns the remaining 50% of the company. The company is the largest district heating company in the Nordics, with more than 10,000 real estate and limited liability housing company customers and around 800,000 end-users in the Stockholm Region.

Stockholm Exergi has successfully integrated responsibility and sustainability in their operations with the development of carbon capture and storage. The company has an important role in the City of Stockholm's ambition to be carbon neutral by 2040. Stockholm Exergi has a goal of becoming climate positive by 2025. The company has in the last few years significantly reduced its carbon footprint, which is down by 72% between 2010 and 2020.

Stockholm Exergi's energy production is based almost exclusively on renewable and recycled energy such as waste combustion. As a responsible investor, Keva considers the sustainability perspective in its investments and strives to increase the use of renewable energy sources and reduce carbon dioxide emissions.

Hedge fund investments

Hedge fund investments are predominantly used for diversification of the portfolio and absolute returns. Different asset classes and instruments are used to

make investments. Engagement is determined by asset class; e.g. for listed equities the funds can vote in the general meetings. However, the short-term nature of the investments may limit the opportunities to engage.

Keva's hedge fund portfolio is highly diversified both geographically and by style. In 2021, the portfolio consisted of 30 fund investments managed by 15 asset managers. At year-end 2021, the portfolio was valued at EUR 4.3 billion. For our hedge fund investments we use an independent service providers classification. The classification integrates also ESG issues.

In 2021, we carried out an ESG survey for our hedge fund investments. The survey shows among other things that commitment to the UN principles for responsible investment (PRI) has become more widespread and more than 70% of our asset managers are signatories of PRI.

We strive to promote responsibility in hedge funds. Engagement includes regular meetings with asset managers as well as advisory committee seats. Last year, Keva had a seat on the advisory committee of 21 funds and attended around 30 committee meetings. These meetings almost invariably discussed various ESG issues.

Keva is a member of the Standards Board for Alternative Investments (SBAI), which focuses among other things on promoting good governance, transparency, and processes. SBAI also provides a good

channel for discussions with other investors. Asset managers of Keva's hedge funds are typically SBAI members and act in accordance with SBAI rules and recommendations.

Collaborative engagement

Memberships in various investor networks provide Keva with information about responsible investment. In addition, engagement with companies and governments in collaboration with other investors is more effective. The objectives have e.g., been to increase transparency, mitigate climate change and promote a longer-term focus among investors and companies.

CDP

CDP is a global non-profit organisation that focuses on reporting environmental data and increasing company disclosure about the impacts of their business on climate change, clean water and use of forest resources on behalf of investors. The CDP reporting platform offers investors comparable environmental data disclosed by the companies themselves. Reporting on environmental impacts promotes both the companies' own understanding of the risks and opportunities of their businesses and above all investors' understanding of the companies. In 2021, more than 13,000 companies, representing around 65% of the world's stock market, reported their environment impacts to CDP.

Keva has been a signatory of CDP since 2006 (the

climate initiative since 2006, the water initiative since 2011 and the forest initiative since 2014) and draws on CDP's information when assessing the responsibility of investee companies. In 2021, 62% of the companies in Keva's equity portfolio and 32% in the corporate bond portfolio reported on their environmental impacts to CDP.

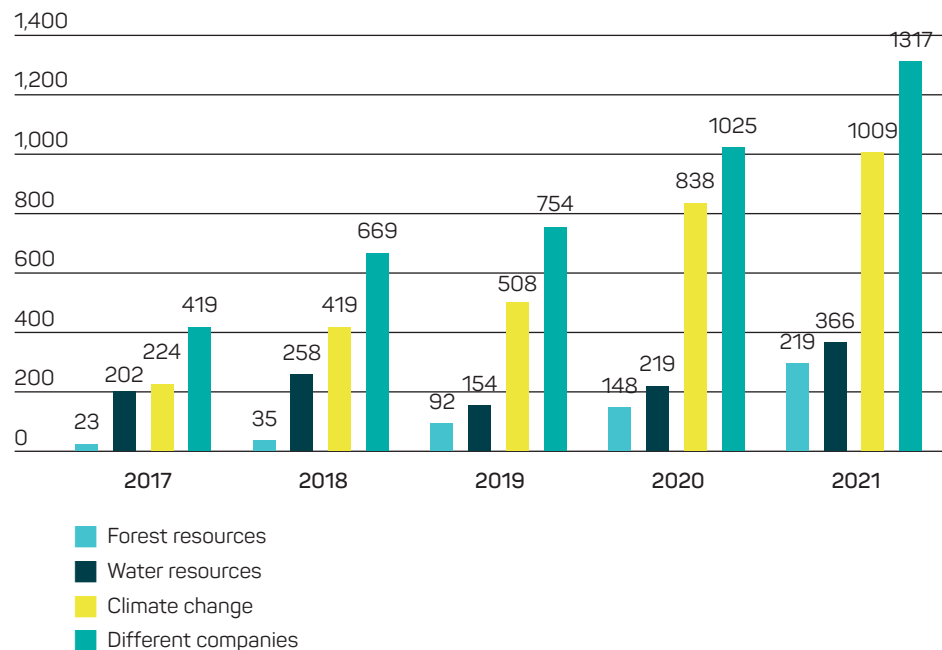
CDP Non-Disclosure Campaign 2021

In 2021, Keva took part in [the CDP's Non-Disclosure project](#) similar to previous years.

As a signatory to CDP's Non-Disclosure Campaign, Keva along with other co-signatories calls for improved disclosure from companies on climate, forestry, and water resources. A total of 168 investors representing investment assets totaling USD 17 trillion were involved in the project in 2021. A total of 1,317 companies emitting a total of almost 5 billion tCO2e were requested to report.

In 2021, Keva was involved in a total of 270 requests for disclosure (125 climate, 17 forest and 128 water), which targeted 238 different companies. Keva has targeted its requests for disclosure to companies whose environmental impacts were assessed as being material to the business. The requests included both companies Keva is invested with as well as companies not found in Keva's portfolio. The engagement efforts were proven effective, with the start of reporting in 65 cases in 60 different companies (33 climate, 2 forest and 30 water).

Continued steady growth in the number of companies targeted in the CDP Non-Disclosure Campaign



Highlights in the 2021 campaign:

- 56% more investors and 28% more targeted companies involved than in 2020.
- Of the 1,317 companies receiving a request, 328 began to report to CDP (249 climate change, 44 forest and 65 water).
- Companies are 2.3 times more likely to report to CDP than without a request from investors to import, more than 3 times more likely in respect of forests.

Climate Action 100+

Keva continued as a signatory to the **Climate Action 100+** -project. In 2021, the project included 615 investors, responsible for over USD 53 trillion in assets under management. The project targeted over 167 companies globally, with an important role in achieving the goal set by the Paris Agreement as they represent 80% of global industrial emissions. At year-end 2021, the project had come to a promising start with 52% of the targeted companies setting a net zero-emission target for 2050.

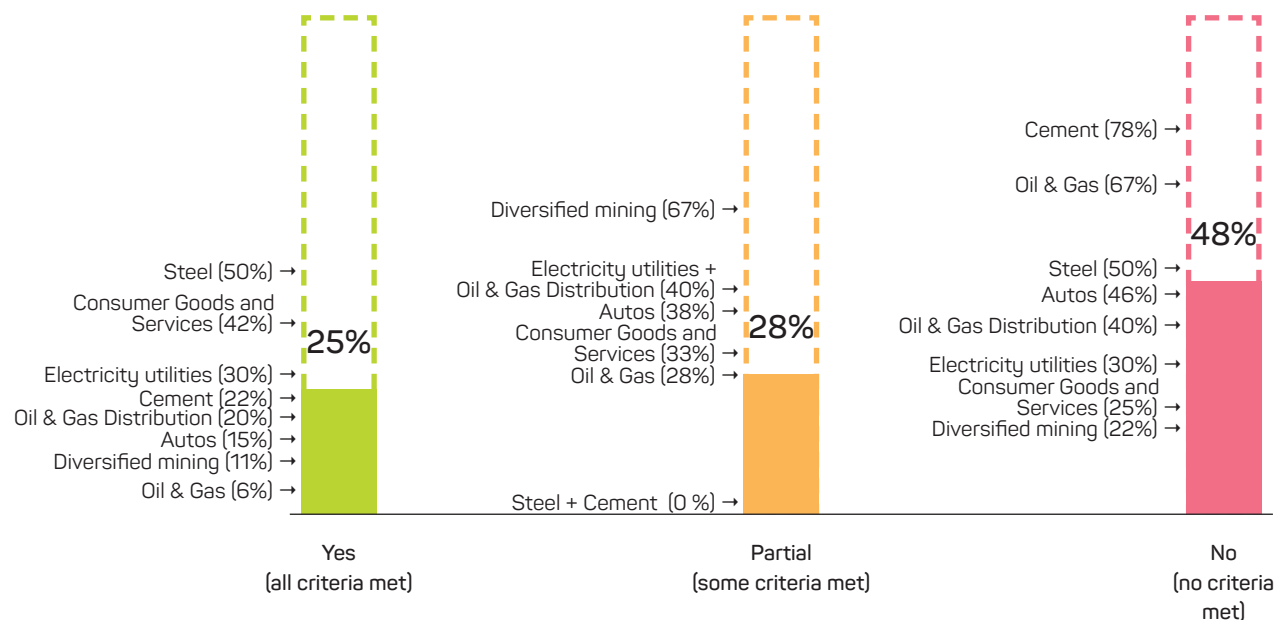
Engagement with governments

Keva continued engagement efforts with governments with the **'Global Investor Statement to Governments on the Climate Crisis'**. Investor expectations for government actions have tightened over the years as the urgency of climate actions has increased.

In 2021, more than 700 investors responsible for USD 52 trillion assets under management were involved in the project. The plea is considered to be the strongest unified call to date to mitigate climate change (IIGCC). The call was directed to all governments and was announced at the G7 summit in Great Britain and was addressed to the UN Climate Change Conference (COP 26) in Glasgow.

As a result of investor demands during the Climate Change Conference in Glasgow, governments pledged to update nation-specific goals the following year and to supplement the Paris Agreement rulebook

Climate Action 100+ initiative companies' carbon neutrality commitments (covering all material GHG emissions)



Review of the zero emissions commitments of target companies in the Climate Action 100+ initiative:

- 52% of the companies had set a zero-emission commitment (covers at least Scope 1 and 2 emissions)
- 25% of the companies had set a commitment covering all material emissions (Scope 1+2+3)

How to read the diagram: E.g. 30% of electricity utilities have set a carbon neutrality commitment covering all material GHG emissions (green column), 40% of electricity utilities have set a carbon neutrality commitment covering partial material GHG emissions (orange column) and 30% of electricity utilities have not set a carbon neutrality commitment (red column).

Source: The Climate Action 100+ Net-Zero Company Benchmark



with rules on international emission market mechanisms. The outcome included the first reference to date regarding fossil fuels with a call for “a gradual phase-down” in the use of fossil fuels recorded by the UN Climate Change Conference.

IIGCC

IIGCC is Europe’s largest consortium of investors against climate change and aims, among other things, to develop long-term risk management, operating policies and investment practices related to mitigating climate change. IIGCC’s 370 investor community is responsible for more than EUR 50 trillion in assets under management. As a member of IIGCC, Keva seeks to engage with companies and regulators to reach climate goals.

Engagement with the industry and memberships

UN Principles of Responsible Investment, PRI

- signatory since 2008. Keva’s representative has been a member of the PRI Reporting & Assessment Advisory Committee (RAAC) since 2018.

Finland’s Sustainable Investment Forum, Finsif

- founder member. In 2020–21, Keva’s representative served as chair of Finsif’s nomination committee. In 2021, Keva was involved with providing content for Finsif’s updated Responsible Investment Guide.

Green Building Council Finland, GBC

- member since 2014. Keva is represented in both the carbon-neutral construction and building use committees and expert groups as well as in the communications network expert group.

ILPA (Institutional Limited Partners Association)

- member since 2008.

