



CLIMATE TRANSPARENCY REPORT

2019

LocalTapiola Real Estate Asset Management Ltd.

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-D79453B8-5D60-4AC3-84A4-BB247E0C5241/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	-	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	✓	Public				
SG 01.12 CC	-	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	LocalTapiola Real Estate Asset Management Ltd.
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Property Internally Managed
Signed PRI Initiative	2010
Region	Europe
Country	Finland
Disclosure of Voluntary Indicators	29% from 38 Voluntary indicators

LocalTapiola Real Estate Asset Management Ltd.

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Responsible real estate investment is taken into account from investor to real estate user in every step of LocalTapiola Real Estate Asset Management's value chain.

In the operations of LocalTapiola Real Estate Asset Management responsibility is taken through life cycle management of properties as an active representative of the owner so that the signed principles are being fulfilled.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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**SG 01.6
CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

-LocalTapiola Real Estate Asset Management has been engaged to the energy saving targets set by the real estate industry in Finland. The main goal for the energy saving targets of Finnish real estate industry is to prevent climate change.

-The construction regulations in Finland set strict requirements for the building structures, i.e. energy efficiency. In our investment strategy we require that the Finnish regulations and high energy efficiency level have been followed during the construction phase.

-LocalTapiola Real Estate Asset Management has confirmed the construction and design guidelines which sets requirements exceeding the Finnish Construction standards

-During the zoning phase the potential risk for floods are taken into account. The micro location and structural design are adapted according to the risk.

-We have environment guidelines for big construction projects in order to improve the recycling and re-using of construction waste

-We don't accept the properties built on polluted soil. Polluted soil need to be cleaned/removed before the construction project/transaction and inspected by environment authorities.

-We are actively looking for opportunities to use of renewable energy sources in our properties. For example, we have built several solar power plants in recent years (1 big solar plant project in 2018).

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

No

**SG 01.9
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

We manage and invest only in real estates and focus on reporting sustainability according to frameworks for real estate industry (for example GRESB).

**SG 01.10
CC** Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes
- No

**SG 01.11
CC** Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

We invest only in real estates in Finland where climate-related risks are not considered to be material during our investment perspective. However we follow actively the situation and consider potential changes in weather conditions. Especially the changing weather conditions are taken in account in construction project.

**SG 1.12
CC** Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

{[hyperlink:http://public.egate.fi/lahitapiola/lahitapiola/fi/tiedostot/225494/](http://public.egate.fi/lahitapiola/lahitapiola/fi/tiedostot/225494/)}

- Attachment (will be made public)

Attachment

[File 1:LähiTapiola Kiinteistövarainhoito vastuullisen sijoittamisen politiikka 2018 EN.pdf](#)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

{hyperlink:<https://www.lahitapiola.fi/tietoa-lahitapiolasta/vastuullisuus/vastuu-ymparistosta>}

Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:<https://www.lahitapiola.fi/tietoa-lahitapiolasta/vastuullisuus/vastuu-henkilostosta/tasa-arvo-ja-yhdenvertaisuus>}

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:<http://www.lahitapiola.fi/tietoa-lahitapiolasta/vastuullisuus/yhteiskuntavastuu-lahitapiolassa/vastuullisuus-lahitapiolassa>}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.lahitapiola.fi/tietoa-lahitapiolasta/vastuullisuus/vastuullinen-kiinteistoliiketoiminta}

Attachment

We do not publicly disclose any investment policy components

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	External managers or service providers
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Other role, specify (1)
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	Other description (1)
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Environment manager

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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LocalTapiola Group is actively working for climate change together with Finance Finland organization (the organization representing companies in finance sector in Finland). For example, Finance Finland supports publicly TCFD (Task force on climate related financial disclosures). The role of the members of the board is to implement LocalTapiola's group level strategy to LocalTapiola Real Estate Asset Management's strategy.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 13.3	Additional information. [OPTIONAL]
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In the pre-selection phase of a new property investment a short check list that covers ESG issues is used. This includes viewpoints such as environmental performance, tenant reliability, occupancy, technical condition and real estate company information. If the majority of the set requirements are met, the investment process may continue to the next level in which more information is gathered and careful analysis is made. Weaknesses regarding ESG issues usually lead to the rejection of the investment.

When the investment process goes on, the phase after the indicative bid is followed by a careful due diligence process in which also external experts and advisors may be used. In this phase all the elements of ESG are

analysed.

The process is the same regardless of property type or location. The analysis is made in close cooperation with the asset management company's experts (e.g. environmental manager).

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
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- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
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- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

Energy use in properties is monitored and reported

- None of the above

SG 14 CC

Voluntary

Public

General

SG 14.6 CC

Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Increase energy efficiency	MWh	
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Decrease carbon footprint of properties	CO2,t	
Total carbon emissions	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

SG 14.7 CC	Describe in further detail the key targets.
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Targettype	Time Frame	Description	Attachments
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2017-2025	Engagement to decrease the energy consumption (commercial properties)	File 1:TETS sopimus 2017-2025.pdf
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	2017-2025	Engagement to decrease the energy consumption (residential properties)	File 1:VAETS sopimus 2017-2025 allekirjoitettu.pdf
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.
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- Process for climate-related risks is integrated into overall risk management
- Process for climate-related risks is not integrated into our overall risk management

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No