Keva's Responsibility KPIs 2024

Sisältö

CEO's review:

We highlighted the meaningfulness of public sector work during our anniversary year

Keva marked its 60th anniversary in 2024, which we mainly spent working. Our anniversary year culminated in an event held for Keva customers, other stakeholders and Keva employees at Musiikkitalo in Helsinki. At the event, we raised the importance of public sector work and those who do it and who Keva helps to look after.

During the anniversary year, we organised e.g. decade theme days internally. We also took a peek into the future by asking what will happen next for the 60-year-old Keva, with answers sought not only by our own experts, but also by Finland's leading experts in the social security and earnings-related pension sectors.

During our 60th anniversary year, Keva implemented a multi-channel brand campaign to highlight the socially meaningful work being done in the public sector. The campaign also built an awareness and image of Keva and of public sector pension provision. The campaign delivered positive results and we will continue to build brand awareness through brand communication.

CEO Jaakko Kiander

Research-based information for customer needs

Keva's Municipal Decision-Maker Barometer showed that labour availability in municipalities improved in 2023–2024. More than half of political decision-makers estimated that their municipality did not have enough skilled workers for vacant jobs, whereas three out of four respondents in the 2022 barometer reported a shortage of skilled workers.

Wellbeing services county decision-makers considered the labour situation to be very poor. As many as 86% of county decision-makers and local government officials said that there were not enough skilled applicants for vacant jobs. Half of the decision-makers who responded to our 2024 survey said that special measures have been taken in the municipality or wellbeing services county to attract labour.

More than half of the decision-makers reported that there had been political discussion in the municipality or wellbeing services county about the retirement forecast for employees in the region. On the other hand, only one in four wellbeing services counties has discussed hiring pensioners to alleviate the labour shortage.

Sustainability Working Life project ended

The project, which started in 2022 with the aim of strengthening work ability in the public sector, ended as planned at the end of 2024. Together with public sector employers, we carried out development work and change, and the results of the project are now available to benefit the entire public sector.

During the Sustainable Working Life project, we collected information to support the anticipation and everyday management of the risk of depression, among other things. We developed the Pulse measurement service, career planning methods, the Sustainable Career app and built work ability management networks.

A total of 34 pilot organisations and approximately 750 public sector workplaces participated in the project. The project received a discretionary government grant under the Sustainable Growth Programme for Finland, which is funded by the EU's Recovery and Resilience Facility.

We gave an award for work ability management

In 2024, Keva gave the first Award for work ability management. The award went to the Emergency Response Centre Agency and Wellbeing Services County of North Savo for their long-term and pioneering work.

The organisations receiving the award have done effective work to strengthen the work ability of their personnel and reduce disability risks. The Emergency Response Centre Agency and the Wellbeing Services County of North Savo have recognised both the key role of the personnel and the importance of the management's commitment to the success of work ability management.

Customer survey gave us an excellent result

Nearly 400 employer representatives from the municipal sector, wellbeing services counties, the Church, State, Social Insurance Institution of Finland (Kela) and the Bank of Finland participated in the customer survey conducted in autumn 2024. They are increasingly satisfied with the operations and services of their earnings-related pension provider. More than 86% of the respondents estimated that Keva has succeeded well or excellently in its operations.

Pension proposal is a solution for anticipating pensions

Keva was the first pension provider to offer a pension proposal to its employee customers. Our customers can now order a pension proposal and a reminder of their approaching old-age pension in the My Pension service. Persons whose retirement age has been confirmed but who have not yet reached their lowest retirement age can order a proposal.

Our customers who have ordered a pension proposal will receive a reminder that their old-age pension is approaching approximately three months before the date of their choice. In addition, the customer is given as accurate information as possible on the amount of old-age pension together with an information package.

Good returns on investment operations

Together with the municipal sector and the wellbeing services counties, we are responsible for funding the pensions of those who have retired from these. We invest some of the pension contributions we collect to secure future pensions. In 2024, the total return on Keva's investments at market value was a healthy 10.4%, or EUR 6.7 billion. We increased the risk level of our investment operations in line with the policy decided earlier by the Board of Directors.

Excellent investment performance resulted in an increase in the funding rate of the pensions for which we are responsible, besides which there was an improvement in the cost efficiency of our operations.

We have further expanded the reporting of the climate impacts of our investments. The carbon neutrality target for direct real estate assets is progressing to plan.

WWF Green Office audit proposals

WWF Finland audited the Keva building in January 2024 and again awarded the WWF Green Office certificate for another three years.

Whereas the audit opinion does not include matters requiring immediate repairs or further audits, the WWF drew attention to the unused space in the Keva building. There is a lot of space because a large amount of work is now done remotely. In its opinion, the organisation additionally highlighted Keva's procurement decisions, which should take more account of environmental aspects.

We received more than 2,000 applications for summer jobs

We believe that a positive experience of a summer job will increase interest in applying to Keva for jobs in the future as well. Besides which, young people tell their friends and acquaintances about their experiences. This is why we promised to offer all our summer colleagues an opportunity to work and develop their skills in interesting tasks with a skilled and motivated group of experts.

At the end of the year, we tried anonymous recruitment for the first time when we were looking for two work ability experts. A total of 121 people completed the online application, and five were selected for interviews. The experiment was successful, and anonymous recruitment will remain part of Keva's recruitment operating model.

We learned and introduced artificial intelligence

Keva is a public sector actor, and we are guided by the pursuit of responsibility, high quality and maintaining confidentiality at all times. Based on this, we created rules for the use of artificial intelligence, which can be summed up in three words: understand, identify and check.

We want Keva and Keva employees to keep up to date on the use of artificial intelligence. We are curious about the possibilities but also the limitations of using technology. We supported the introduction of artificial intelligence and encouraged those who tried it. In spring 2024, all Keva employees were given secure access to Microsoft Copilot Chat.

We are developing reporting

As in earlier years, this Responsibility Report 2024 is GRI-referenced, which means we partly comply with the indicators of the international Global Initiative Reporting standards.

Private sector earnings-related pension providers have prepared reports for 2024 under the EU Corporate Sustainability Reporting Directive (CSRD). Since the law does not require Keva to comply with the CSRD, we will follow development to see what reporting practices become standard in the earnings-related pension sector. We will apply best practices going forward and improve our indicators and reporting in line with the Directive.

In 2025, we will work with our stakeholders to analyse the most material issues for Keva's operations, and focus on reporting them in the coming years. Since responsibility is part of Keva's strategy, we will also use the results of the double materiality analysis in our strategy work.

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, the 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.

We work thoroughly and efficiently

Keva manages the processing of municipal, local government and wellbeing services county pension applications and payment and, together with its member organisations, is responsible for funding pensions. In addition, Keva manages the pension applications and pension payments of employees in the service of the State, Evangelical Lutheran Church, Social Insurance Institution of Finland Kela, the Bank of Finland and the Financial Supervisory Authority. The wellbeing services counties have been Keva customers since the beginning of 2023.

> We ensure the earnings-related pensions of public sector employees after they retire from paid employment. In addition, we have a statutory duty to lower the risk of incapacity for work.

Keva's statutory duty is to lower the risk of incapacity for work in the public sector. Keva supports employer customers in work ability management and in proactive measures to prevent the risks of incapacity for work. Keva, its employer customers and those insured by Keva's have a shared goal to strengthen employee work ability, prevent the risks of incapacity for work and so support the continuation of careers.

Key indicators

	2024	2023	2022
Sum of wages and salaries of Keva member organisations, €m	22,890	21,809	20,345
Contribution income from Keva member organisations, €m	6,211	5,966	5,677
Number of insured Keva member organisation employees at 31 Dec	588,888	588,777	573,945
Number of Keva member organisation pension recipients at 31 Dec	444,575	437,944	435,830
Keva member organisation pensions paid, €m	7,293	6,748	6,192
Investments at fair value at 31 Dec, €m	71,499	65,685	62,235
Return on investments at fair value	10.4%	6.8%	-7.0%
Annual real return on investments since funding started in 1988 (capital weighted)	3.9%	3.7%	3.7%
Annual real return on investments since funding started in 1988 (not capital weighted)	5.0%	4.8%	4.9%
Operating costs, €m	86.4	84.6	81.1
Permanent personnel at 31 Dec	469	480	481
Number of State pension recipients at 31 Dec	221,866	226,375	232,613
State pensions paid, €m*	5,572	5,311	4,982
Number of Evangelical Lutheran Church pension recipients at 31 Dec	20,011	19,926	19,928
Evangelical Lutheran Church pensions paid, €m*	271	254	234
Number of Social Insurance Institution of Finland Kela employee pension recipients at 31 Dec	5,986	6,027	6,057
Social Insurance Institution of Finland Kela employee pensions paid, €m*	129	123	114
Number of Bank of Finland pension recipients at 31 Dec	1,470	1,461	1,458
Bank of Finland pensions paid, €m *)	33	31	29

* These payments have no effect on Keva's financial statements through profit and loss.

We are responsible for the income of hundreds of thousands of Finns

Keva is Finland's largest earnings-related pension provider and serves around 1,100 local government employers, around 560 State employer customers, around 250 church organisations and the Bank of Finland and the Social Insurance Institution of Finland Kela. Keva has 24 wellbeing services county customers.

Keva has more than 1.3 million employee customers, of whom around 618,000 are pension recipients and covers the pension insurance of around 733,000 local government, wellbeing services county, State, Evangelical Lutheran Church, Kela and Bank of Finland employees.