INREV (European Association for Investors in Non-Listed Real Estate Vehicles)

- member since 2004.

SBai (Standards Board for Alternative Investments)

- member since 2017.

Keva’s public pledges for responsible investment

- UN Principles for Responsible Investment, PRI
- Property and Building Sector Energy Efficiency Agreement 2017–2025
- Climate Partners, a collaboration network between the City of Helsinki and businesses
- World Green Building Council’s (GBC) Net Zero Carbon Buildings Commitment

Participation in research projects

In 2021, Keva participated in the following research projects regarding responsible investment:

- Temmes, Heiskanen, Matschoss & Lovio: Mobilising mainstream finance for a future clean energy transition: The case of Finland. Journal of Cleaner Production.
- Väänänen: Two different paths to sustainability? A comparison of a Finnish and a Swedish public pension reserve fund. European Journal of Social Security.

RESPONSIBILITY FOR THE PERSONNEL

Change in the operating environment

Keva's strategy was long heavily geared to a merger of the earnings-related pension systems. Had the merger taken place, Keva would have been split into two separate organisations, which would have involved a major change for the personnel.

When the plan to merge the earnings-related pension systems foundered in autumn 2021, this also meant a new situation for the personnel. The personnel were constantly kept up to date on the situation and all public information was reported.

Keva ensure the wellbeing of its personnel during an exceptional period

Keva employees in practice largely worked from home throughout the year. Only in October-November were more people working in the office when the national remote working recommendation was lifted. The personnel were allowed to keep the tools needed for working at home.

Keva's Management met weekly to review the situation and to decide on measures. Guidance complied with all applicable orders and recommendations issued by the authorities. In addition, restrictions on public gatherings were applied to Keva's in-house operations. Changes were made to the guidance where required and these were communicated to the personnel, mainly on the intranet.

Some of the personnel worked permanently in the office. These were employees whose work was

physically tied to the office building or for example physical documents. Keva also recognised the different opportunities of the personnel to work remotely and not all circumstances were the same. Whenever official instructions allowed, the personnel could also at their own discretion come to the office to work if there were issues with working from home. Office visitor numbers were monitored to control the risk of infection.

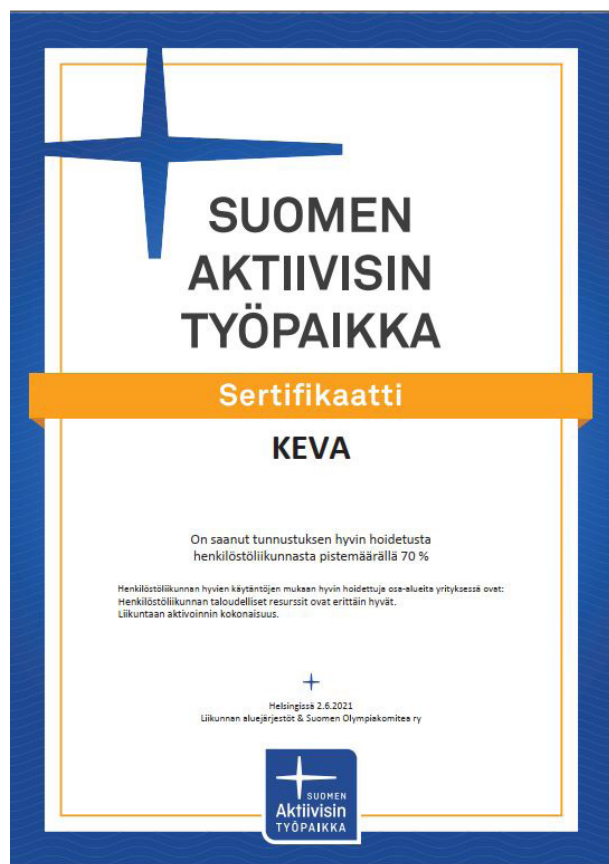
Keva consulted with occupational healthcare provider Terveystalo about the need for Covid testing and vaccination for the personnel. Most of the personnel had been vaccinated through public healthcare.

Kefateria, the staff restaurant in the Keva building, was closed from 1 January to 22 August 2021 and from 23 to 31 December 2021.

The weekly Kevafilis pulsometer showed that employee satisfaction remained almost steadily at a good level throughout the year, even though the prolonged pandemic situation resulted in some ripples in sentiment. This shows that working was well organised even during very exceptional circumstances. The indicator also surveyed wellbeing related to the exceptional circumstances throughout the year.



Keva also took part in the Regional Sports Federation's Finland's Most Active Workplace (SAT) survey and received a certificate for the good arrangement of employee physical activity. Keva employees are able to take part in a wide range of events and



activities, including one-off events such as the summer Kilometrikisa cycling competition and regular activities such as floorball. During remote working, exercises moved online and more employees took part. According to the SAT survey, Keva needs to increase the purposefulness of physical activities for its employees. This was addressed in October and Keva employees were asked about their personal motivation for physical activity. The results of this and SAT's survey were analysed by a Terveystalo expert.

The Communication and HR units worked seamlessly together in updating guidance and in other related news. The Occupational Health and Safety Committee also considered the exceptional conditions in each meeting.

Keva aims for more flexible ways of working that support employee wellbeing and coping with the workload. Increased flexibility also means greater responsibility for everyone for their own work.

Building and experimenting with a new everyday life

In spring 2020, it seemed the pandemic situation would allow more widespread working again in the Keva office building from autumn 2021. The entire organisation started to shape a new everyday life at Keva and agile service design methods were applied in working and Keva's ambitions for an experimental culture and continuous development were boldly embraced. The aim was to build ways of working that

Basic information about Keva employees

Number of employees at 31 December 2021: 497, of which 485 were permanent and 12 temporary

Full-time equivalent person years in 2021: 472.34

Average age of the personnel: 50.4 years, women 67% and men 33%

There were 25 new employees hired and 41 employees left the company

A total of 1,655 full-time equivalents were spent on staff training, which was 3.3 fte/person

During the year, sickness absences averaged 6.3 days. The health percentage was 56%, which is the percentage of the personnel who were not once absent because to sickness during the year.

would genuinely support reaching goals and draw on the things and skills learnt during the corona period. Shaping the new everyday life was taken to teams and units – the Management Group did not outline remote and office working practices at the Keva level.

During the spring and summer, ideas about the new everyday and the lessons from the pandemic period were collected together in online discussions. In the autumn, all teams had a New Everyday discussion which was aimed at identifying the ways of working that were suitable for each team from the tasks and goals perspective. The discussions considered which ways of working would ensure that team-work functions both within the team and with other parties. Hybrid working has become and will become part of everyday life at Keva and will be further developed through continuous experimentation.

Fairness of employee remuneration

To improve pay equality, Keva uses a common job demand evaluation. Common demand evaluation has been used especially to clarify and improve the situation of equal pay. Across the organisational level, the average and median salaries of women remained below those of men.

In spring 2021, the local increase under the General Collective Agreement for Municipal Personnel (KVTES) will be allocated in particular to improving employee remuneration. The results of the annual Korn Ferry salary survey found that as a result of

the measures taken, pay equality had been better implemented in Keva than in earlier years.

In spring, Keva paid bonus performances to the personnel based on the result for the whole of Keva and on individual performance. The performance bonus scheme covers all Keva’s employees and on average was roughly half of the person’s monthly pay.

Keva employs a special bonus for particularly good performance and 147 (2020: 58) persons received a special bonus in 2021.

Promoting equality

Almost 70% of Keva’s employees are women and 20 women and 29 men (2020: 28 women and 30 men) were in supervisory positions. At year-end 2021, there were two women, including the employee representative, and seven men in the Management Group.

Keva’s current equality and non-discrimination plan was drawn up for the period 2021–2022 and addresses equality of the personnel according to criteria other than employee age. Diversity was included as a new section in the plan and the goal for the period was to draw up diversity targets for the organisation.

Most of the median pay gap between women’s and men’s pay can be explained by the fact that is a clear majority of women at the lowest job demand levels and a more even gender distribution at higher job demand levels. An examination by demand level shows minor difference.

Ratio of collective agreement pay of men and women

	2019 %	2020 %	2021 %
Average pay of women of the average pay of men	74,4	73,9	77,4
Average median pay of women of median pay of men	75,7	77,4	79,6

Building a good employee experience

Building a good employee experience starts from understanding the employee: what strengths and areas for development Keva employees see in Keva as a workplace and how management and ways of working should be developed.

During 2021, both Keva's employer promise and the cornerstones of good management were defined at Keva. All Keva employees had an opportunity to take part in this work. Active work is being done to implement the employer promise and Keva will focus on employee learning, competence development and promoting work ability. Based on the cornerstones of good management, a start will be made on manager coaching in 2022. Defining the cornerstones of Keva's expert work will be completed in 2022.

In 2021, the focus was on the learning ability and readiness of Keva employees to plan their own career at Keva as well as their responsibility to update competence. Skills were developed in key competence areas from the strategy perspective, for example knowledge-based management and data analytics competence.

Interaction skills as a strategic skill were raised with the help of the Interaction theme year. "What things affect the nature of interaction and how to develop these skills?" was our key question throughout the year. The entire personnel were offered an online course on coaching interaction, which was supported by various events arranged.



Keva's employer promise

Keva and Keva employees can be trusted. As a Keva employee, you do important work and ensure the pension provision and work ability of those people who take care of us Finns.

We are attuned to the times and open to change. We learn new things so that we can change and can transform Keva. Good leadership and supervisory work support success at work.

Great colleagues with a sense of job satisfaction work at Keva. Keva looks after the work ability of each Keva employee and offers good employee benefits.

The Year of Interaction kicked off on the anniversary of remote working on 17 March and because of extensive remote working it was particularly important to pay attention to and improve interaction.

As in the previous year, in 2021 Keva also took part in Oikotie’s Responsible Employer campaign, which included a survey, to which more than 6,000 Finns from various organisations responded. Around 249, or around half, of Keva employees responded to the survey. The organisations taking part in the campaign are committed to develop their practices in accordance with Responsible Employee principles. These principles are:

- Non-discrimination
- Flexibility and work-life balance
- Focus on supervisory work
- Work content and meaningfulness
- Remuneration according to the demands of the job
- Good applicant experience

According to the Responsible Employer survey, Keva employees experienced their job and the job content as meaningful, and the employer enables employees to develop and learn continuously. According to Keva employees, Keva also implements a good applicant experience. On the other hand, the experience of non-discrimination and remuneration based on the demands of the job were worse than other organisations taking part in the survey.

The weekly Kevafilis pulsometer, which has measured the work vibes of Keva employees since 2017, also serves as a tool to develop the employee experience. An average of 203 (2020: 182) respondents took part in the measurements in 2021. Respondent numbers continued to grow during the second coronavirus year.

Kevafilis monitors work vibe and changing strategically important or current themes related to work, work ability and the work community, which are monitored long term. Questions related to the pandemic theme were added separately to help keep up to date with the personnel’s situation during the exceptional period.

Despite a second exceptional year, the work vibe remained at a good level, with an average of 71% (2020: 72%) of respondents evaluated the vibe as good.

Kevafilis is one of the Management Group’s strategic indicators reviewed on a quarterly basis. Because of the corona pandemic, the Management Group monitored the development of the work vibe on a weekly basis.

