



# CLIMATE TRANSPARENCY REPORT 2020

FIM Asset Management

# 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 2020 PRI Reporting Framework.

## About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-40A76A2B-7F65-4500-AA7A-8FFD4095107B/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). 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 2020 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 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	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	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	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	
<b>Name</b>	FIM Asset Management
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ 5 - 9.99 billion AUM
<b>Main Asset Class</b>	>50% Listed Equity Internally Managed
<b>Signed PRI Initiative</b>	2009
<b>Region</b>	Europe
<b>Country</b>	Finland
<b>Disclosure of Voluntary Indicators</b>	40% from 38 Voluntary indicators

# FIM Asset Management

## 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
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**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.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**SG 01.6 CC** Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

As a part of our investment process, we evaluate the climate related risks of each of the potential investments. The framework is centered around two possible climate scenarios: 1) global warming of two degrees and 2) four degrees Celsius by 2100, respectively. In assessing the two-degree-scenario we focus on identifying and, up to certain level, quantifying transition risks and opportunities, emphasis being on the risks. In assessing the four-degree-scenario, we focus on identifying and quantifying (when possible) physical risks and opportunities brought on by the changing climate, emphasis of the analysis being once again on the risks.

The analysis is based mostly on our previous knowledge of the industry, opinions presented by trusted experts, material provided by the company and discussions with company representatives.

Special emphasis is laid on analyzing the preparedness of the company for both of our scenarios. We probe the awareness and prioritizing on the board level, quality and depth of reporting on climate risks as well as actual or planned measures for mitigating those risks.

The outcome of our analysis serve as an input for our investment decision process and helps us better contextualize the valuation of the company.

No

**SG 01.7 CC** Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

The horizon of our analysis spans 10-15 years.

No

**SG 01.8  
CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes
- No

**SG 01.9  
CC**

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

- Yes

Describe

We have trained portfolio managers to use TCFD framework in analysing companies' climate related risks and opportunities. We have adopted an exclusion policy that covers all our internally managed assets. Coal exclusion is currently the core element in managing climate related risks at FIM. We have also planned to make exclusion criterias stricter going forward. Also, our strategy is to introduce more products that have climate risks and opportunities in the core of the investment strategy. By doing this, the proportion of climate aware AUM will increase. All this will be on the top of existing climate consideration in analysing and making investment decisions on a portfolio management level.

- No

**SG 1.10  
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

specify

We provide those clients that are interested a carbon footprint for their portfolios. Also, for the public funds we disclose carbon footprints publicly.

- We currently do not publish TCFD disclosures

## Governance and human resources

**SG 07 CC**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Descriptive**

**General**

**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

Portfolio managers

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

Dedicated responsible investment staff

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

External managers or service providers

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

**SG 07.7**  
**CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

As we recently combined the CIO and Head of ESG roles, the CIO is now in charge of ESG at FIM. This was due to the importance of responsible investing for FIM. Also, we do not want to make a distinction between 'investing' and 'responsible investing' as our approach is to align these two. When it comes to climate related issues, the CIO suggests to the ESG committee what actions should be taken. The committee then makes the final decisions. Exclusion criterion will be decided upon in the management committee of FIM. For climate related product development, the CIO takes new ideas forward to the management board.

We have excluded coal companies according to certain parameters from our investment universe. Also, our updated ESG policy refers to TCFD. We familiarised portfolio managers more formally with the issue in 2019. These decisions have been taken as described earlier. Portfolio managers do have a good knowledge on climate change and its effects on sectors and companies.

**SG 07.8**  
**CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

We regularly ask service providers to a) develop TCFD related analysis b) integrate that into their analysis and reporting.



We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

## ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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### SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

### SG 13.3

Additional information. [OPTIONAL]

Climate change / ESG related scenario analysis is at such an early stage that we have not seen a great rationale to do this at this stage. Moreover, as the asset managers typically have tens or hundreds or even more portfolios, different scenario analyses are not as effective as they are in case of an asset owner with fewer, in many cases just one, portfolio.

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.

- 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

- 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
- None of the above

SG 14 CC	Voluntary	Public		General
<b>SG 14.6 CC</b>	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.			

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Weighted average carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	What is my portfolio's exposure to carbon-intensive companies.	Tons CO2e / M\$ sales	Weighted average of each portfolio company's CO2e/ it's revenue. This metric also suits for fixed income securities.
<b>Carbon footprint (scope 1 and 2)</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To be able to consider each company's emissions and to be able to calculate emission metrics for portfolios as this input is needed in one way or another.	Tons CO2e	Sum of company's scope 1 and scope 2 emissions.
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	What is my portfolio's exposure to high carbon footprint companies. This metric can be normalised per 1 million dollar investment, which enables to compare with for example a benchmark.	Tons CO2e	Sum of portfolio companies' owned emissions normalised to 1 million dollars invested.
<b>Total carbon emissions</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	What is my portfolio's total carbon footprint.	Tons CO2e	To calculate the portfolio carbon emissions, we sum up all the emissions in the portfolio based on the investor's ownership share. The metric can also be expressed as per dollar invested.
<b>Carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	How efficient is my portfolio in terms of total carbon emissions per unit of output.	Tons CO2e / M\$ sales.	Carbon intensity is the ratio of portfolio carbon emissions normalized by the investor's claims on sales. This can only be calculated for equity investments as the ownership figure is needed.

**SG 14.8  
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

Please describe

Calculating and reporting different carbon figures for portfolios is not integrated into our overall risk management yet. We do publish these figures for our mutual funds. Risk management in climate related issues is done on a portfolio level by portfolio managers.

**SG 14.9  
CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

Yes

Please describe

We participate in Climate Action 100+ and TCFD adoption is one aspect of the engagement programme.

No, we do not undertake active ownership activities.

No, we do not undertake active ownership activities to encourage TCFD adoption.

**SG 15**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Descriptive**

**PRI 1**

**SG 15.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

No