Circulation of earnings-related pension money

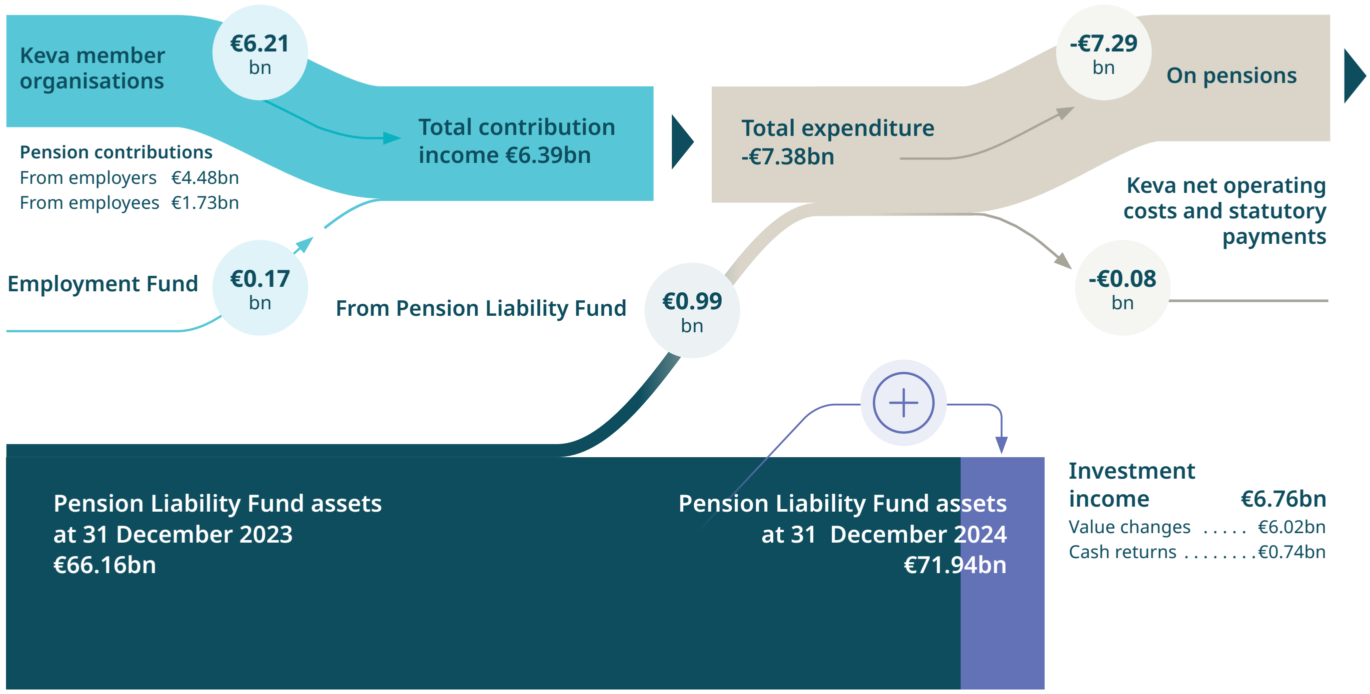
The majority of pensions are paid out of contributions collected from employers and employees. In 2024, around EUR 6.2 billion was collected in pension contributions from Keva member organisations, i.e. actors in the local government sector and the wellbeing services counties and those working in them. The Employment Insurance Fund contributed around EUR 0.2 billion to pension payment.

Around EUR 7.3 billion was paid out in local government and wellbeing services county pensions. The gap of around EUR 1 billion between pension contributions and contributions and other contribution income compared to pensions paid was covered by the pension liability fund accrued from Keva's investments and returns on them.

Keva is not responsible for funding State and Church pensions and associated investment operations, which are managed by the State Pension Fund and Church Pension Fund, respectively. Nor is Keva responsible for the funding and associated investment operations of Kela and Bank of Finland Pensions.

More detailed information about Keva's customers can be found on pages 9–14 and the accrual of contributions on pages 26–27 of the Annual Report.

Cash flows in pension system of Keva member organisations in 2024



Responsibility means implementing the strategy

The mission of the strategy, which was updated in summer 2022 and extends to 2027, is ”we look after the pension provision and pension assets of public sector employees and provide support for the risks of incapacity for work”. The strategy was given the name Sustainable Keva.

Since the goals of Keva's work with responsibility are part of Keva's strategic goals, Keva's Board of Directors uses mostly the same indicators to monitor the implementation of the strategy and responsibility. All Keva employees can monitor the goals and indicators on the intranet.

Basic information about Keva's responsibility reporting

Keva is a corporation governed by public law, the administration of which is described in the Annual Report for 2024 >

The Responsibility Report covers the whole of Keva, and the report has not been externally verified

The reporting period is 1 January – 31 December 2024

The report partially complies with Global Reporting Initiative (GRI) guide-lines

Board of Directors' indicators in 2024

Indicators	2022	2023	2024	Tavoite 2024
Cost efficiency	0.38%	0.37%	0.36%	Below 0.36%
ROI compared to peer group	0.14%	0.24%	0.19%	Above 0.30%
Cumulative real return on investments	3.90%	3.62%	3.75%	Above 4.2%
ROI relative to reference portfolio	1.78%	0.62%	-0.05%	Above 0.30%
Employer satisfaction with contact points / NPS	68	76	81	Above 74
Employee customer experience of ease of service / CES	88	92	90	Above 87
Service level of pension decisions	95.8	95.6	94.7	Above 95
Start of disability pensions in the public sector	0.79	0.71	0.72	Below 0.76%
Success of supervisory work	3.87	3.94	4.05	Above 3.9

Descriptions of Board of Directors' indicators

Indicator	Description of indicator
Cost efficiency	The indicator describes the percentage of operating expenses of the sum of wages and salaries. The cost efficiency indicator is calculated for Keva member organisations' pension system. Operating expenses include Keva's statutory payments, operating costs, depreciation, reimbursements received from other public authorities for the management of pension implementation expenses and other reimbursements for operating costs. The sum of wages and salaries is the sum of wages and salaries of Keva member organisations. Actual operating costs are divided by the actual sum of wages and salaries to give a percentage of operating costs of the sum of wages and salaries.
ROI compared to peer group	The average nominal return on investments for the last ten years is compared with the unweighted average nominal returns on investments of the largest employment pension companies (Varma, Ilmarinen, Elo) and the State Pension Fund over the same period. The return is calculated as the average annual return over the period under review.
Cumulative real return on investments	The cumulative real return on investments is the difference between the nominal return on investments and inflation in the last ten years. The nominal return on investments is calculated as the average annual return for the ten most recent years and divided by the inflation effect of the corresponding period.
ROI relative to reference portfolio	The return relative to the reference portfolio is calculated for the review period as the difference between the nominal return and the nominal return of the reference portfolio for the corresponding period. Nominal returns are calculated as the average annual return over the review period. It answers the question of "whether investment operations have generated sufficient value added" and also, together with the real return indicator, the question of "whether any failure to reach absolute real returns is due to the risk level in general or to the success of the investment operations". At the end of 2024, 7 full years had elapsed since the entry into force of the new investment strategy, counting from the reference portfolio period. The data in use will be measured until the 10-year horizon is reached, after which a 10-year rolling time window will be used.
Employer customer satisfaction with contact points / NPS	A summary of the service experience of employer contact points (advisory calls, digital services, meetings and expert services, events). NPS measures likelihood to recommend through individual service experiences. Asks on a scale of 0-10 "How likely are you to recommend this service/service you received?" The overall NPS is calculated by subtracting the percentage of respondents who gave a score of 9-10 from the percentage who gave a score of 0-6 and weighting the result by the number of respondents who gave feedback in different channels. From the beginning of Q3/2024, the number of respondents has been fixed to the 2023 actual n-figures by weighting the result for each contact point in proportion to the 2023 actual n-figures. Weighting percentages: telephone calls 7.0%, digital services 6.5%, meetings and expert services 29.5%, events 56.9%.
Employee customer experience of ease of service / CES	A summary of the service experience of employee customers' contact points (telephone services, My Pension service, pension and benefit decision process, pension info). CES (Customer Effort Score) measures the customer's experience of the ease of interaction by asking the respondent to rate the claim: "Using the service was effortless/easy". Calculated weighted by the volume of contact points.
Service level of pension decisions	Percentage of all decisions where the processing time is less than 1 month or the decision was issued before the start of the pension or the decision was issued in less than 3 months and no later than 30 days after the start of the pension. The calculation excludes follow-up decisions or final decisions issued after a provisional decision.
Start of disability pensions in the public sector	Number of persons retiring on a disability pension for the first time in proportion to the number of persons insured. Only insured persons who have been in an employment or public sector employment relationship are examined. The review includes all disease-based pension types of all institutions.
Success of supervisory work	The employee survey is a questionnaire survey for employees, measuring different areas. Participatory management is one of the areas and consists of seven statements related to supervisory work, to which the respondents indicate their level of agreement. The scale is 1 to 5, with 5 being the highest score. The score is the average of the responses of all respondents to all questions. Measured once a year as part of the employee survey.

Responsibility principles

Keva's strategic indicators are also indicators of responsibility. In terms of investment operations, the Board of Directors adopted the responsible investment beliefs separately in 2017.

Headed by Reija Hyvärinen, Communication Director, Keva's responsibility group, which consists of representatives from a wide range of functions, prepared the Responsibility Principles, which outline the beliefs and guiding principles related to responsibility that are most relevant to Keva's duties. The Board of Directors adopted Keva's responsibility principles at their meeting on 13 December 2023. These principles are being rolled out for the use of all employees in stages.

Responsible operations are part of the implementation of Keva's strategy.

Responsibility principles

We take good care of our customers

We take care of the earnings-related pension cover of public sector employees.

We ensure the uninterrupted income of persons retiring.

We offer employees support and solutions when their work ability deteriorates.

We support employers in understanding the risk of incapacity for work and prolonging careers.

We ensure the accessibility of our services and take into account the diversity of our customers.

We ensure pension funding for future generations

Our mission is to ensure that the pension system of Keva's member organisations is sufficient for future generations as well.

We aim for a stable level of contributions.

Financial sustainability requires real returns on investments, the pursuit of which requires bearing investment risk.