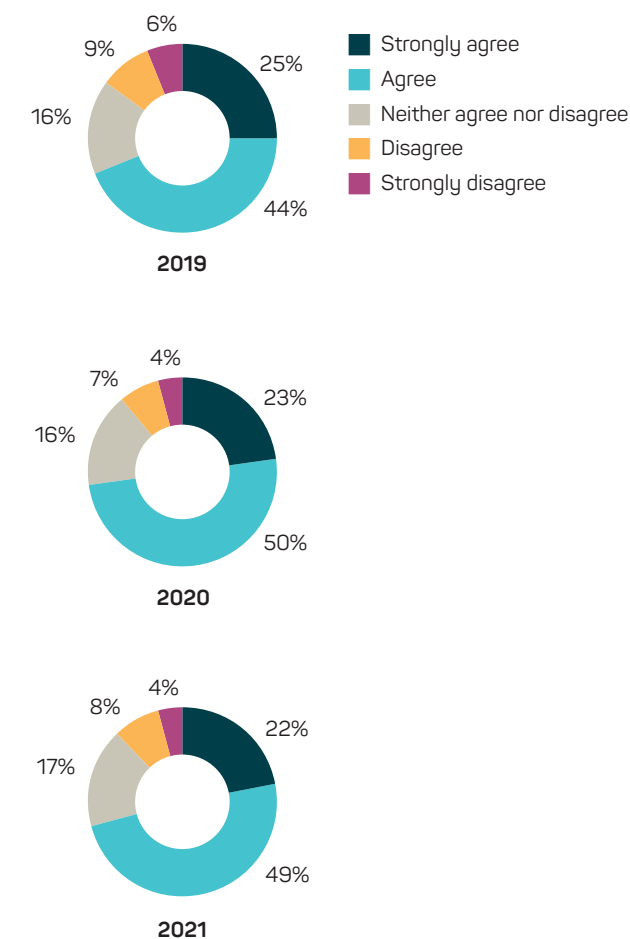
Keva employees appreciate employee benefits

In 2021, the employer supported the exercise and cultural hobbies of full-time Keva employees by €250 per employee. The employer subsidised commuter tickets by €22 a month.

In addition to statutory occupational healthcare,

The Kevafilis pulsometer shows

“I have good vibes today to do my job”



Keva employees have access to more extensive occupational healthcare services provided by Suomen Terveystalo Oy. The Keva building has a free gym, which also hosts employer-sponsored group exercise classes. During the corona period, exercises were moved entirely online and more wellbeing services were offered than earlier to support work ability.

Terveystalo conducted a workplace survey for those working in the Pension and ICT function. The function valued a secure livelihood in permanent employment, meaningful work, nice colleagues and good employee benefits. The most significant workload factors were considered to be interruptions in work, the difficulty of mastering the amount of work-related knowledge and experience of unfair treatment.

Sickness absences decreased during the corona year

In 2021, Keva employees were off sick for an average of 6.3 (2020: 7.0) working days.

Sick days due to accidents at work and commuting accidents can vary significantly from year to year. In 2021, there were very few sick days due to accidents.

In 2021, no (2020: 2) persons retired on disability pension, two (2020: 2) employees retired on partial disability pension.

Based on the results of the Work ability management 360 analysis Keva carried out in 2020, it was confirmed in 2021 that the work ability aspect would be taken into account in financial and operational planning. In addition, the goals, roles and responsibilities of strategic work ability management and the requirements for knowledge-based management were clarified.

Sickness absences

	2019	2020	2021
Number of persons	528	506	497
Sick days as working days per person	7,8	7,0	6,3

Accidents and disability pensions

	2019	2020	2021
Workplace accidents	7	2	1
Commuting accidents	15	2	1
Accidents at work and commuting accidents resulting in sickness absences	28	140	7

OUR WAY OF WORKING

Ethically sound practices

Keva's Board of Directors adopted Keva's Code of Conduct in September 2017. Work on updating the Code started in autumn 2021.

The idea behind Keva's Code of Conduct is that stakeholders expect at least the same of Keva as of other earnings-related pension providers and public sector actors. In addition to the implementation of good governance, the Code of Conduct aims at a responsible culture and ethically sound practices.



KEVAN TOIMINTAPERIAATTEET
CODE OF CONDUCT

Aiming for cost efficiency

Keva, together with municipalities and joint municipal authorities, is responsible for managing and funding local government pensions. Since the beginning of 2011, Keva has additionally managed the services of employee customers covered by the State's pension

provision. Since 2012, Keva has been responsible for managing the pension provision of employees of the Evangelical Lutheran Church and salaried employees of the Social Insurance Institution of Finland Kela. Employer services related to State pension provision were transferred to the responsibility of Keva at the beginning of 2013 and since 2017 Keva has collected Evangelical Lutheran Church pension contributions. Since the beginning of 2021, management of the pension provision Bank of Finland and Financial Supervisory Authority employees was transferred Keva.

Focusing implementation of public sector pension provision on Keva was done with the aim both to improve service quality and to reduce costs compared with the alternative of the municipalities, State, Church and Kela managing the implementation of pension provision in a decentralised manner. In 2019, work to reduce disability risk was added to Keva's statutory duties.

Keva strives for a steady development of contributions and to ensure that the payment of pensions does not constitute an unreasonable burden on future generations.

Systems merger collapsed

In August 2019, the Ministry of Social Affairs and Health and the Ministry of Finance established a working group tasked with preparing a proposal to merge the local government and public sector pension

systems. Important objectives in the preparation were cost neutrality and risk management as well as overall risk minimisation and total cost control. In September 2021, the working group found that it had failed to find a joint solution.

The most difficult issue turned out to be the cost neutrality of the merger. To prevent the public sector pension contribution from rising as a result of the merger, in addition to pension liabilities an item of around EUR 15 billion would, according to the working group calculations, need to be transferred from the local government pension system to the private sector TyEL system. This is mainly due to the longer life on average of employees in the public sector. The working group failed to find a solution to a way of paying the neutralisation charge acceptable to all parties concerned.

Even though the merger project foundered on this occasion, funding of both pension systems is still secured. Read more about the project to merge the pensions systems on pages 3 and 33 of the Annual Report.

Keva has larger than average customers

The cost-effectiveness of operations can be examined separately from the perspectives of the efficiency of Keva member organisation's pension system and the Keva organisation. The cost efficiency of the public sector earnings-related pension provider Keva cannot be directly compared to the efficiency of

private sector earnings-related pension provider, but the Finnish Centre for Pensions (ETK) in cooperation with Tela, an association looking after the interests of insurers providing statutory earnings-related pensions, compiles an annual compendium of key figures from the financial statements. The compendium contains e.g. each provider's total operating expenses, excluding investment expenses.

Keva's operating expenses are reduced by the fact that the municipalities, joint municipal authorities, the State, the Evangelical Lutheran Church and Kela are Keva's customers by law. In addition to these, customers are municipal enterprises, which can choose their pension provider.

Unlike TyEL pension insurance companies, Keva has no costs from marketing or distribution channels for canvassing new customers or insurance transfers. Pension insurance is more cost effective in large organisations than in small ones, and Keva's customers are, on average, larger than those of TyEL companies. Keva's customers have no administrative cost component in their contribution, so Keva pays no customer bonuses to its customers for operational efficiency and investment return.

Anti-bribery and anti-corruption

Keva's Code of Conduct states among other things that "in order to maintain trust in Keva's operations and reputation, gifts or hospitality must be consistent with Keva's Code of Conduct and values".

Keva's Board of Directors adopted the "Receipt of Gifts or Other Benefits" principles in 2014 and the "Hospitality Guidelines" in 2021.

In 2021, Compliance detected no issues at Keva in compliance with the Code of Conduct or the guidelines and principles, and no anti-bribery and anti-corruption measures were required.

Keva's personnel has access to a whistleblowing channel (ethics channel), which received two reports. These were processed by the Ethics team, which provided recommendations to improve ways of working.

Political influencing

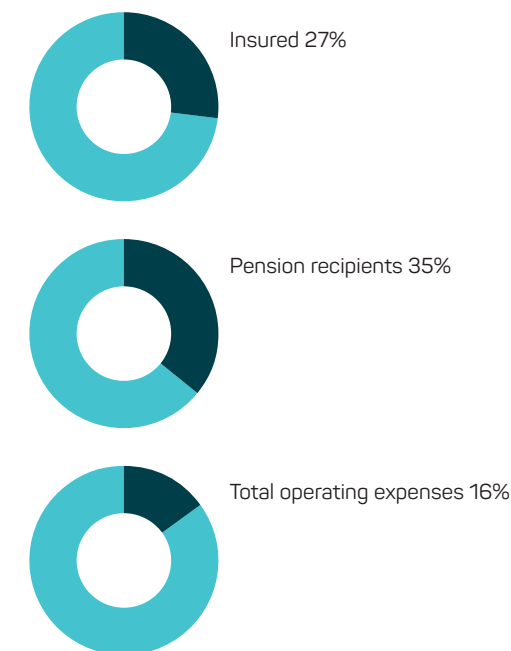
See chapter Stakeholder meetings and social engagement on page 51.

Responsible procurements

Keva's units make their purchases independently and the units are responsible for their purchases and the responsibility thereof. Keva's legal affairs units assist, if necessary, in legal issues related to the competitive tendering of products and services. In addition, Keva has a procurement coordinator who assists in the preparation of tender documents and other practical issues where necessary.

Keva publishes on its website all purchases and acquisitions, excluding salaries and similar personnel items, as well as information related to the occupational healthcare arrangements and trade secrets.

Keva is cost effective



Keva manages 27% of all earnings-related pension insured persons and 35% of all earnings-related pension recipients, but its share of expenses (excluding investment costs) of earnings-related pension providers in 2020 was just 16%. Some of this cost effectiveness is due to differences in operations and the operating environment, e.g. a smaller number of employer customers.

Source: Earnings-related pension providers' financial statements 2020, Työeläke-lehti 2/2021

Risk management and contingency planning

Risk management is part of Keva's everyday management and supervisory work. The aim of risk management work is to develop operations and processes and to support the achievement of Keva's goals so that the rights of the insured and pension recipients can be secured in all situations.

Keva's new organisation was rolled out on 1 June 2020. In this context, a new independent risk management and compliance unit CRH was created in conjunction with Enabling Operations and established operations during 2021. Independent risk management experts and the compliance officer work under the Administrative Director in the unit.

In 2021, one of the core duties of risk management related to management and leadership in the coronavirus pandemic. Keva was able to carry out its mission responsibly and effectively during the pandemic. Keva's Management Group monitored the situation at its weekly meetings and made the required decisions. Keva's operations during the pandemic complied with official guidelines. In addition, Keva has an operating model adopted by the Management Group to be applied to post-pandemic operations.

The possible merger of the pension systems was assessed in earlier years as being Keva's greatest strategic risk but this risk vanished in autumn 2021 when the project foundered. In the autumn, the greatest risk was assessed as being the adequacy

of the long-term pension funding in line with the principle of the adequacy of intergenerational funding. Taking into account the sum of wages and salaries of Keva member organisations' pension system and the development seen in the pension liability fund, the short-term pension funding situation is stable. In the longer term, uncertainty will grow regarding development of both the sum of wages and salaries and the pension liability fund.

Keva considers it important to comply with laws and regulations, which is why cooperation with the supervisory authorities has been placed at centre of strategic risks. The ability of the personnel is also naturally important to the development of Keva's operations and Keva seeks to ensure adequate competence. This is why the ability of the personnel was raised to the third most important strategic risk.

Key functions have contingency plans

Keva's total risk management includes contingency planning to ensure business continuity in the event of various disruptions and emergency conditions. Contingency planning seeks to ensure the continuity of Keva's customers' key services, above all the payment of pensions, in all situations.

Compliance is active

Compliance oversees Keva's operations and promotes compliance with regulations and other rules. Compliance is part of the CRH unit and headed by the

compliance officer and independent risk management experts who work under the Administrative Director. The compliance officer reports to the Administrative Director, the CEO, Audit and Risk Management Committee and to the Board of Directors. Advice and guidance strengthens trust in Keva's operations and a culture of responsible operations.

On 9 September 2021, the Councillors elected Keva's Board of Directors for the 2021-2023 term of office. The selection process paid particular attention to meeting the competence requirements under the Act on Keva. A study of the expertise was conducted in the Election Committee when electing the Board.