ESG criteria related to the environmental, social responsibility and good governance of investments provide a framework for examining long-term risks and opportunities.

Our investment operations are based on principle-level documents, which are the Investment Beliefs and Responsible Investment Beliefs, adopted by the Board of Directors.

We are an innovative and healthy work community

Trust, fairness and appreciation of diversity are at the heart of our work community.

We create opportunities to develop, learn new things and advance in careers.

As working life changes, we identify business needs, which guide the development of competence and abilities.

We promote equality, non-discrimination and a more diverse working life.

We take care of work ability. We do not tolerate inappropriate behaviour.

We work thoroughly and efficiently

We work openly and build trust in Keva. This requires a thorough way of working.

We are committed to the principles of good governance.

We work cost-consciously. Thorough preparation and procurement sustainability form the basis for high-quality operations.

We take our own Responsibility principles into account in our choice of partners.

We pay particular attention to data protection and security.

The Code of Conduct adopted by the Board of Directors guides all our operations.

We take responsibility for the environment and society

Climate change and biodiversity loss are systemic risks, and we must take action to prevent their progression. In our investment portfolio, the opportunity to influence is created through ownership.

We minimise negative environmental impacts in our own operations.

We promote the implementation of human rights both in our investees and in our own operations.

We build social sustainability in society.

We work in active interaction with the surrounding society and stakeholders.

We produce information in our sector for diverse societal discussion and decision-making.

We are a cost-effective earnings-related pension partner that serves our customers

Uninterrupted income for employee customers

The minimum old-age retirement age increases by three months each year until the pension age of 65. Persons born in 1960 reached their minimum pension age of 64 years and 6 months in summer 2024. The average retirement age in the public sector in 2024 was 64.8 years, which is 0.2 years older than a year earlier.

We take good care of our customers

We are the first earnings-related pension provider to offer a pension proposal

Keva's new pension proposal allows employees to anticipate retirement. Keva customers can order a pension proposal and a reminder of their approaching old-age pension in the My Pension service.

Employees whose retirement age has been confirmed but who have not yet reached their lowest retirement age can order a pension proposal. They will then receive a reminder from Keva that their old-age pension is approaching approximately three months before the date they have chosen. In addition, customers will receive a pension proposal that contains as detailed information as possible on the amount of their old-age pension.

Continued popularity of partial early old-age pensions

The number of partial early old-age pension decisions was the highest in Keva's history and Keva received 10,918 applications, up 49.5% compared to the previous year.

We advise checking register information

Continuity of income 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 retirement. Keva reminds customers to check their register information so that when applying for a pension, processing the application is as fast as possible and there is no interruption in income. At best, a customer can receive a decision on their application in less than 24 hours. Keva reached its processing time targets for all types of pension except for vocational rehabilitation applications, which took an average of 18 days to process.

Service level 2022–2024

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.

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 income. Keva guides its customers to apply for pensions electronically using the My Pension service, which has also had a positive impact on the continuity of income and the ease of the application process.

Keva's service level indicator is used to monitor the continuity of income. In 2024, the service level of all pension applications was almost 95%, with differences in pension types. Continuity of income is most often interrupted when applying for a discretionary pension. It is important, particularly in the processing of discretionary benefits, to initiate them well before income is interrupted and to ensure all the information required for the processing of the matter is attached to the application.

Digitalisation speeds up services

Keva provides its customers with easy, effortless interaction in everything related to pension provision. The pension calculator in the My Pension online service can be used to check how much pension has accrued for work done to date and to calculate the estimated amount of pension at different times. Customers can use the My Pension service to apply for a pension, seek advice on pension matters, change their banking details and make other changes related to pension payment.

During 2024, customers' use of the online service continued to grow compared to the previous year. The self-service/personal service ratio increased to 92.7%. Customers were pleased with Keva's My Pension service and during the whole year, 89.8% thought that using the online service was very or extremely effortless.

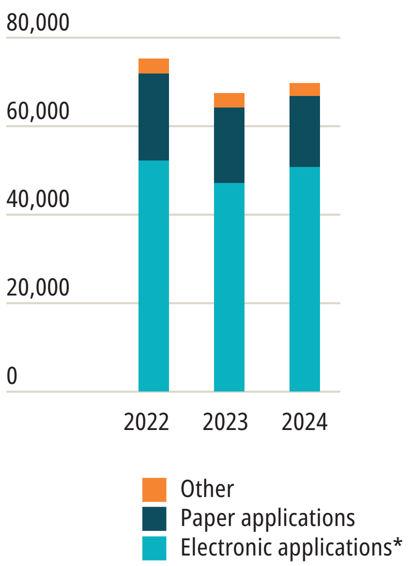
In 2024, more than 35,000 new customers chose electronic services as their principal service channel.

E-services have become well established

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

The number of online applications remained roughly unchanged compared to 2023, with almost 65% (2023: 62.2%) of all applications arriving through the My Pension service. More than 85% of (2023: 84.2%) of old-age pension applications and almost 95% (2023: 94.8%) of partial early old-age pension applications arrived electronically. Of all new disability pension applications, around 60% (38%) arrived electronically. In addition, around 8% of all pension applications arrived electronically, including via Kela.

Applications received by source 2022–2024



* Applications received through the My pension service or other electronic applications

Besides electronic interaction, Keva ensures an opportunity to interact and receive personal advice also for persons with limited opportunities to use an e-option.

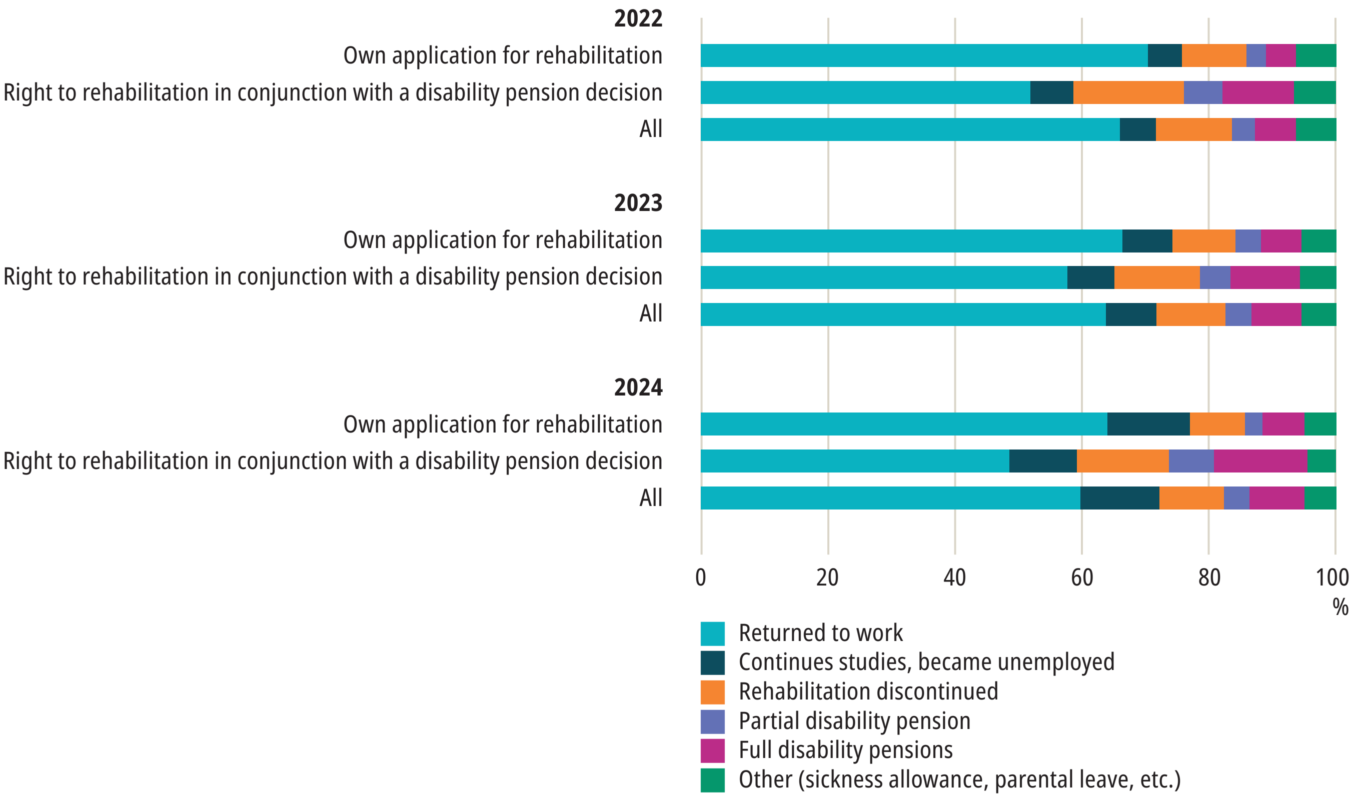
We provide solutions as work ability deteriorates

If an employee's ability to work is at risk of deteriorating for health reasons 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.

Granting vocational rehabilitation requires there to be a likely risk of the individual having to retire on a disability pension in the next few years. The earlier the opportunity for rehabilitation is taken, the better the chances of preventing the risk from materialising. The possibility for vocational rehabilitation is explored at the latest when applying for a disability pension.

Keva recommends that employee customers use the My Pension service.

Rehabilitated by Keva for the labour market 2022–2024



In addition to vocational rehabilitation, partial disability pension can be a solution for continuing at work and utilising the remaining work ability in work that is correctly scaled and organised. In 2024, the number of applications for and decisions on partial disability pensions saw a slight upturn, but the number of applications for full disability pensions valid until further notice exceeded the number of partial pension decisions. Partial work ability and the utilisation of remaining work ability is one of Keva's key work ability management messages for both employee and employer customers.

We develop tools for anticipating the risk of depression

In autumn 2021, Keva launched a pilot whereby persons receiving cash rehabilitation benefit due to depression are supported to stay connected to the workplace and return to work. The final report on the pilot was published in June 2024.

Based on the experience of the pilot, the Tools for Anticipating the Risk of Depression and Supporting Return to Work project was launched in late 2023 as part of the Sustainable Working Life project. The project produced new content on depression for the use of employers.

Vocational rehabilitation in change

Keva has been very successful in vocational rehabilitation. The success rate of rehabilitations completed in 2024 was 72.2%. Rehabilitation is considered successful when the employee is at work or available on the labour market at the end of rehabilitation. The public sector has traditionally made workplace and working time arrangements that allow employees to continue working. Employee job descriptions have been modified and redeployment opportunities have been good.

Recent years have seen vocational rehabilitation challenged by a sharp uptick in mental health disorders, such as depression and anxiety disorders. In addition to a diagnosed illness, vocational rehabilitation requires a likely risk of disability and a rehabilitation plan that is appropriate and helps the employee to continue their career and avoid disability retirement. These requirements are not always met and applications for rehabilitation have to be rejected. There has been an upturn in the number of rejection decisions and Keva intends to investigate the reasons for this and what the pension provider can do to impact the reasons.

In 2024, the number of applications and decisions for vocational rehabilitation continued the downward trend that has been seen over the past few years. The number of rehabilitation decisions was down 10.8% and 5,096 decisions were made.

Keva helps rehabilitation customers to find lasting solutions to continue at work, if necessary with the help of personal guidance provided by rehabilitation partners.

Challenging year financially for our employer customers

For the majority of Keva's customers, 2024 was a very challenging year financially, with many municipalities, cities, wellbeing services counties and central government organisations having to go through several change negotiations. The biggest concern now facing customers is the dire economic situation, whereas in earlier years it was a shortage of labour.

Keva's cooperation with the new wellbeing services counties became established during 2024, when preparations were also made for the TE24 reform, i.e. the transfer of employment and business services to municipalities on 1 January 2025, which is significant for the municipal sector and central government.

Emphasis on the strategic importance of work ability management

Work ability management has increasingly been part of the agenda of the management of Keva's customer organisations. The strategic importance of work ability issues is also recognised as one of the solutions to the challenges facing the economy, and there is a desire to further develop it. Awareness of the costs of inactivity has continued to grow and more and more organisations have set concrete targets to reduce sickness absence, for example. Keva supports customer organisations in this work.

Employer customers are very satisfied with the cooperation with Keva in both pension insurance and work ability management support. A survey conducted in late autumn 2024 shows the customer experience of Keva's employer customers has remained at a high level, and the NPS has continued to improve since 2023. See pages 21–22 for more information about the customer survey.

We serve through many channels

In 2024, more than 80% of Keva's customer cooperation with employers was carried out digitally online. This has resulted in the amount of travel by Keva employees remaining moderate. Besides reducing the environmental impact, online meetings allow for efficient operations and a greater number of customer encounters.

Keva offers its employer customers a wide range of digital services both for interaction purposes and to support work ability management. The number of users of all digital services increased in 2024. Satisfaction with digital services also improved, and the overall NPS of digital services increased by 23 percentage points.

Sustainable Working Life project creates tools to anticipate the risks of incapacity for work

The Sustainable Working Life project headed by Keva began in 2022, and 2024 was the last year of the project. The project aimed to provide support to public sector employers in the post-pandemic period and in reducing the risks of incapacity for work.

The project created concrete tools for anticipating the risks of incapacity for work and supporting the development of work ability management. By the end of the year, all the services, operating models and tools in accordance with the project plan were completed, and from the beginning of 2025 have been available to all public sector employers through Keva.

More than 800 workplaces took part in Sustainable Working Life project networks and events.

The pilot projects in the project involved working together with public sector actors that, according to Keva's assessment, are most exposed to risks of incapacity for work and change pressures: the social and healthcare sector, education and early childhood education and care, and the state security sector. Church employers were also offered networked activities in the project.

By the end of 2024, more than 800 public sector workplaces had already participated in events and co-creation in the project.

The Sustainable Working Life project received government funding from the Sustainable Growth Programme for Finland funded by the EU's Recovery and Resilience Facility. One of the objectives of the funding is to strengthen mental health and work ability in working life. The measures under the programme's various projects aim to change the operating culture, focusing on proactive support for work ability rather than solving problems that have already arisen.

Working life development grants of almost EUR 600,000

In 2024, Keva awarded a total of EUR 596,000 to develop work ability management and reduce the risk of incapacity for work. Development grants are used to support the opportunities of employers in the municipal sector, wellbeing services counties and the Church to develop working life.

Annual development grants were awarded to 23 public sector organisations across Finland.

A total of 60 applications, more than in the previous year, were received in the spring and autumn calls for application. The projects that have received development funding represent a wide range of Keva's customer organisations.

Projects that received working life development grants in 2024

Enontekiö municipality (€16,000)
A uniform management culture to help everyday life

Esko Systems Oy (€25,000)
Development of management that supports work ability

City of Espoo (€71,000)
Hyvinvoiva opettaja Espoossa (HOPE) – Development of a city-level training and operating model to support the occupational wellbeing of teachers at work

City of Heinola (€24,000)
Modernising work ability management in a changing environment

Municipality of Hollola (€20,000)
Young employee, stay healthy!

Häme University of Applied Sciences Ltd (€22,000)
Meaningful work as a source for wellbeing for the staff of Häme University of Applied Sciences.

Town of Hämeenlinna (€11,000)
Build your career like a masterpiece

Jyväskylä University of Applied Sciences Ltd (€26,000)
Coaching mentoring and job shadowing – learning new visions for everyday work together.

Town of Kannus (€15,000)
A transformational and renewing organisation builds work engagement and wellbeing at work

Wellbeing services county of Kanta-Häme My Häme (€75,000)
Human – support from a colleague to a human

Wellbeing services county of Central Uusimaa (€34,000)
Building a culture of mediation and a mediation service

Tavastia Education Consortium (€19,000)
TiiTY – work ability through team organisation

Town of Kuhmo (€10,000)
More effective work ability management

Kuopio Evangelical Lutheran parish union (€20,000)
Strategic wellbeing at work management as part of leadership development

Municipality of Kärkölä (€39,000)
Work ability management as an enabler of change

Wellbeing services county of West Uusimaa (€11,000)
Identification of psychosocial workload factors in the rescue departments of the wellbeing services county of West Uusimaa area

City of Naantali (€22,000)
From challenges to opportunities in the operating environment

Council of Oulu Region (€15,000)
Coaching leadership towards a future-capable organisation

Päijät-Hämeen Ateriapalvelut Oy (€10,000)
Increasing wellbeing, restoring work ability and extending careers through age management

Municipality of Urjala (€10,000)
Appreciation as part of wellbeing at work

Wellbeing services county of Vantaa and Kerava (€55,000)
Effective, improved home care – meaningfulness and effectiveness of work for clients

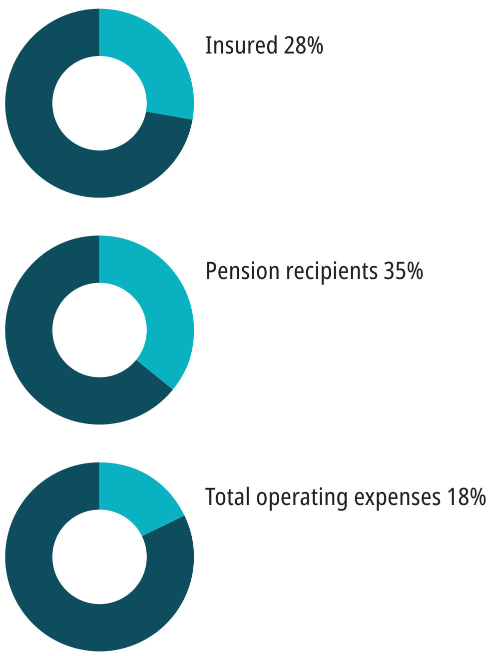
Municipality of Vesilahti (€36,000)
A motivating, healthy working life

Town of Virrat (€10,000)
Taking supervisors' work ability and wellbeing at work management to a new level

Keva has larger than average customers

The cost effectiveness of operations can be examined separately from the perspectives of the efficiency of Keva member organisations' pension system and the Keva organisation. The cost effectiveness of the public sector earnings-related pension provider Keva cannot be directly compared to that of private sector earnings-related pension providers, but the Finnish Centre for Pensions in cooperation with the Finnish Pension Alliance Tela, an association looking after the interests of all authorised pension providers operating in Finland, compiles an annual summary of key figures from financial statements. The summary includes each provider's total operating expenses, excluding investment expenses.

Keva is cost effective



Keva manages 28% of all earnings-related pension insured persons and 35% of all earnings-related pension recipients, but its share of expenses (excluding investment expenses) in 2023 was just 18%. Some of the cost effectiveness is due to differences in operations and the operating environment, incl. a smaller number of employer customers.

Source: Earnings-related pension providers' financial statements 2023, Työeläke-lehti 2/2024

Keva's operating expenses are lower because municipalities, federations of municipal authorities, the wellbeing services counties, the State, the Evangelical Lutheran Church, the Social Insurance Institution of Finland Kela and the Bank of Finland are Keva's customers by law. In addition to these, Keva has municipal enterprise customers who can choose their pension provider.

Unlike TyEL pension providers, Keva has no costs from marketing or distribution channels for canvassing new customers or from 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 customers. Keva's customers have no administrative cost component in their contribution and so Keva pays no customer bonuses to its customers for operational efficiency and investment return.

Customer experience and likelihood to recommend strengthened for employee and employer customers

Keva continuously collects and utilises feedback about the customer experience of both employer and employee customers of interaction with Keva. Customer experience is a strategic indicator at Keva and 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 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 using the Net Promoter Score (NPS) as the indicator).