Under section 25a of the Act on Keva, "As part of strategic decision-making and risk management, Keva's Board of Directors and management shall carry out a risk assessment in which are assessed: 1) the impact of substantial risks in Keva's operations; 2) those measures that are relevant to manage the risks that have arisen in the assessment. The risk assessment must be regularly updated and updated without delay in the event of any significant changes in the risks." Keva carried out its first risk assessment during 2021. The Board of Directors adopted the risk assessment on 8 September 2021 and it was submitted for information to both of Keva's regulators, the Ministry of Finance and the Finnish Financial Supervisory Authority.

A start on updating the Code of Conduct was made in autumn 2021. The Board of Directors adopted

Keva's current Code of Conduct in autumn 2018. The Code of Conduct guides the operations of Keva and Keva's employees, and strengthens Keva's responsible way of working.

Keva's whistleblowing channel was opened in autumn 2020. Two anonymous reports were received via the channel in 2021. Both reports related to matters involving HR administration. The Ethics Team considered both reports and met a total of six times during the year. The Ethics Team gave its response to the reports through the whistleblowing channel. The channel allows the rapporteur to remain anonymous also when processing the matter and when receiving the report. The Ethics Team recommended that Keva's Communication unit review social media guidelines. Implementation of the whistleblowing directive has been delayed and has been pushed back to 2022.

These days, compliance assessments are part of Keva's compliance programme. During 2021, the Representation at Keva assessment was completed and Keva's representation instruction was updated accordingly.

Stakeholders expect development of privacy and data protection

A stakeholder and reputation survey commissioned by Keva in 2020 showed that respondents (employer customers, decision-makers, labour market actors, the media, civil society organisations, working life and the personnel) expect Keva to take data protec-

tion into account in its operations and to provide services that respect individual privacy. For 92% of the respondents, this corresponded very or quite well with the opinion of the respondents and was the most important expectation stakeholders have of Keva.

In October 2021, Keva published the 2020 data balance sheet, which stated that data protection matters were generally well taken into account at Keva and taken seriously. The value of information and data and the risks associated with their mobility and processing are well understood at Keva. The report mentions areas for development as being the start of cooperation and coordination at an earlier stage of procurement processes and when drafting contracts and when rolling out new services.

In 2021, Keva increased data protection expertise when the entire personnel were required to complete the online course Data Protection ABC for public administration personnel. Training was also provided for data protection impact assessment. Tools developed by a partner were deployed in data protection impact assessment. Instructions and interpretations were made in, for example, matters relating to information disclosed to employers, knowing the customer, powers of attorney and acting on behalf of another.

Development work on the cookie policies used in Keva's online services continued during the year based on new regulatory guidance. This work will continue during 2022.

Statistics are compiled of data protection triggers and events

Personal data breaches are divided into data protection triggers (an event with a risk of data breach) and data protection incidents (a data breach has occurred, i.e. an irregularity in the processing of personal data has occurred). During 2021, there were 11 data protection triggers and 9 data protection incidents. Keva monitors and develops processes to reduce data protection incidents. One important part of this work is training employees to identify data protection breaches and to promptly report them.

Checking and processing personal data are part of everyday life

Employee customer data subjects have the right to inspect their data in Keva. About a dozen requests were made in 2021 although in some cases the customer failed to submit the identification required to be able to comply with the request. A request under the General Data Protection Regulation and Act on the Openness of Government Activities may be made at Keva using a form that was completed in 2021. The form guides the person making the request to make more specific requests.

Keva's Data Protection Officer oversees the processing of personal data and supervision was developed during the year. Random control may be directed at the processing of any customer matter. In addition, separate supervision is directed at cases

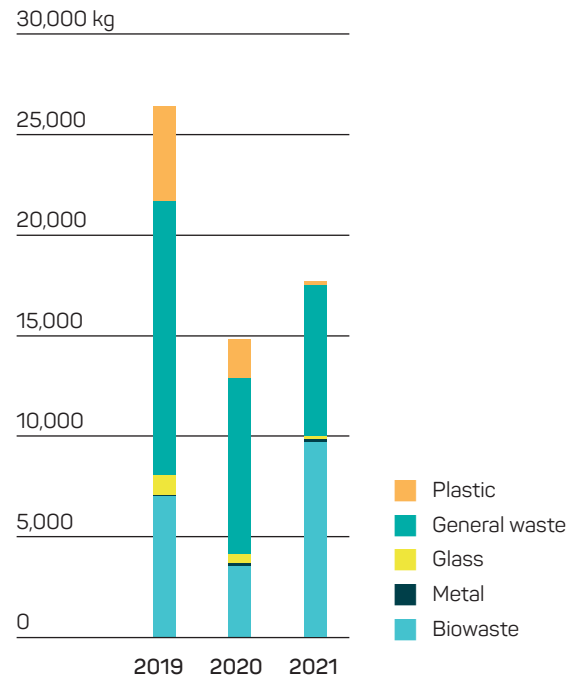
involving, for example, public figures and other customer groups whose data is at higher risk of unauthorised processing. The primary purpose of supervision is to prevent abuse and ensure that personal data processing rules are taken into account.

Environmental impacts of the Keva building

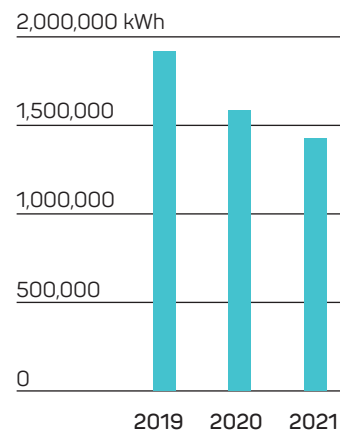
The environmental impacts of Keva’s own operations are very low. They are measured at the Keva building at Unioninkatu 43, Helsinki.

Because of the coronavirus pandemic, Keva switched over to extensive remote working in 2020 and the recommendation to work from home was in force throughout almost the whole of 2021. Keva monitored the pandemic trend throughout the year and instructed its employees to act in accordance with the official guidelines in place at any given time. During the pandemic, Keva has addressed the safety of those working in the building and ensured safe distancing and the wearing of masks in communal spaces.

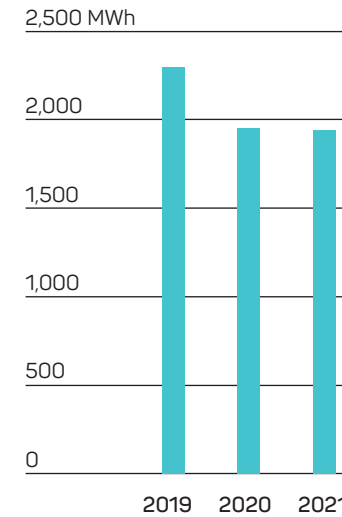
Waste at the Keva building 2019–2021



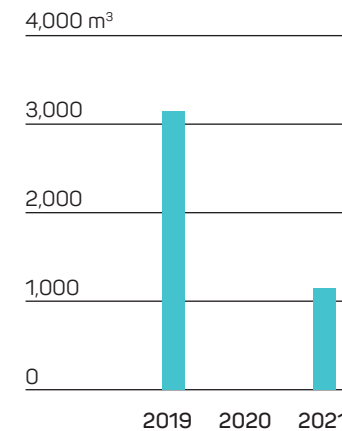
Electricity consumption at the Keva building 2019–2021



Heating consumption at the Keva building 2019–2021



Water consumption at the Keva building 2019–2021



Measurement results for water consumption in 2020 are missing.

Green Office creates everyday eco-deeds

The Keva building joined the WWF’s Green Office network in 2017. Since then, waste sorting and amounts, commuting, and energy and paper consumption have been addressed in the office building. The WWF audited and renewed the Green Office and certificate at the Keva building at the end of 2020.

Green Office has promoted Keva’s internal discussion and encouraged everyday eco-deeds. Impacting on the work environment is a concrete way for many Keva employees to think about and promote responsibility in the workplace.

Green Office targets for 2021 agreed with WWF and the results

Because of corona the targets for 2021 were the same as for 2020.

Reduction in paper consumption

Target: decrease in paper consumption from 1,667 sheets to 1,000 per person.

Result: paper consumption decreased and was 385 sheets per person in 2021.

Reduction in water consumption

Target: The daily use of dishwashers in the kitchens on each floor will be significantly less if employees do not use a new coffee cup several times a day.

Result: the dishwashers were out of use for the whole of 2021.

Energy saving

Target: Campaign: how each Keva employee can contribute to energy saving

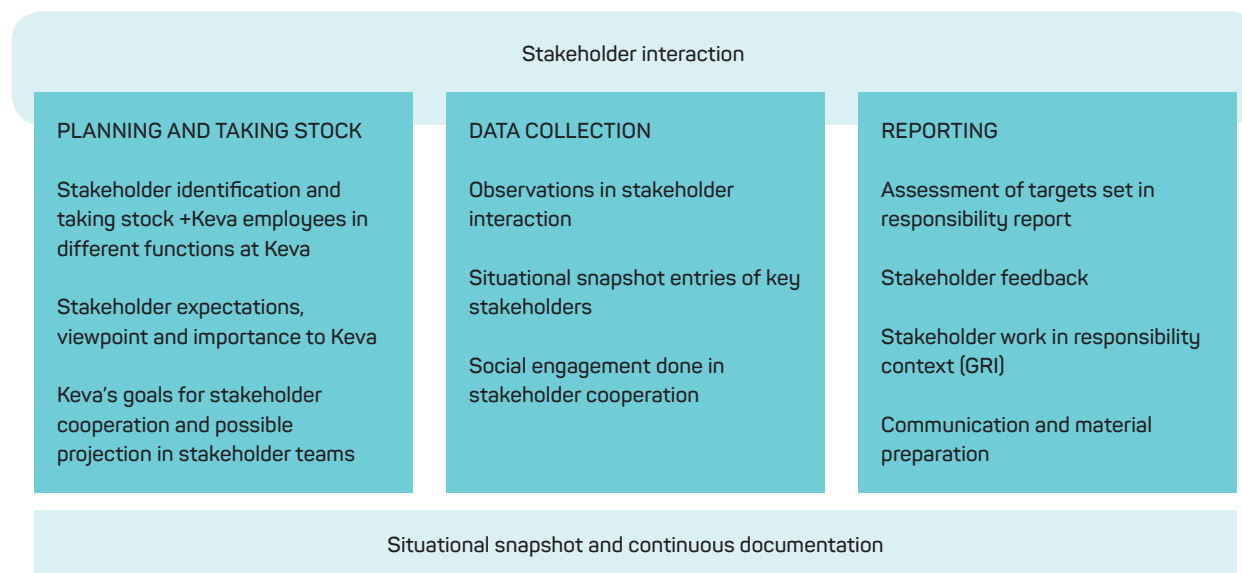
- Use the power switch to close your screen at the end of the day
- Switch the lights off in the toilets and other rooms where there is no motion detector
- Study the possibility of installing solar panels on the Keva building
- Communication about the general advantages and means of energy saving.

Result: because of extensive remote working, the campaign did not take place. Electricity consumption in 2021 was down 10.4% at 1,421,456 kWh compared to a year earlier (2020: 1,585,657 kWh).

Stakeholder dialogue strengthens confidence

Keva strives to ensure that key stakeholders understand Keva’s operations, relevance and role in society as well as Keva’s goals and their rationale. Keva uses stakeholder dialogue to guide and examine society

Keva’s stakeholder work process



and its operating environment.

Keva's work with stakeholders is determined by the Stakeholder Programme, where Keva's operations have been examined starting with each stakeholder wishes and expectations. The Stakeholder Programme is continuously updated based on Keva's own processes to ensure the up-to-date information concerning each stakeholder.

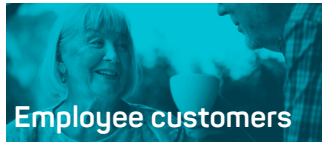
Keva's key stakeholders and their expectations of Keva's operations

Keva has studied and identified various stakeholders affecting Keva's operations. In addition to the stakeholder study, Keva has regularly established stakeholders' views and expectations of Keva's operations. Keva has reviewed stakeholder expectations and wishes, and considered how expectations and wishes can best be taken into account in working with stakeholders.