Both CES and NPS scores are very high. In 2024, the NPS was 81 (an increase of 5 compared to the previous year) and the CES was 90 (a decrease of 2 compared to the previous year).

Services meet customer needs

Besides continuous monitoring, a customer satisfaction survey for employers was carried out in November 2024. The results showed that satisfaction with Keva's operations has remained at a good level, with 84% of respondents considering that Keva had managed to serve them well or excellently, the same percentage as in 2023. The NPS again rose compared to 2023.

The result of the annual employer customer survey has shown positive development for five years now. The main conclusion of the survey was that the services provided by Keva correspond well to customer needs and expectations, and that service has been developed consistently in the right direction.

Employee customers' experience of the entire interaction process was measured by a survey sent to persons receiving a pension or benefit decision in which they were asked to evaluate the smooth flow of the entire pension application process. Of the customers responding to the survey (n=8898) 88.8% thought that the application process was effortless. The result showed further improvement (0.9%) compared to 2023.

Persons receiving a rejection decision were on average the most dissatisfied with the functioning of the process, although their satisfaction had shown a slight improvement since the previous year. Feedback is processed by a large number of experts at Keva in accordance with a systematic process. The interaction process is constantly being developed to make it smoother based on feedback and other data collected from the interactions as well as on the basis of observations made by experts.

Employer customer satisfaction and likelihood to recommend Keva

	2022	2023	2024
Overall assessment of Keva's operations (Percentage of respondents, excl. Don't know, giving a good (4) or excellent (5) grade on a scale of 1–5 in the annual employer customer satisfaction survey)	84	84	84
NPS (recommendation rating for the service after having used it. The result has been weighted by the number of persons providing feedback)	68*	76	81

Employee customer experience of ease of service

	2022	2023	2024
CES (Customer Effort Score) % of respondents experiencing the ease of interaction with the grade 4 or 5 (scale of 1–5). The result has been weighted by volumes in different interaction channels.	88	92	90

We safeguard sustainable pension funding

We are an innovative and healthy work community

The aim is to achieve a stable contribution level taking intergenerationality into account

By law, Keva must carry out its funding duties in a manner that secures pension benefits. Keva's strategy is based on a stable contribution level that secures pension benefits across generations.

In the light of current information, the funding of Keva's pensions is sustainable in the long term at the current contribution level, and there will be no pressure to increase contributions in the near future.

Contribution level decided on the basis of reports

Keva's Councillors decide annually on the contributions payable by Keva member organisations based on the proposal of Keva's Board of Directors. The Ministry of Finance sets the balancing payment component and thus the overall level of contributions.

The annual preparation of the payment level follows the funding and payment principles outlined by Keva's Board of Directors. The starting point for the preparation is the biennial Asset/Liability report, which presents a long-term assessment of the structure and development of the pension expenditure for which Keva is responsible, the long-term funding situation and the sustainable contribution level. The most recent report was prepared in 2023.

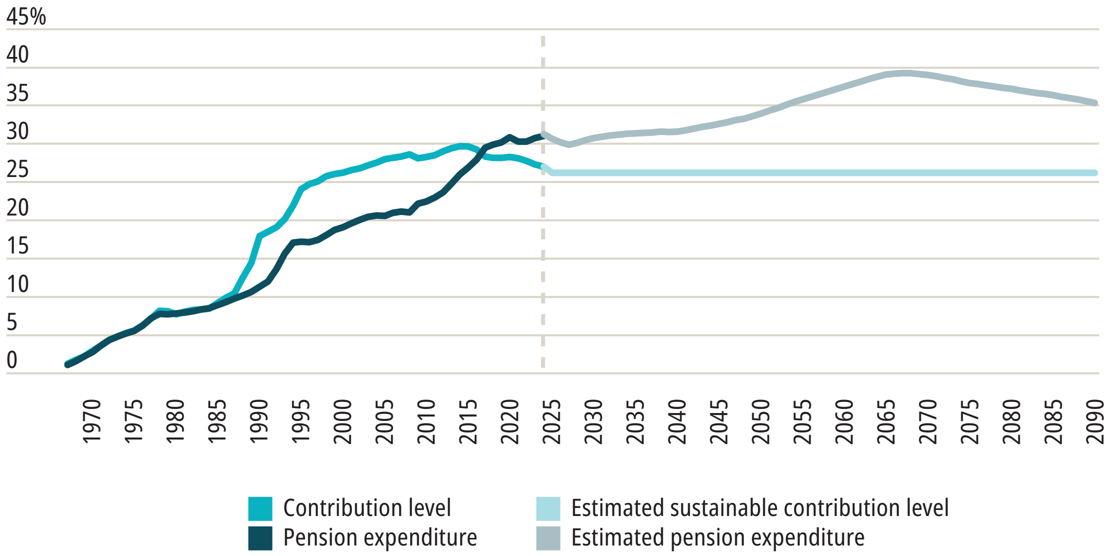
The Asset/Liability report is based on the latest economic and demographic data, in addition to which a wide range of assumptions are used. The assumptions are largely consistent with the long-term calculations of the Finnish Centre for Pensions.

In the report, the assumptions have been adjusted to some extent to correspond to the special characteristics of Keva member organisations' pension system so that the results describe in the best possible way the pension system for which Keva is explicitly responsible. For example, mortality takes into account the higher than average life expectancy in the public sector. The Asset/Liability study also uses a sensitivity analysis to study the impact of key factors on the ratio between pension expenditure and sum of wages and salaries, contribution level and fund amount.

A contribution level report is prepared annually to support decision-making on the contribution level. It provides an estimate of a sustainable level of contributions and describes the identified financial factors that should be taken into account when deciding on the contribution level. In accordance with the funding and payment principles of Keva's Board of Directors, the total contribution level will be adjusted towards a new sustainable contribution level in accordance with the latest payment level survey by taking into account 20–30% of the need for contribution changes.

The pension contribution of Keva's member organisations consists of the wage-based

Sustainable contribution level and pension expenditure estimated in the autumn 2024 contribution level report



Together with investment returns, the contribution covers pension expenditure in the long term, and based on current information there is no pressure to increase contributions in the near future.

pension contribution paid by all members and a balancing payment paid by municipalities and wellbeing services counties. The wage-based contribution corresponds to the average TyEL contribution, and amounts to 24.4% of wages and salaries in 2025.

The part of the total contribution level that exceeds the wage-based contribution is collected through a balancing payment paid by municipalities and wellbeing services counties. In November 2024, Keva Councillors decided a total balancing payment of EUR 577 million for 2025, which is EUR 55 million lower than in 2024. The overall contribution rate will be 0.4 percentage points lower than in 2024 and equate to 26.75% of the sum of wages and salaries of Keva member organisations.

Higher investment returns by increasing risk

The pension expenditure of Keva's member organisations' pension system exceeded the contribution income in 2017, since when some pension expenditure has been funded out of investment returns. Funding sustainability therefore requires real returns on investments, the pursuit of which requires bearing an investment risk.

Looking ahead, the significance of investment returns in funding will increase, as pension expenditure grows faster than contribution income until the 2060s. However, pension contributions will continue to be the main source of funding for pensions each year.

In summer 2023, Keva's Board of Directors decided to increase the risk level of the investment portfolio and execution of the decision continued in 2024. Increasing the risk level seeks to achieve higher long-term returns, which will contribute to securing the funding of future pensions. The higher risk level means the short-term return on investments will vary more than earlier.

Responsibility for investment operations

Risks and opportunities

Responsibility was first included in Keva's investment strategy in 2002, since when we have systematically promoted responsibility as part of our investment operations. The means have developed along the way.

Our investment assets have been diversified globally and across different asset classes, and so are exposed to a wide range of long-term risks and opportunities brought about by the effects of climate change.

We at Keva use a forward-looking climate scenario analysis when assessing the long-term climate risks of our entire investment portfolio. Our goal is to increase understanding of climate change as a phenomenon and its impact on the returns and risks of the investment portfolio.

The climate scenario modelling we carried out last year paints a picture of a systemic challenge that may have a significant impact on Keva's investment assets. The systemic nature means that the primary measure is to try to prevent the progression of the phenomenon through engagement. It is difficult to avoid the phenomenon by diversification, at least not completely.

We engage with our investee companies both ourselves and through our extensive network of asset managers. More than 80% of Keva's investment assets are managed by external asset managers, who are selected for our portfolio after rigorous vetting. When making the selection, asset managers' approaches to investment and responsibility are closely interconnected.

Chief Investment Officer Ari Huotari

Every year, we use surveys to collect information on how and on which themes asset managers have engaged with companies on responsibility issues, among other things. At the same time, we strive to ensure the quality and coverage of the data we use in various ways.

The challenge for a global investor like Keva is to ensure that the decisions we make are based on reliable and up-to-date data. On an annual basis, a huge amount of data is accumulated through surveys carried out by service providers, as well as through our own surveys and contacts with asset managers, the utilisation of which requires a sense of relevance.

This means an emphasis on knowledge management, i.e. managing data warehouses and flows, sharing and creating information in everyday work. Its functionality is essential for truly data-driven decision-making at all levels. It is important to develop and modernise this system in various ways, and in recent years we, too, have focused intensively on this.

Developing surveys for more accurate information

The Responsible Investment team has for years been using surveys to collect information on the engagement activities of Keva's asset managers in different asset classes. Most recently up for discussion has been an amplification of the perspectives of alternative investments - private equity investments, outsourced real estate investments and infrastructure investments.

"The role of the asset manager varies in these asset classes, which is why the survey forms must be customised to make them as functional and accurate as possible," explains Kirsi Keskitalo, Head of Responsible Investment.

Manager surveys are a key way to monitor how Keva's investments are managed globally and what kind of goals have been set for the investee companies.

"Surveys help us to better understand the operations of asset managers and communicate to them about the focus areas that are important to Keva, such as taking the climate aspect into account in investments. Alternative investment asset managers typically have a great deal of influence over the investee companies."

Keva's team continuously develops and systematises climate reporting.

Kirsi Keskitalo, Head of Responsible Investment

Keva's team is constantly developing and systematising climate reporting. Collecting companies' emissions data has been intensified, especially with regard to alternative investments.

"This is where surveys play a key role, since reliable emissions data for these asset classes is not available anywhere else other than directly from managers. This requires a lot of work and commitment from them. There is also variation between the respondents: the most advanced asset managers are able to answer very accurately, but many are still in the early stages of collecting emissions data, which means the accuracy of the answers is developing gradually," Keskitalo says.

This is the first year the Responsible Investment report is reporting climate change risks and opportunities in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD), which Keskitalo says will clarify climate reporting and increase transparency in investment operations.

Key figures 2024

71.5
bn EUR
investment assets at 31 Dec 2024

3.7%
return on investments over 10 years (real return excluding capital weighting)

5.0%
return on investments since funding began in 1988 (real return without capital weighting)

Attendance at
8,904
general meetings

99%
attendance rate at general meetings

115,166
votes cast in general meetings

460
goal-oriented engagement projects in equity and corporate bond investments

106
engagement projects relating to the environment (E) theme

36
engagement projects relating to the social (S) theme

312
engagement projects relating to the governance (G) theme

-68%
in CO_2 emissions derived from energy use in our direct real estate investments compared to 2018

Listed equities

Keva's listed equity investment programme provides broadly diversified exposure to the global stock market. At year-end 2024, the portfolio was valued at EUR 29.6 billion, comprising a total of 43 investment strategies and around 6,800 equities. External asset managers manage a significant part of the portfolio.

Shareholders can often have a significant say in how companies are run. The most important ways to implement responsible investing are by voting in annual general meetings, targeted conversations with corporate management and ESG analysis integrated into the investment approach.

Direct equity investments

We assess corporate responsibility as part of and in the same way as we use other industry-specific assessment criteria. This is how we have integrated responsible investment into the investment process. Our sources of information include analysis and research reports provided by the ESG service provider, securities brokerage firms as well as companies' own reports and publications.

During 2024, we met with all the investee companies in the portfolio at year-end. Besides this, we also attended the capital market days of many of our investee companies and listened to corporate management not just in conjunc-

In direct equity investments, we voted in 100% of annual general meetings.

tion with interim results but also in many seminars.

We also often raise ESG issues in meetings and discussions with management. Companies are clearly increasingly aware of the importance of ESG issues for investors and these issues are now better addressed in their operations and reported on.

In 2020, we began voting in annual general meetings gradually in line with our principles of active ownership. In 2024, we voted in 100% of annual general meetings. The figures are included in the aggregated figures presented later in this report.

We apply norms-based screening both to the investee companies in our portfolio and to companies being considered for inclusion. We receive automatic notification of all companies found to be in breach of the UN Global Compact. No Global Compact breaches were detected in our direct equity portfolio in 2024.

Equity investments in our externally managed portfolio

Cooperation with external asset managers is based on a long-lasting partnership, trust and transparency. Whereas the strategies for Keva's externally managed equity portfolio represent different investment styles and invest in different markets, they seek to unlock value and have in common analysis based on in-house research and a long-investment horizon.

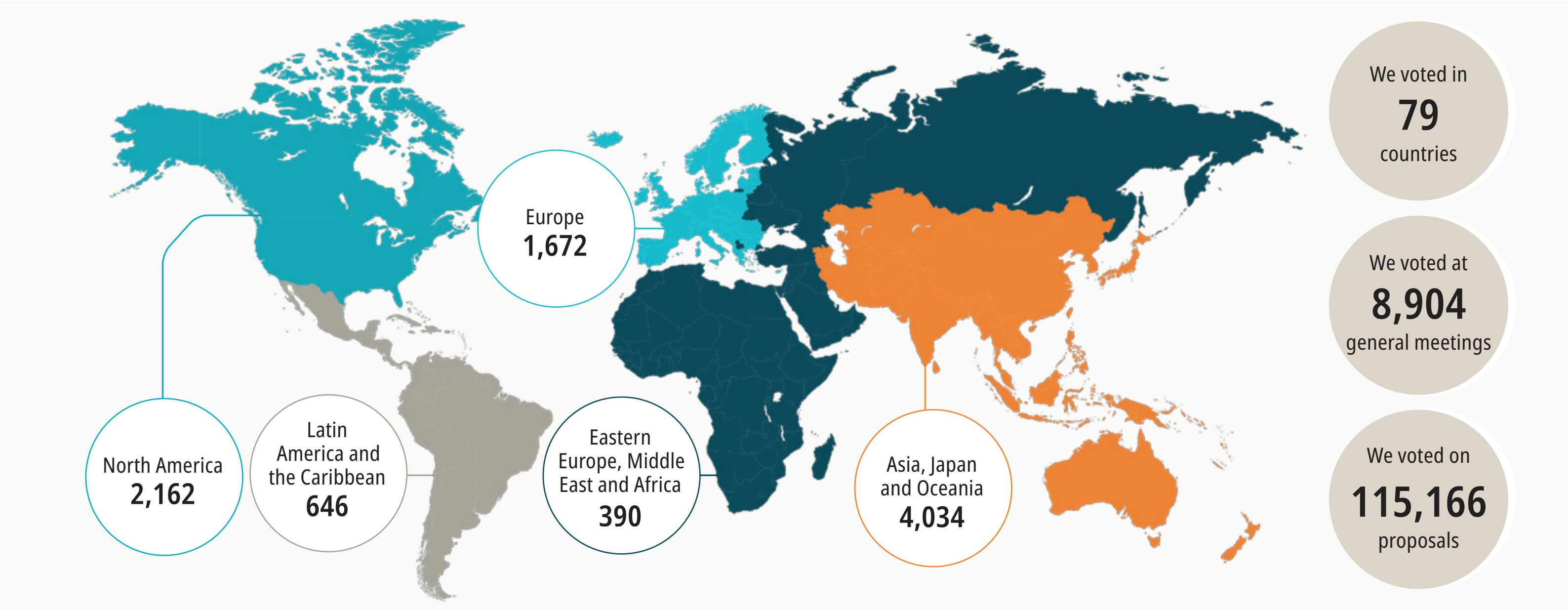
Rigorous vetting, which also includes an assessment of the asset manager's responsible investment and active ownership, is used to select our external asset managers. We also expect our investment managers to share and act in accordance with the same investment beliefs as Keva. We draw on asset managers' local expertise both in portfolio management and in the implementation of responsible investment.

At year-end 2024, our externally managed equity portfolio comprised 38 active strategies and four passive index strategies. We have regular discussion with asset managers, also on responsibility issues. In 2024, we had more than 80 meetings and calls with existing and potential asset managers.

Around 90% of the external asset managers used by Keva have drawn up a company-level responsible investment and ownership steering policy, which guides their operations. Three quarters are signatories to the UN Principles for Responsible Investment (PRI) and more than half report on the risks and opportunities related to climate change in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD).

We monitor the implementation of international norms in our externally managed investment portfolio at regular intervals.

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 %	Other* %
Africa and Middle East	411	390	95	7,215	70	11	19
Europe	1,701	1,672	98	39,815	84	15	1
North America	2,166	2,162	100	25,306	65	25	9
Asia	4,079	4,034	99	34,205	81	18	1
Latin America and the Caribbean	669	646	97	8,625	72	25	2
All	**9,026**	**8,904**	**99**	**115,166**	**77**	**18**	**4**

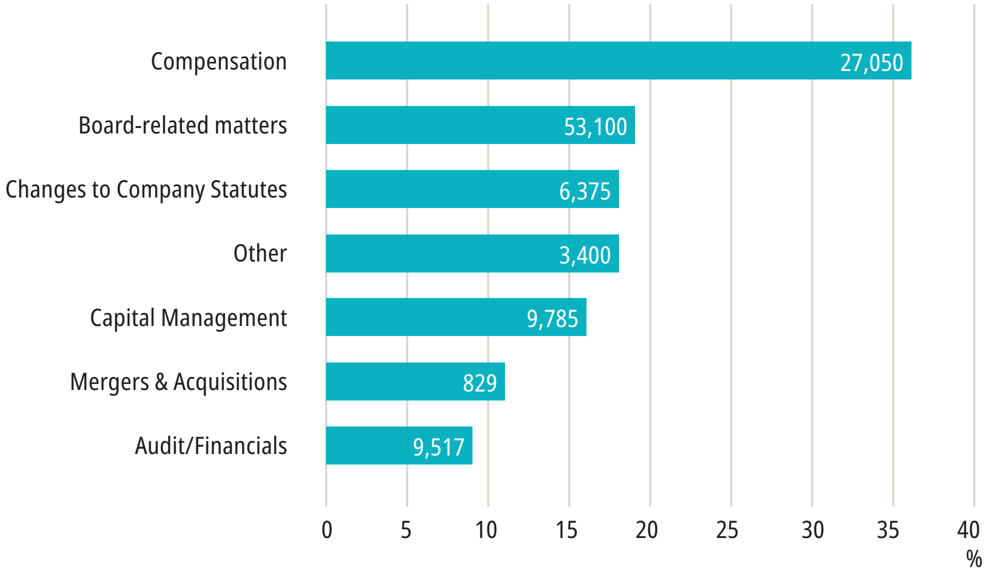
* The category includes meeting proposals where voting was neither clearly in favour nor against.

The reported information on voting is based on information provided by voting service providers and custodians. The passage of votes in general meetings includes a certain level of uncertainty. We are cooperating with service providers to improve voting processes and to ensure that our votes are registered.