Stakeholders identified in Keva's stakeholder survey

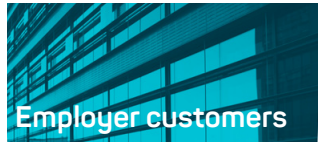


Keva's social engagement



Employee customers

Keva considers it important to serve Keva rehabilitation customers, pension applicants and recipients as best, promptly and flexibly as possible. Employee customers are one of Keva's important stakeholders.



Employer customers

Employer customers are one of Keva's most important stakeholders. Reliable, good, prompt pension insurance and work ability risk services are the focus of Keva's core duties and operations.



Local government family

Keva is a local government pension provider and various municipal advocacy organisations and actors are significant partners.



Ministries, public officials and regulators

On account of dealing with confidential matters, Keva considers it important to have good and immediate contact with Finnish officials.



Parties and public sector employee organisations

Labour market organisations are a key influencer in the preparation of decisions on working life, pension and social security legislation. Keva considers it natural to uphold close working relations with all earnings-related pension providers and to make the expertise of Keva employees available to these providers.



Pensions sector

Actors in the pensions sector constitute a key collaboration network where development of pension processes and regulation takes place. Keva considers it natural to work with all key actors in the pensions sector.

STAKEHOLDER EXPECTATIONS

- Increased personal service and communication, as well as development in decisions and processing times.
- People want Keva to contact them about retirement, vocational rehabilitation, decisions and payment dates.
- Easy, fast communication as well as a possibility for straightforward self-service.

KEVA'S ACTIONS

- Smooth service and proactive pension proposals.
- Open, smooth information about pension payment dates.
- Easy, fast communication as well as a possibility for straightforward self-service.

STAKEHOLDER EXPECTATIONS

- Active contact and cooperation.
- Good, regular communication and reporting as well as training.
- Availability and proactivity of services.

KEVA'S ACTIONS

- Keva provides customer-oriented, effective service packages that are constantly developed together with customers.
- Easy, smooth communication with Keva.
- Financial benefit from Keva's services.

STAKEHOLDER EXPECTATIONS

- Careful and prudent management of earnings-related pension funds.
- Cooperation on personnel and work ability matters.
- Provides reliable, expert information, expansion of employer customer service provision.
- Active social debater.

KEVA'S ACTIONS

- Keva provides various expert perspectives relating to local government pension provision and investment of pension funds, and actively attends and debates in various cooperative forums.
- Keva is involved in and provides extensive cooperation to the local government sector in development related to wellbeing at work, taking into account the challenges posed by the corona pandemic.

STAKEHOLDER EXPECTATIONS

- Continued cooperation in the same way.
- Expert services, active role in development activities, wellbeing at work and work ability management issues are important.

KEVA'S ACTIONS

- Provides expert assistance in matters relating to local government perspectives, public sector pension provision, investment expertise, wellbeing at work, competence and work ability management.
- Actively invites participants to Keva's events and attends ministry and agency events.

STAKEHOLDER EXPECTATIONS

- Keva provides active contact and advice, addresses work ability issues and rehabilitation, and the provision of good research data.
- Performs its mission incl. responsible and long-term pension investment operations.
- Promotes the operating conditions of municipalities.

KEVA'S ACTIONS

- Provides research and study data, information about the management and investment of pension assets, engages in cooperation in working life development and rehabilitation as well as in work ability management and anticipation of disability matters.
- Keva actively participates in and invites to events and arranges pension awareness training for union activists.

STAKEHOLDER EXPECTATIONS

- Promoting work ability and rehabilitation as well as public sector pension matters is considered to be a good thing.

KEVA'S ACTIONS

- Keva continues to closely cooperate and interact with actors in the pension system and particularly raise the peculiarities of the public sector pensions system as well as expert views on work ability and rehabilitation, and the principles of pension funding and investment operations.
- Cost-effective information system cooperation.



Political decision-makers

Keva's operations are governed by the Act on Keva and political decision-makers decide the content of the Act. Keva wants decision-makers to have an accurate, up-to-date picture of matters at Keva to enable informed decision-making.



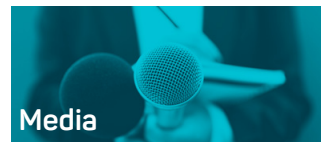
Working life developers, research institutions and training organisations

Working life development partners are an important partner in developing working life and wellbeing at work content and also in the provision of some Keva services.



CSOs and citizens

Keva is responsible for the pension provision of around 1.3m citizens. It is important for there to be good confidence in the pension system and in Keva's operations. CSOs, such as pensioner organisations and environment organisations, are a good feedback channel for Keva from the perspectives of their special expertise.



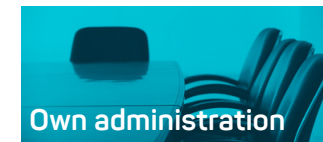
Media

Keva wants to provide information about pension provision and the peculiarities of public sector pension insurance to everyone interested in it. This is why cooperation with the mass media is paramount.



Personnel

The personnel is one of Keva's most important stakeholders. The personnel is a resource that enables us to carry out our statutory duties. The wellbeing and development opportunities of the personnel are important to Keva as an organisation and ones in which we are ready to invest in.



Own administration

Our own administration decides Keva's services and the content of operations within the framework enabled by legislation.

STAKEHOLDER EXPECTATIONS

- Careful and prudent management of earnings-related pension funds.
- Reliable expert information, expansion of the service offering for employer customers, expert cooperation on personnel matters and work ability.
- Active engagement in social debate.

KEVA'S ACTIONS

- Keva makes information, studies and research available to political decision-makers. Keva is in regular contact with key decision-makers.
- Keva actively engages in social debate.

STAKEHOLDER EXPECTATIONS

- Cooperation, research partnership and research data.
- Development, social impact of wellbeing at work.
- Proactive in research.

KEVA'S ACTIONS

- Keva continues partnership and research cooperation, and provides partners with information and forums to raise issues.
- Keva's role will open up in working life development, offer support and cooperation projects and improve the range of wellbeing at work services.

STAKEHOLDER EXPECTATIONS

- Social, responsible operations across the board that uphold stability.
- More attention to investing issues and carbon policy.

KEVA'S ACTIONS

- Keva looks manages the pension assets it holds and reports them taking into account the responsibility perspectives.
- Keva wants to hear the views of CSOs and is in dialogue on issues relating to responsibility, the position of pensioners, coping at work, and the employment of persons with partial work ability.

STAKEHOLDER EXPECTATIONS

- Active communication and engagement in social debate.
- Meetings and background events are useful.

KEVA'S ACTIONS

- Keva holds background meetings and provides information and tips for articles as well as interesting experts and interviewees for the media.
- Keva engages in social debate i.e. in social media and encourages management and experts to do so. The aim is for Keva to be recognised as the top expert in selected themes and one which is actively contacted.

STAKEHOLDER EXPECTATIONS

- Appreciation of the personnel, reliable employer.
- Hopes for reform and in the development of customer-oriented services.
- Efficiency and successful management.

KEVA'S ACTIONS

- Keva has a culture based on trust and openness, equal and fair pay and HR policy and incentivising reward system.
- Keva's expert work is highlighted. Keva maintains and improves the requirements for customer-oriented development.
- Keva provides support for supervisory work and the development of supervisory working.

STAKEHOLDER EXPECTATIONS

- Expert people, analysed information and an active grip on development.
- An ability for cooperation, renewal, change and the promotion of work ability.

KEVA'S ACTIONS

- Administration is provided with comprehensively analysed information and expert reviews and progress on the implementation of Keva's strategy is reported.
- Communication to the administration is smooth, proactive and timely, and enables good decision-making.

Keva uses research to monitor stakeholder perceptions, expectations and wishes

Keva conducts annual stakeholder cooperation surveys itself and together with various research institutes. These help Keva to assess and respond to the expectations of key stakeholders. The surveys also seek feedback on stakeholder cooperation and examine the success of activities.

Keva closely managed the perceptions of stakeholders of its own operations and annually measures the customer satisfaction of Keva’s customers, i.e. employer and employee customers and tenants in Keva’s residential properties. Keva has commissioned an extensive analysis examining Keva’s publicity in different media. Keva’s employee experience is measured weekly through the pulsometer and annually through employee surveys.

Every few years, Keva has commissioned a separate stakeholder and reputation survey. The survey established the expectations and wishes of Keva’s key stakeholders and perceptions of Keva’s reputation, communication and responsibility. In 2021, Keva commission a separate survey focusing on Keva’s responsibility, where the target group was our own administration and personnel. At the very end of the year, all stakeholders received a survey related to Keva’s strategy and responsibility.

In 2020, Keva launched a new stakeholder survey, the municipal decision-maker barometer survey. This helps us to establish municipal decision-makers’

Keva’s stakeholder surveys in 2021

Survey and who conducted it	Survey stakeholders	Survey period	Key aims	Survey frequency
Keva’s reputation in the eyes of citizens	Citizens, the public at large	Spring-summer 2021	The survey examines the recognition of Keva and various elements in reputation in the eyes of Finns.	Two-year intervals
Employee survey	Keva’s personnel	Including 2021 strategy and responsibility survey and separate responsibility research	To establish the views and expectations of Keva employees of the challenges in Keva’s operating environment, the success of strategic policy, future policies and work with responsibility.	Annually
Customer survey, employer customers	Keva’s employer customers	Autumn 2021 Top management involved in strategy and responsibility survey	To establish the views and satisfaction of Keva employer customers with Keva’s services and their expectations of Keva’s operations.	Annually
Employee customer survey	Keva’s employee customers	Including 2021 strategy and responsibility survey	To establish the expectations and views of Keva’s employee customers of Keva’s services.	Continuous feedback, quarterly analyses
Stakeholder and responsibility survey	Pension sector Media Local government actors Political decision-makers Labour market organisations Working life researchers and development partners Civil society organisations Central government experts and overseers Keva’s administration	2021 Strategy and responsibility survey (Image and expectations)	To establish the views and expectations of stakeholders of the challenges in Keva’s operating environment, the success of strategic policy, future policies and work with responsibility.	Every other year
Keva’s municipal decision-maker barometer	Municipal councillors	Autumn 2021	To establish the opinions of decision-makers incl. about workplace wellbeing in municipalities and labour availability.	Once a year
Keva’s residential tenants’ satisfaction survey	Keva’s residential tenants	2021 Christmas	To establish the views of Keva’s tenants of Keva’s services for tenants and their expectations of Keva.	Annually
Surveys on topical issues	Citizens’ pension awareness	Autumn 2021	To establish the views of citizens of pension awareness and matters related to retirees working, county report.	Random, decided separately

expectations and perceptions of Keva's operations, pension insurance and individual issues relating to the municipal operating environment. The municipal decision-maker barometer was conducted again in autumn 2021 among new decision-makers elected in the municipal elections.

Stakeholder meetings and social engagement

Keva has a team that coordinates stakeholder work and social engagement. The team is composed of Keva's senior management and meets once a month to consider stakeholder work and social engagement. The team is also responsible for setting the goals for Keva's Stakeholder Programme and for assessing the achievement of the goals.

Many very different issues were featured in Keva's social engagement in 2021. The main theme featured was the possible merger of the local government and private pension schemes, which foundered in the autumn when the parties failed to reach agreement on the model for the merger. Other important social engagement issues affecting Keva's operations included health and social services reform, amendment of the Act on Keva and the survivor pension reform.