Engagement

In 2024, Keva and its external asset managers voted in around 9,000 general meetings globally in almost 80 countries. This represents a participation rate of 99%. We voted in favour of 77% and against in 18% of the around 115,000 proposals put forward at these annual general meetings. The proposals we voted against usually involved the election and remuneration of the members of the Board of Directors.

Votes against management



Voting where Keva has voted against the management's proposal, percentage of all votes cast on the item at the annual general meeting concerned.

Asset managers particularly in North America often voted against management's proposal in so-called 'say on pay' advisory votes on ex-post management compensation.

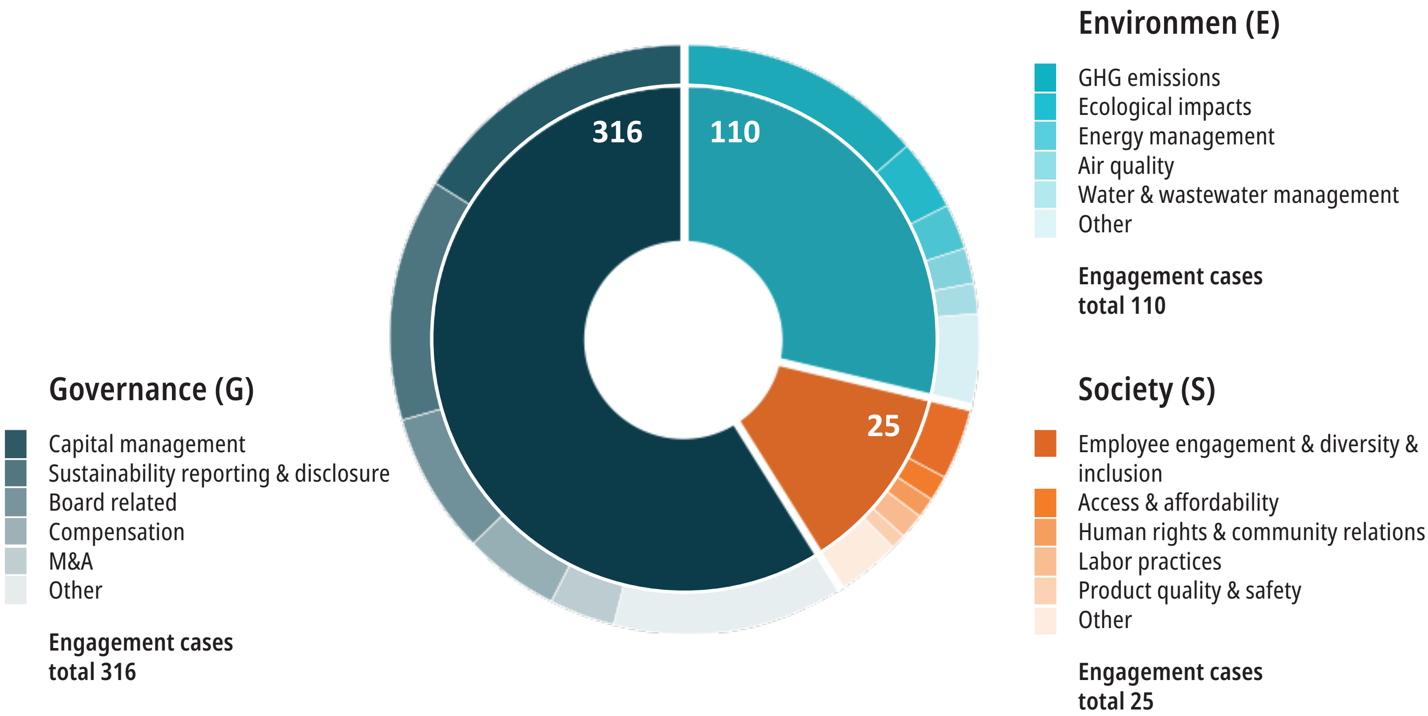
In addition to voting, we engage with investee companies through active dialogue and other forms of communication in which our external asset managers play an important role. A survey among asset managers, showed that in 2024, there were around 380 engagements aimed at change and targeting around 290 companies. One engagement project can include one or more sub-themes. The diagram below summarises the occurrences of these sub-themes.

> The key engagement themes involved good governance (G).

The key engagement themes raised at the total portfolio level involved good governance (G): capital allocation, the development of sustainability reporting, questions relating to a company's Board of Directors and remuneration. In environmental issues (E), greenhouse gas emissions have been highlighted for several years now. There was a small percentage of engagements related to society (S) last year.

The results are based on Keva's annual ESG survey for internally and externally managed strategies, which were part of Keva's investment portfolio at the end of 2024. The figures apply

Main themes of engagement in equity investments 2024



This information is based on a survey of Keva's asset managers.
The figures apply to those engagements reported by the asset managers.
Several themes may be present in a single engagement case.

to engagements for which the information concerned has been reported.

Even though the same themes are repeated in several portfolios and in different geographies, there are regional differences in their importance. In Europe, the focus of engagement was governance-related issues and capital allocation. In the United States, the focus was on remuneration, which was also reflected in the numbers of votes cast against management proposals in annual general meetings. In Japan, the focus was on capital allocation, whereas in emerging markets it was on the development of sustainability reporting.

Just under a third of engagements achieved their objective, but most continue, thereby emphasising long-term nature of engagement work. Whereas engagement projects generally last for less than a year, the share of engagements lasting from one to three years has increased. Direct communication with investee companies was by far the most popular type of engagement with in-house experts, such as sustainability and investor relations personnel, from the investee company often being on the opposite side of the table. Discussions with members of the Board of Directors and a company's top management were held just as often.

Whereas engagement is typically the responsibility of investment teams, some asset managers also have a team specialising in it.

CASE: Just green transition

Our asset manager who invests in emerging markets wanted to know how an Indian energy company is ensuring social justice as the green transition changes the business. In particular, how many of the company's employees would be affected by potential job losses and how the company would try to mitigate the negative impacts.

It emerged in the discussions that the company is seeking to reskill its workforce and utilise its high technological know-how, and it does not expect the energy transition to have any impact on human resources. The company plans to convert key production facilities to focus on downstream product processing. The company believes that there will be a need for fossil fuels in the region for a long time to come, and the green transition will be implemented in an orderly manner, without workforce reductions.

CASE: Board Chair election

Our sustainability portfolio asset manager voted against the re-election of the chair of the Board of Directors at the annual general meeting of a Swiss manufacturer of heating, air conditioning and ventilation systems. The asset manager considered that the chair did not meet the independence criteria required for the role. Even though the chair was re-elected, almost 20% of shareholders voted against election, thereby sending the company a clear signal as to the importance of the independence of the chair of the Board of Directors.

Independence is key to good governance and this is emphasised in the role of the chair of the Board of Directors, which must ensure that the company acts in the best interests of all shareholders. The asset manager will continue discussions with the company's Board of Directors and, if no progress is made, it may continue to vote against the management's proposal.

CASE: Initiative the annual general meeting

Our asset manager who invests in Japan has been working to improve the reporting of a major steel company on climate-related lobbying for several years. Traditional steelmaking is highly carbon-intensive, and the transition to green steel requires policies that support the adequate availability of low-carbon alternatives.

The asset manager considers that the company has a significant role and opportunity to impact Japanese policy in this matter. However, numerous discussions and meetings with the company have not resulted in sufficient improvements. In order to enhance engagement, the asset manager, in cooperation with another shareholder, submitted a proposal to the annual general meeting, which required the company to disclose its own, direct lobbying on climate issues and membership of industrial cooperation bodies. The initiative also called on the company to assess whether its lobbying activities as a whole are in line with the carbon neutrality 2050 target it has set, and to record the necessary measures if this is not the case.

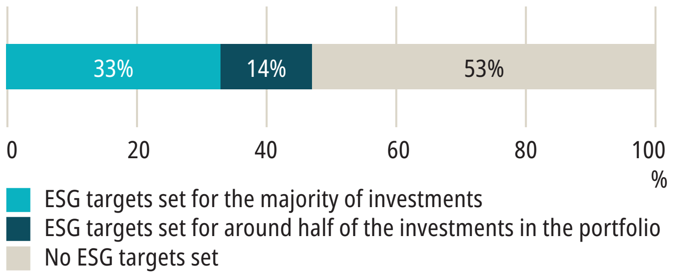
Although the initiative was not adopted, it was supported by 27.98% of the votes cast at the annual general meeting, sending a strong signal to the Board of Directors about the importance of transparent reporting to investors. The asset manager continues to engage with the company.

Private equity investments

Private equity investments are investments in unlisted companies. The 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 constitutes the basis for value creation related to ownership. The company can be developed by streamlining business operations and recruiting key personnel, as well as through investment, financing and acquisitions. The development of ESG issues is a natural part of company development and value creation.

Our survey shows that our asset managers have set ESG targets for around 50% of private equity funds. Most of the ESG targets set applied to the entire portfolio, but in some cases only to some of the investees in the portfolio. The themes of the targets are broadly divided into different ESG topics, with an emphasis on good governance, such as business ethics, business sustainability and sustainability reporting.

ESG targets set by private equity managers for their investments



The percentage of funds (% of the number of funds) in which the asset manager has set ESG targets for its portfolio companies and the percentage (%) of the portfolio companies for which targets have been set. The data is based on a survey conducted by Keva among external asset managers.

We attended 144 advisory committee meetings in 2024.

We primarily make capital commitments in closed-end private equity funds that involve a long-term investor commitment. Keva's private equity portfolio is diversified by investment strategy, industry, geography and vintage. At year-end 2024, the portfolio was valued at EUR 11.4 billion, there were 54 asset managers. More than 60% of the portfolio was allocated to 10 asset managers through multiple investment strategies. The portfolio has investments in a total of more than 1,500 companies.

Limited Partners Advisory Committees (LPAC) are the most important means of engagement for investors. The advisory committees are typically composed of the biggest fund investors and meet between two and four times a year. An advisory committee engages with both the investee companies and the asset manager's own company, and promotes conversation around responsible investment.