Keva's social engagement

Matters	Background	Keva's opinion	What has been done about the matter?
Merger of the pension systems	Finland's Government Programme includes preparations to merge the pension systems and work began in 2019. Merger preparations ended when the parties failed to reach agreement on the matter yksi-tuumaista ratkaisua.	According to Keva, a merger is both possible and feasible. Whether or not it is expedient will be resolved once the final cost calculations have been completed, at the latest in the round of consultations stage.	Keva is widely participating in the merger preparations and makes background documents available to the merger working group. Discussions on the matter have been held with stakeholder representatives and decision-makers.
Major transport funding models, participation of institutional investment	Finland is planning major billion euro-class rail investments in the East, West and North of the country. The project has considered various ways of financing construction.	Keva has stated it is interested in being involved as an investor in financing major track investments and in considering the financial instruments that could be employed in this case.	Keva has provided its expertise to study financing models and has proposed various financing models both to officials and political decision-makers. Keva representatives have been consulted in Ministry of Finance and Ministry of Transport and Communications working groups considering the matter.
Transfer of pensions between the earnings-related Finnish scheme and the pension scheme of the European Communities	A bill making changes to the possibility of persons who have been in the service of the EU to transfer their pension the Finnish pension scheme.	Keva supports the move made and in its opinion presented more specific remarks on the technical details of the law. Keva's full opinion can be found at lausuntopalvelu.	Keva issued an opinion on the matter on 21 May 2021. Parliament passed the transfer of pensions in June 2021.

Read more about Keva's social engagement on pages 61–64.

Keva promotes networking

In January, together with the Association of Finnish Municipalities and KT Local Government Employees, a seminar was held in line with established practice for the communications management of the 21 largest cities.

The theme of the Keva Day was “Work as a builder of wellbeing” and owing to the corona pandemic the event was held entirely online. A total of 1,089 viewers joined the event in March. Experts on wellbeing at work and work ability management were heard during the event.

Keva also regularly meets representatives of public sector wage earner organisations. The wage earner network meets around 8 times a year and discusses current topics and issues concerning public sector pension provision.

Keva had strong media visibility in 2021

	Number of mentions	Tone of publicity (pos/neutr) %	Amount of news based on media releases*
2021	1 859	99	1 115
2020	787	92	196
2019	899	98	-

*A start was made on measuring news based on media releases in 2020
Source: Retriever

Keva was visible in public and reputation strengthened

Keva took part in the media survey conducted by T-Media in summer 2021. The survey showed that Keva’s reputation and recognition had improved since the previous time. In addition, the survey assessed Keva as being the most reliable actor in the earnings related pension sector.

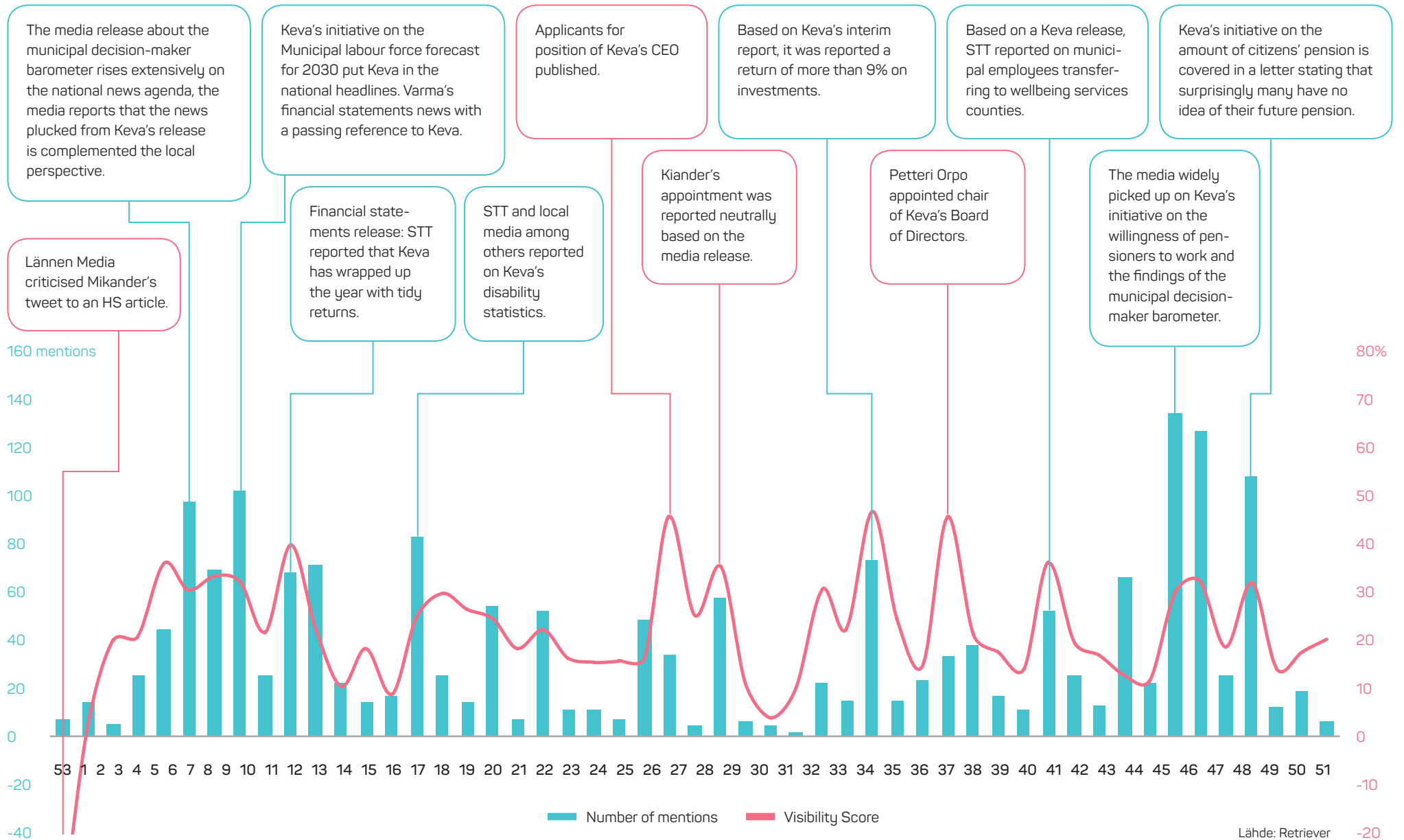
T-Media research is one of the most prestigious reputation surveys in Finland and studied the views of the public at large.

Keva’s media visibility saw a brisk increase in 2021. Keva profiled as an expert organisation especially in working life and labour sufficiency whose initiatives have received extensive national visibility. Statements by Keva representatives were quoted extensively in the media and Keva’s statistics and announcements were referenced as a source of information and expert organisation in news.

Keva publicity increased significantly and the amount of news was up 136% year on year and was more than double the average over the past five years. The publicity pursued by Keva in particular increased and growth was exceptionally great in working life topics raised by Keva.

At the same time, the tone of Keva publicity was at its most positive for five years and average awareness of Keva was exceptionally high. Of Keva’s publicity, 60% was based on Keva’s own initiatives and every other news article on average included at least a quote from a Keva representative.

Keva's proactive communication formed visibility peaks in publicity



MAJOR STAKEHOLDER MEETINGS OF THE CEO, VICE PRESIDENTS AND COMMUNICATIONS DIRECTOR IN 2021

Parliamentary groups 0 meetings
Ministers and state secretaries 6 meetings
Media journalists 12 meetings

KEVA'S OPINIONS AND RESPONSES TO REQUESTS FOR INFORMATION IN 2021

To Parliament and its committees 5

(Opinion on a Government proposal to Parliament for an Act on a limited liability company known as Työkanava Oy and acts related to it; Keva's opinion and proposal concerning a Government proposal to Parliament for the Central Government budget 2022; Opinion on a Government proposal to Parliament for an act to amend the Act on the transfer of pensions between the Finnish earnings-related pension scheme and the pension scheme of the European Communities; Opinion on a Government draft proposal to Parliament for legislation concerning the establishment of wellbeing services counties and the reform of the organisation of health, social and rescue services; Opinion on a Government draft proposal to Parliament for legislation concerning the establishment of wellbeing services counties and the reform of the organisation of health, social and rescue services)

To the Ministry of Finance 9

(Opinion on the draft for a Government proposal to Parliament for an act to amend the Act on the State Pension Fund; Opinion on the draft for a Government proposal to Parliament for an act to amend the Act on the State Pension Fund; Opinion, assessment memorandum on the development needs of information system regulation in public administration; Opinion on the proposal for public administration API principles; Opinion on the quality criteria of public administration information; Opinion on reform in the taxation of certain dividends and profits derived from real estate investments; Opinion on the assessment

memorandum to develop digital identity; Opinion on a proposal for strategic goals for opening up and using public information; Opinion on a draft for a Government proposal to Parliament for acts to amend the Act on the Population Information System and the certificate services of the Digital and Population Data Services Agency)

To the Ministry of Justice 1

(Opinion on draft provisions on the scope and transparency of automatic decision-making in public administration)

To the Ministry of Social Affairs and Health 1

(Opinion on a Government proposal to Parliament for an act to amend the Act on the transfer of pensions between the Finnish earnings-related pension scheme and the pension scheme of the European Communities)

To the Ministry of Education and Culture 1

(Opinion on a draft for a Government proposal to Parliament for an Act on the service centre for continuous learning and employment and acts related to it)

Media 6

(Request for information about salary data at Keva, Helsingin Sanomat; Request for information about beneficiaries of adjustment money, April 2021, Seiska; Request for information about beneficiaries of adjustment money, August 2021, Ilta-Sanomat; Request for information about beneficiaries of adjustment money, September 2021, Ilta-Sanomat; Request for information about beneficiaries of adjustment money, October 2021, Ilta-Sanomat; Request for information about Keva abbreviation, I-Mediat Oy)

Private persons 1

(Request for information about log data)

Others 7

(Request for information about Keva's investment operations, PitchBook Data; Request for information for calculation for 2021 EAPSPI (European Association of Public Sector Pension Institutions) membership fee; Request for information about

information services bought manually, The Upright Project; Request for information for the Information publication, Acuris; Request for information relating to the competitive environment, European Commission; Report and opinion to a complaint made to the Parliamentary Ombudsman; Report and opinion about the premature payment of pensions to the Office of the Parliamentary Ombudsman)

KEVA'S MEMBERSHIPS IN 2021

EAPSPI - European Association of Public Sector Pension Institutions

EGN Suomi OY

Finnish Business & Society ry

FINSIF - Finland's Sustainable Investment Forum

Focus Localis ry

GBC Suomi ry

Helsinki Region Chamber of Commerce

HENRY - Finnish Association for Human Resource Management

IIGCC - The Institutional Investors Group on Climate Change

INREV European Association for Investors

Institutional Limited Partners Association

International Social Security

INTL Coach Federation

Metsänhoitoyhdistys Eteläinen Metsäreviiri

Nooran Arkki OY AB

PRI Association

Rakli ry

Standards Board for Alternative Investments

The Actuarial Society of Finland

TIEKE Finnish Information Society Development Centre

Finnish Pensions Alliance TELA

Taxpayers Association of Finland

More openness than required under the Act on the Openness of Government Activities

Keva is part of public administration and complies with the Act on the Openness of Government Activities and principle. The Act on Information Management in Public Administration that entered into force at the beginning of 2020 highlights the ease of obtaining information from the authorities.

Openness increases stakeholder confidence in Keva and its operations. Keva communicates its matters actively and on its own initiative and, for example, publishes all purchase invoices accumulated during the year as well as the Councillors' and Board's minutes online.

Within Keva, openness increases the exchange of information and streamlines work. Reform of Keva and the change in corporate culture require a more open way of working that crosses organisational boundaries.

Respondents to the stakeholder and reputation survey in 2020 were given some claims, with 95% of respondents agreeing that the claim that "Keva complies with the Act on the Openness of Government Activities" describes Keva very or quite well. Compliance with the Act on the Openness of Government Activities rose to the top of the list of claims. Similarly, the third most frequently mentioned point on the list of stakeholder expectations of Keva was "development of communication, openness, transparency."

Tax footprint

Keva's tax footprint is made up of withholding tax on pensions paid as well as taxes and social security costs related to its own operations. In addition, taxes are paid on real estate investments. Pension contributions are deductible for income tax purposes for employers, employees and entrepreneurs. When pensions and benefits are paid in due course, they are taxable income for their recipients.

In 2021, Keva paid EUR 11.2 billion in pensions and cash rehabilitation benefit to State, Evangelical Lutheran Church, Bank of Finland and Kela employee customers. Tax of EUR 2.6 billion was withheld on these. Taxes and social security costs for Keva's own operations totalled around EUR 39 million (2020: 38m).

Taxes in investments in accordance with laws and agreements

Earnings-related pensions are funded by pension contributions and investment income, and the operations of Keva and other earnings-related pension providers are intended to secure the long-term funding of pensions. Under legislation, earnings-related pension funds must be invested profitably and securely. Earnings-related pension providers pay no taxes to Finland on investment income received. If taxes on investment income were paid to the home country already at the funding stage, the deficit would have to be filled by increasing pension contributions or by cutting pensions.

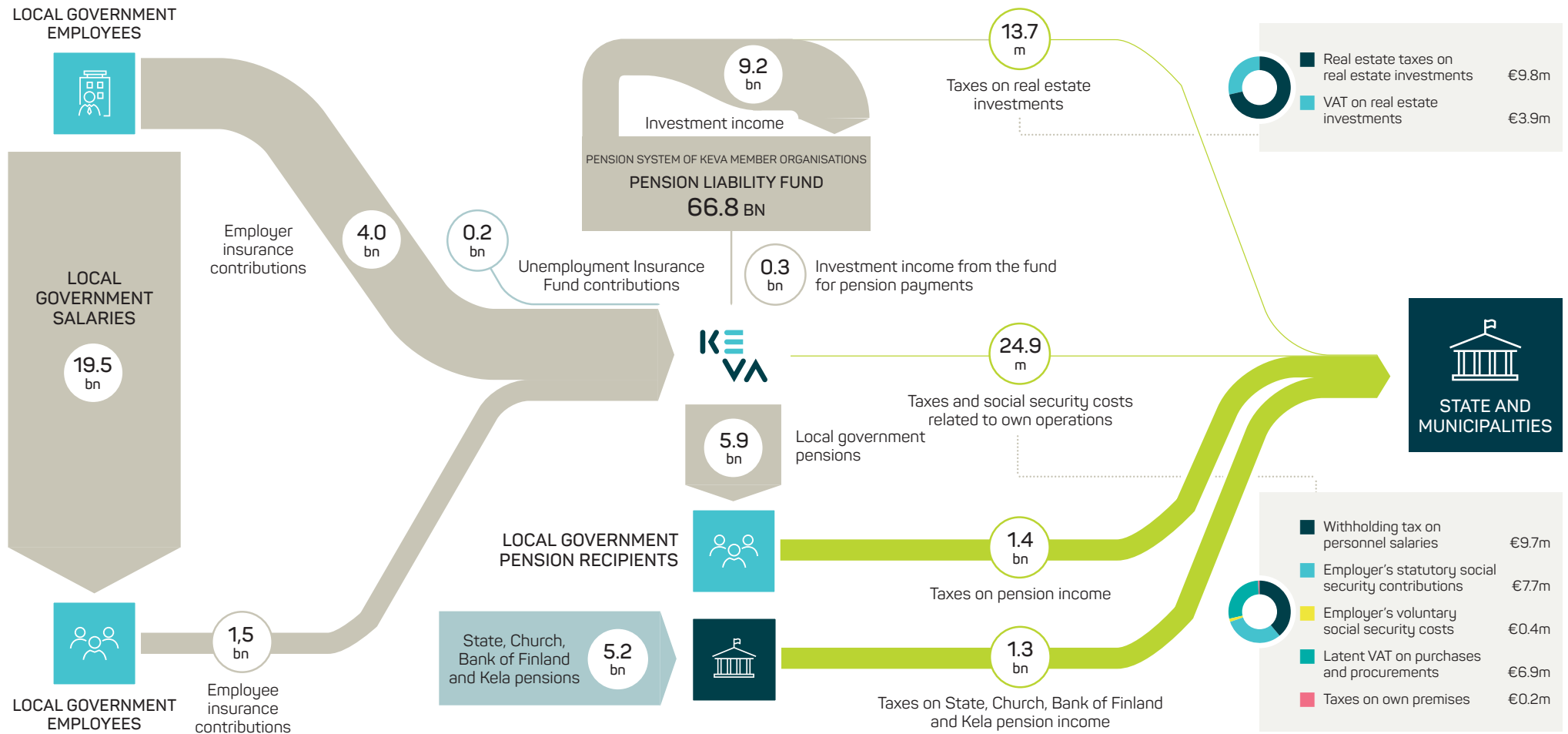
The investment activities of earnings-related pension providers are organised so that security and the income perspective are implemented at the same time. This requires the global diversification of investments between different investees and effective management of the future returns in investments. This includes the ability to take into account the impact of taxation on investment income.

Earnings-related pension providers invest a significant share, Keva around 88%, of their investment assets outside of Finland. Foreign investments are planned in accordance with international law and as tax efficiently as possible so that the beneficiaries of the local government pension system receive the best possible return on them.

Investment operations are based on the premise that taxes are not paid unnecessarily, twice or excessively on investments made outside of Finland.

Keva ensures that the investments are taxed in accordance with international tax laws and tax treaties between Finland and the source countries, and that Keva's position as a Finnish earnings-related pension provider and guarantor of pensions in the Finnish local government sector is taken into account in taxation.

Tax footprint



Keva's social engagement

Continues from page 55.

Matters	Background	Keva's opinion	What has been done about the matter?
Customer Data Act	Reform of customer data legislation.	Keva would like the upcoming Customer Data Act to enable the smooth use of the Kanta archives in pension decisions.	Keva has been involved in preparing the Finnish Centre for Pensions' opinion and proposed sections. Keva has reminded staff functions at the Ministry of Social Affairs and Health of the Finnish Centre for Pensions' opinion and its importance to ensure the smooth, prompt processing of pension decisions. The Customer Data Act was passed in May 2021 and Keva's proposals were included in it.
National work ability programme related to the Corona crisis	Corona has burdened frontline workers in the municipalities, state and church. This increases the risk of work disability of these workers. Keva has proposed the government make a Corona work ability programme.	Keva is prepared to fund half of the resources required by the aforementioned work ability programme. It would be important to get a decision to start the programme. The programme could be part of EU's sustainable growth fund projects set up due to corona.	Keva has drawn up a plan and discussed the matter with public officials, secretaries of state, special advisers and ministers and informed wage earner organisations about the programme. The project has been mentioned in the Sustainable Growth Programme for Finland. Parliament decided on €1.5m in the 2022 budget to implement the programme.
Amendments to the Act on Keva	Wellbeing services counties will be created in Finland as a result of health and social services reform. The wellbeing services counties will become Keva member organisations. Consequently provisions concerning Keva's administration are being amended.	Keva has wished for changes in the administrative structure and the inclusion of representation of the wellbeing services counties in Keva's administration.	Keva has initially discussed the amendment with Ministry of Finance officials and participated in a consultation held on the matter by the Ministry of Finance. The bill is being prepared and the intention is to submit the act to Parliament during the spring 2022 session.

Matters	Background	Keva's opinion	What has been done about the matter?
Health and social services reform	A major health and social services reform has been proposed in Finland where responsibility for organising health and social services will be transferred from municipalities to wellbeing services counties, which will become Keva member organisations.	Keva supports the legislative proposals related to pension provision in health and social services reform and hopes for a structural reform of the payment of Keva pension contributions.	Keva has been in dialogue with legislative drafters about the changes and has made its own views known to them. Keva has also borne responsibility for the position of Municipal Finance plc in health and social services reform. Parliament passed the Act in June 2021.
Reform of the Act on the Openness of Government Activities	The Ministry of Justice completed a feasibility study to reform the Act on the Openness of Government Activities.	Keva supports reform of the Act on the Openness of Government Activities. It would be natural for all earnings-related pension providers to come within the scope of Act without separate limitations as currently provided in Keva's case. Keva has issued an opinion on the matter.	Keva has discussed the matter with the Minister of Finance's staff and provided material for the Minister's use on the application of the Act on the Openness of Government Activities in Keva. The matter has also been discussed in the Finnish Pension Alliance TELA's administration, with labour market organisations and with the Finnish Centre for Pensions representative in the working group of the Ministry of Justice.
Tax at source of institutional investors	The Ministry of Finance has set up a working group to consider tax at source on investment returns of institutional investors.	Keva considers that there should be no change in the present tax status. Keva issued an opinion on the matter on 29 July 2021.	Keva has raised various aspects related to changing Keva's tax status in pension sector stakeholder work and in discussions with decision-makers.

Matters	Background	Keva's opinion	What has been done about the matter?
Linear calculation of disability pension	Legislative preparations are under way to reform disability pension with a so-called linear calculation model, which would enable better alignment between working and income when receiving a pension.	Keva has pointed out that sufficient time must be allowed between any changes and implementation. Keva has calculated the impacts of the reform on the livelihood of persons covered by the pension provision it manages. The linear model would mean a cut of around €150 in the pensions of the 7,500 beneficiaries affected.	Keva has taken part in deliberating the statutes and contributed its expert views to preparatory work. Keva has informed the labour market party in the working group of the calculation and raised concerns about the complexity and ambiguity of the linear model.
So-called automatic decision-making	The Parliamentary Ombudsman drew attention to the Tax Administration's automated decision-making. A review of legislation on the matter has been triggered.	Keva is following discussions on the subject and has assessed its own practices against this background.	Keva is following the matter and has contributed to regulatory development work by commenting on the draft versions through stakeholder work.
Wellbeing, retirement of public sector employees and securing labour needs	Keva has actively raised in public the social themes that affect the funding of pension provision and the related research, studies and Keva's statistics.	Keva has proposed an improvement in work-based immigration practices, influencing the wellbeing of employees as well as numerous solutions to the labour shortage.	Keva has prepared and published a public sector retirement forecast, disability figures, studies related to rehabilitation and has studied local government decision-makers' opinions of local labour shortages. Keva has provided to the parties background material for the use of municipal and wellbeing services county election candidates. Keva as consulted in Parliament on the matter of a shortage of experts.

Matters	Background	Keva's opinion	What has been done about the matter?
Rehabilitation reforms	A programme has been completed to implement the Rehabilitation Committee's proposals. In addition, the Finnish Pension Alliance TELA and The Finnish Centre for Pensions have considered the effectiveness and reform of rehabilitation under the earnings-related pension system.	Keva has considered various proposals related to improvements to rehabilitation under the earnings-related pension system and the work of the Rehabilitation Committee. Keva considers it important to quickly prepare and make changes.	Keva has drafted its own proposals for the follow-up work of the Rehabilitation Committee, participated in the Finnish Pension Alliance TELA's reflection on improving the effectiveness of rehabilitation under the earnings-related pension system and the Rehabilitation Committee's implementation plan. Keva has informed pension providers and political decision-makers of its views.
Promotion of domestic ownership	The Ministry of Economic Affairs and Employment has appointed a rapporteur, Juha Sipilä, to consider measures to promote domestic ownership.	Keva is keenly following preparation of the matter and has drafted its own proposals to promote domestic ownership.	Keva has made its proposals available to the rapporteur and secretary to the working group and has also informed management at the Ministry of Finance and key decision-makers about the matter.
Employment of people with impaired capacity and the establishment of Työkanava Ltd	Työkanava Ltd is a new, State-owned special assignment company established in Finland. The company is tasked with promoting the employment of people with impaired capacity.	Keva supports special employment measures to employ people in the most difficult labour market position. Keva on has highlighted the consideration of people with impaired capacity in the Ministry's actions.	Keva has commented and provided an opinion on the proposal for an Act on Työkanava Ltd. Among other things, Keva pointed out that the provisions must be clear and compatible also with regard to people with impaired capacity in working life and rehabilitation.

Matters	Background	Keva's opinion	What has been done about the matter?
Reform of lifelong learning	Both the Finnish Innovation Fund Sitra and the Ministry of Education and Culture have studied a reform of lifelong learning. That work resulted in a proposal for development needs in December 2020.	Keva has considered it important to enable lifelong learning for employees in working life from the aspect of reducing the risk of work disability, for example.	Keva has been involved in work by the Finnish Innovation Fund Sitra and the Ministry of Education and Culture's work in preparing proposals to develop lifelong learning. Keva has provided opinions on the matter.
Establishment of a service centre for continuous learning and employment	A service centre for continuous learning and employment would promote the competence development of working-age people and the availability of skilled labour. A bill has been prepared on the matter.	Keva has considered the possibility to complete parts of the qualification to be a good idea and hopefully there would be an opportunity to move more flexibly to new jobs or to diversify the job description. Keva's opinion on the matter in full can be found at lausuntopalvelu.	Keva has contributed to the work by the Finnish Innovation Fund Sitra and the Ministry of Education and Culture to develop lifelong learning and has provided an opinion on the matter. The matter has also been raised in a meeting considering labour availability with the Minister of Education.
Renewal of the personal identity code and the development of digital ID	The purpose of regulatory change seeks to enable a change of personal identity code in more situations than at present where personal IDs have fallen into the hands of third parties.	Keva supports the development of digital personal ID especially from the aspect of electronic identification.	Keva has studied the implications of the reform for its own operations and has held discussions with representatives of advocacy organisations in the pensions sector about the needs to develop the law. Keva will comment on the matter when it comes round for comments.

Matters	Background	Keva's opinion	What has been done about the matter?
EU's ESG and Taxonomy Regulation as well as the so-called Disclosure Regulation	The EU is preparing ESG and taxonomy regulations relating to corporate responsibility reporting. The first provisions have already been brought into use in Finland through the Disclosure Regulation.	Keva has followed the preparation of the regulations. So far, the regulations have not extended in Finland to apply to earnings-related pension providers or Keva. All the same, Keva has followed and assessed how the regulations would affect its operations.	Preparation of the matter has been followed and the matter has been raised and considered in various meetings of the Finnish Pension Alliance TELA.
EU's Artificial Intelligence Regulation	The EU is in the process of enacting an Artificial Intelligence Regulation: interesting aspects regarding the insurance sector include analytical capabilities based on machine learning of various material masses.	Keva has followed the matter and assessed the implications of EU regulation for provisions on automatic decision-making, for example. As far as is known, regulation of automatic decision-making does not at this stage depend on the EU's Artificial Intelligence Regulation.	Preparation of the matter has been followed and the available legal material and public discussion material on the matter have been studied.
Working of the Finnish Social Security Committee	Preparations are underway in Finland to simplify the social security system. The preparations will last more than one government term.	Keva considers it a good idea to simplify and streamline the social security system.	Keva has studied the work of the Social Security Committee, in particular the development of rehabilitation, informal and family care, and has commented on material related to these within the pension sector.

Matters	Background	Keva's opinion	What has been done about the matter?
Amendment to the law concerning the State Pension Fund	The State Pension Fund rules will be changed and the recognition of the fund in the central government budget will be changed.	Keva has supported reform and hopes for further definition of the concepts and invoicing criteria of pension liability in the law.	In its opinion, Keva has drawn attention to the legal definition of the concept of pension liability and invoicing criteria in the bill. The act was submitted to Parliament for consideration in the first half of February.
Amendments to the Health Insurance Act	Changes are proposed to the deadlines in the Health Insurance Act used to assess work ability and the need for rehabilitation in cases of long-term sick leave in order to prolong sick leave.	Keva has supported the changes and considers it good that in cases of long-term sickness, work ability and the need for rehabilitation can be assessed more frequently than earlier.	Keva has commented on material related to these within the pension sector.
Transparency register	It has been proposed that a transparency register be set up in Finland to improve the transparency of lobbying.	Keva considers greater transparency to be a good thing and has followed preparation of the matter.	In 2022, Keva issued an opinion on the matter. In the opinion, Keva supports the register.
Survivors' pension reform	A proposed amendment to the survivors' pension to improve the situation of common-law spouses and to limit the validity of the survivors' pension to 10 years.	Keva has supported the envisaged amendment.	Keva has been involved in the Finnish Pension Centre's working group in preparing the regulatory changes. The Act entered into force on 1 January 2022.

Matters	Background	Keva's opinion	What has been done about the matter?
Proposal by the European Commission on changes to the VAT treatment of insurance and financial services	The Commission intends to streamline the VAT rules in the finance and insurance sector. This legislative work includes a risk that the pension sector would also be covered by the rules.	Keva does not consider it sensible that the VAT rule would be extended to pension insurance.	Keva has studied the matter, which has been discussed in various meetings of the Finnish Pension Alliance TELA and European Association of Public Sector Pension Institutions (EAPSPI) has commented on the matter to the Commission.
Working Conditions Directive	One of the purposes of implementing the Working Conditions Directive is to amend the regulations on the employer's obligation to notify the employee of the pension insurer.	Keva has considered that rather than from the Pensions Act it is better to transfer the regulations to the Employment Contracts Act and to the Act on Civil Servants in Local Government.	Discussions have been held with ministries on the implementation of the Working Conditions Directive.
TE Services 2024 (transfer of state employment services to the municipalities)	The plan is to transfer responsibility for the organisation of employment services from the State to the municipalities in 2024.	Keva is following preparations and is ready to assist with the transfer of pension provision. It is estimated that the pension insurance of several thousand people will transfer from the State to the local government pension system.	Keva has followed preparations of the matter and participated in events organised by ministries for municipalities.
Act on insurance medical officers	Proposed clarifications to the act as to the way in which specialist medical officers at insurance institutions are required to take a position on the medical reports submitted for processing.	Keva has supported the planned amendment.	Keva has contributed to comments on the bill in pension sector networks.

GRI CONTENT

GRI index	Index content	Location in the report	More information
102 GENERAL DISCLOSURES			
102-1	Name of organisation		Keva
102-2	Lines of business, brands, products and services	Our responsible mission p. 7 Annual Report 2021 pp. 11–15	
102-3	Location of headquarters		Unioninkatu 43 Helsinki
102-5	Ownership and legal form		Keva is a public pension provider managed by its member organisations
102-6	Markets served, lines of business		Keva operates as a public sector pension provider in Finland
102-7	Scale of the organisation	Our responsible mission p. 7	
102-8	Information on employees and other workers	Basic information about Keva employees p. 40	Keva does not collect data on its personnel to the accuracy required by GRI
102-10	Significant changes to the organisation and its supply chain	Annual Report 2021 p. 5	
102-11	Precautionary principle or approach	CIO's review p. 19 Risk management and contingency planning pp. 46–47	
102-12	External policies or initiatives adopted or promoted by the organisation	Public commitments to responsibility of Keva's investment operations. Engagement with the industry and memberships p. 38	CDP Non-disclosure campaign pp. 36–37 Climate Action 100+ p. 37 Global Investor Statement to Governments on the Climate Crisis p. 37 WWF Green Office p. 50
102-13	Membership of associations	Engagement with the industry and memberships p. 38 Keva's memberships in 2021 p. 58	

GRI index	Index content	Location in the report	More information
102-14	CEO's review	CEO's review. Responsibility permeates everything we do pp. 3–6	
102-15	Key impacts, risks and opportunities	Our responsible mission p. 7 Annual Report 2021 pp. 30–32	
102-16	Values, principles, standards and norms of behaviour	Ethically sound practices p.45 Keva's Code of Conduct	
102-17	Mechanisms for advice and concerns about ethics	Compliance is active p. 47	
102-18	Governance structure and corporate responsibility management	Our responsible mission pp. 8–9 Annual Report 2021 pp. 24–26	
102-21	Consulting	Stakeholder dialogue strengthens confidence, Keva's stakeholder work process pp. 50–51	
102-23	Chair of the highest governance body	Annual Report 2021 pp. 44–47	
102-24-A	Nominating and selecting the highest governance body	Annual Report 2021 pp. 24–25	
102-33	Communicating critical concerns	Compliance is active p. 47	
102-35-A	Remuneration policies for the highest governance body and senior executives	Annual Report 2021 pp. 24–25 Financial Statements 2021 p. 16	
102-40	List of the organisation's stakeholder groups	Stakeholder dialogue strengthens confidence pp. 51–54	
102-41	Collective bargaining agreements		Keva's personnel are covered by Keva's collective agreement and KVTES

GRI index	Index content	Location in the report	More information
102-43	Approach to stakeholder engagement	Stakeholder dialogue strengthens confidence pp. 54–55	
102-45	Entities included in the consolidated financial statements		Responsibility Report and Annual Report and Financial Statements cover all of Keva's activities
102-47	Material topics	Indicators in Keva's Responsibility Programme p. 11 keva.fi/en/this-is-keva/responsibility	
102-50	Reporting period		1 January – 31 December 2021
102-52	Reporting cycle		annually
102-53	Contact point for questions regarding the report		info@keva.fi
102-54	Claims of reporting in accordance with the GRI standards		This report has been prepared in accordance with the GRI standards (reference level)
102-55	GRI content index	GRI content pp. 65–67	
102-56	External assurance		The Responsibility Report has not been assured
103-1	Material topics and their boundaries	keva.fi/en/this-is-keva/responsibility	
103-2	The management approach and its components	Responsibility for the livelihood of hundreds of thousands of Finns pp. 8–9	

GRI index	Index content	Location in the report	More information
200 ECONOMIC IMPACTS			
201-1	Direct economic value generated and distributed	Our responsible mission p. 7 Tax footprint p. 60 Financial Statements 2021 pp. 16–17	
203-2	Significant indirect economic impacts and their scope	Our responsible mission pp. 7–8 Responsibility for customers pp. 12–17	
207-1	Taxes	Tax footprint pp. 59–60	
KEVA'S OWN INDICATORS			
	Total processing time of applications	Annual Report 2021 p. 34	
	Share of disability pension applications rejected in the public and private sectors	Annual Report 2021 p. 34	
	Keva's service level	Service level 2019–2021 p. 13	Processing times determine the service level
	Appeals against Keva's decisions	Annual Report 2021 p. 34	
	Effectiveness of rehabilitation	Effectiveness on disability retirement pp. 13–14	
	Support for work ability management	Services and cooperation to support work ability management pp. 15–16	
	Digitalisation of services	Responsibility for custom-ers pp. 12–13	
	Satisfaction and willingness of employer customers to recommend Keva	Customer experiences and willingness of employee and employer customers to recommend pp. 16–17	

GRI index	Index content	Location in the report	More information
	Keva's investment return	Annual Report 2021 pp. 19–21 Financial Statements 2021	
	Responsible investment priorities and process	Responsibility for investment operations pp. 18–38	
	Cost efficiency	Aiming for cost efficiency pp. 45–46	
	Tax footprint of Keva's operations	Tax footprint pp. 59–60	

300 ENVIRONMENTAL IMPACTS

302-1-c-e	Organisation's own energy consumption	Impacts of the Keva building on the environment p. 49	
302-4	Reduction in energy consumption	Direct real estate investments pp. 32–33	
303-5	Water withdrawal	Impacts of the Keva building on the environment p. 49	None of Keva's operations is in an area suffering from water shortage

GRI index	Index content	Location in the report	More information
400 SOCIAL IMPACTS			
401-1	New employee hires and employee turnover	Basic information about Keva employees p. 41	
403-3	Occupational healthcare services	Building a good employee experience, Sickness absences decreased during the corona year pp.43–44 Annual Report 2021 p. 28	
403-9	Accidents at work	Accidents and disability pensions p. 44	
404-1	Average training hours a year per employee	Basic information about Keva employees p. 39	Keva does not collect information about training hours by gender and employer group
404-3	Percentage of employees receiving regular development discussions and career development reviews		Whole of Keva's personnel
405-2	Ratio of collective agreement pay of men and women	Ratio of collective agreement pay of men and women p. 41	
415-1	Political contributions	Keva made no political contributions in 2021	
418-1	Data security incidents of breaches and leaks of customer data	Stakeholders expect development of privacy and data protection p. 48	



www.keva.fi

00087 KEVA

Telephone +358 20 614 21