In 2024, Keva held seats on the advisory committees of 93 funds and almost invariably holds a seat on the advisory committee in the largest fund investments. In the past year, we attended 144 advisory committee meetings, in which asset managers presented ESG development projects and discussed how ESG issues have been integrated into the investment and value creation process. Asset managers also reported on ongoing or completed ESG projects in portfolio companies as well as the results of these projects.

Other forms of engagement include regular meetings with asset managers. In 2024, these meetings almost invariably discussed various ESG issues such as environmental concerns, employee wellbeing, diversity and equality and how asset managers take these into account in their own business and in investee companies. Last year, Keva had around 70 meetings with asset managers.

Keva's largest private equity asset managers responded to an ESG survey updated in 2024 to chart asset managers' responsibility practices. All private equity funds have principles for responsible investment. In addition, 75% of our asset managers are PRI signatories.

Keva is a member of the Institutional Limited Partners Association (ILPA), which is an international umbrella organisation that advances the interests of limited partners (LPs). ILPA strives to develop and promote best practices, corporate governance and transparency.

CASE: Green hydrogen-based steel

The company, which is included in our private equity investments, aims to enable the green industrial transition through the production of green hydrogen-based steel. The company's first plant is currently under construction in Sweden and will have the capacity to produce 5 million tonnes of steel for the market by 2030. This plant will be the world's largest green hydrogen-based steel production facility, 30 times larger than the current largest hydrogen production facility in Europe. In just three years of existence, the company has achieved impressive technical, operational, and commercial advancements and is expected to start large-scale production in early 2026. Going forward, the company intends to use green hydrogen to reduce carbon dioxide emissions in other hard-to-abate industries.

CASE: ESG in a bank's operations

Our private capital asset manager investing in Asia works closely with its portfolio companies to integrate ESG principles into their business. One of the portfolio companies, one of Vietnam's largest private banks, has made a significant contribution to the financial inclusion of emerging consumers and small businesses. The bank has received several recognitions for promoting sustainable development and green finance.

Since the start of the investment, our asset manager has supported the bank in improving its ESG programme and governance. For example, when accepting new customers, the bank conducts ESG due diligence using the Environmental Social Management System (ESMS) to understand the risks and opportunities for its customers. Implementation of the system required the training of around 500 account managers in 2024. Recent years have seen the bank develop a loan product that supports small and medium-sized enterprises owned by women in particular. In addition, the bank has provided green financing for solar power projects in Vietnam as part of the country's Sustainable Development Goals.

CASE: More sustainable agriculture

For one of our private equity asset managers, biodiversity will be one of the focus areas in the coming years and it is committed to being at the forefront of identifying and mitigating nature-related risks. In 2023, the asset manager carried out a nature-related risk assessment for its portfolio for the first time in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) in accordance with the Locate, Evaluate, Assess and Prepare (LEAP) approach.

One of the asset manager's portfolio companies is an international company that focuses on sustainable agriculture and the promotion of plant health. The company provides innovative solutions for crop rotation management and aims to change the agricultural model towards balanced and sustainable farming. The company has production facilities around the world, including Europe, Brazil, South Africa, Mexico and the United States. The asset manager has worked with the company's management to switch to more environmentally friendly, biological pest control products. The company has succeeded in transforming its product range to be more environmentally friendly, reducing pollution and emissions from production and use, ultimately reducing soil degradation and the potential for biodiversity harm.

Corporate bonds

Direct corporate bonds

At year-end 2024, our direct corporate bond portfolio was valued at EUR 2.6 billion. The investments have been diversified between companies and financial institutions that have issued bonds on the European market. Our investments in corporate bonds are focused on the lower-risk, higher-rated spectrum. The portfolio held bonds from around 105 issuers.

ESG aspects are an integral part of our investment approach, and we use industry-specific criteria to evaluate the ESG performance of companies. Our sources of information include analysis and research reports provided by an ESG service provider, securities brokerage firms as well as companies' own reports and publications. ESG issues are part of any investor event and material, and when we meet with companies, we almost invariably discuss ESG with company management. We mostly meet with companies in conjunction with new bond issues. Companies also actively meet with investors outside of bond issues in order to keep investors informed about potential future bond issues. During 2024, we met with around 75 companies.

We apply norms-based screening both to the investee companies in our portfolio and to companies being considered for inclusion. We receive automatic notification of all companies found to be in breach of the UN Global Compact. No Global Compact breaches were detected in our direct corporate bond portfolio in 2024.

Corporate bonds in our externally managed portfolio

The externally managed part of Keva's corporate bond portfolio invests in high-risk corporate bonds. As a rule, the credit ratings of the loans are in the so-called high yield category. The portfolio focuses on European and US companies, whose income streams are often global. A small part of the portfolio is also invested in corporate bonds from emerging countries. The entire portfolio had loans to approximately 1,400 different companies and accounted for EUR 8.5 billion of Keva's investment portfolio at year-end 2024.

The portfolio is fully managed by external asset managers. At year-end 2024, the portfolio was managed by 19 asset managers through 21 investment strategies. Most of the investment products in the portfolio cannot be purchased passively or by a short-term investment style.

Asset managers are selected for the portfolio through a detailed application process, caricatured over an eternal time horizon, but the outcome depends on the achievement of the

Asset managers are required to commit to Keva's principle-level guidelines in responsible investment.

set goals. Monitoring is based on longer-term drivers of value creation.

Asset managers are required to commit to Keva's principle-level guidelines concerning investment and responsible investment. In addition to these, 90% of asset managers have their own responsible investment policy, and more than half also have a separate active ownership policy.

Active ownership is seen in the portfolio as one of the enablers of long-term value creation. The portfolio has for years followed goal-oriented or change-oriented engagement processes initiated by asset managers in the portfolio companies. Monitoring maps the underlying causes, objectives, methods, duration and success of engagement. Investments were also made in the monitoring of influencing processes at the system level during 2024. The monitoring of engagement processes at the system level was also addressed during 2024.

Transparency is otherwise one of the key values of the portfolio. This applies both to asset manager cooperation and the ability to monitor the portfolio in depth and in real time. Internally developed, raw data-based solutions have been at the heart of the development work in recent years, and they have enabled increasingly improving transparency in the portfolio with a more illiquid nature. Internally developed solutions based on raw data have been at the heart of developments in recent years, and have enabled increasing transparency in a portfolio of a less liquid nature

Over the past five years, the majority of asset managers' engagement processes have focused on good governance (G) and the environment (E). The most significant engagement themes typically change slowly, but one of the clearest changes over the past five years has been a decrease in engagement regarding the improvement of sustainability reporting. This is probably partly due to stricter regulatory requirements, and partly due to the goals achieved through engagement processes.

During 2024, goal-oriented engagement processes were ongoing in 76 companies. In about 80% of these, the asset manager sought change with its own resources, and in the rest through investor cooperation. As in many other years, the key themes continued to be engagement related to capital allocation and the sustainability of the business model (good governance) and greenhouse gas emissions (environment). In terms of sectors, engagement processes were evenly and extensively. directed.

In more than half of the cases, the objectives of the engagement were achieved during the year, but in others, the work continues. One in ten entails a process that lasts 3–5 years. In three portfolio companies, the objective of the engagement was not achieved, which led to the divestment of the position.

From time to time, the portfolio also includes shareholdings as a result of debt restructuring. During the year, the portfolio's external asset managers voted on 123 proposals at a total of 12 annual general meetings, which meant a participation rate of 86%.

The portfolio asset managers are part of a total of nearly thirty different investor cooperation initiatives. Three-quarters of asset managers are PRI signatories. Approximately half of the portfolio's asset managers are committed to reporting in accordance with the TCFD. The implementation of international norms is monitored in the portfolio at regular intervals.

CASE: Science based climate targets

A US asset manager investing in corporate bonds sought change in four different portfolio companies, with the aim of accelerating the adoption of science-based targets (SBTs). The CDP's climate change programme was utilised in the engagement. The asset manager's portfolio companies represented network infrastructure, semiconductors, aerospace, and financial and retail technology.

In two engagement processes, the asset manager achieved its objectives during the term of the bond through the climate change programme. In other words, portfolio companies introduced science-based targets. In the other two portfolio companies, the final engagement objective was not reached within the term of the bond.

The introduction of science-based targets often requires a multi-year horizon. The first level of target setting could be, for example, to provide a portfolio company with access to the additional resources and information made available by CDP, if the company itself is under-resourced. The next level of ambition could then be to engage the portfolio company in a transition plan until it is ready to actually implement the climate targets.

CASE: Improvements in working conditions

A US asset manager investing in corporate bonds started an engagement process in a global tea beverage portfolio company after learning of unrest and human rights violations on Kenyan tea plantations. Engagement work was carried out both directly itself and together with other investors.

The engagement process resulted in the portfolio company launching in-depth investigations on tea plantations, firing those found guilty of misconduct, initiating an intensified training programme on gender equality and the prevention of sexual harassment, and strengthening its governance and oversight structures. The objectives of the engagement process were reached during 2024, and the process increased transparency and trust in the portfolio company. The asset manager will continue to monitor the implementation of international standards, among other things.

Real estate and infrastructure investments

Direct real estate investments

Keva's direct real estate investments include direct property investments in Finland, shares of real estate companies as well as joint venture investments in the Nordic countries.

At year-end 2024, the market value of direct real estate investments was around EUR 3.2 billion. Keva's direct real estate investments consist of around 130 properties with a net lettable surface area of around 870,000 m^2 at year-end 2024. The properties are concentrated in the Helsinki Metropolitan Area and in other growth centres in Finland. In terms of value, the portfolio consists of business premises (39%), offices (23%), residential (22%), hotels (9%) and other properties (7%).

Keva's premise in responsible real estate investment is to take into account not only financial criteria but also issues related to the environmental and social responsibility of real estate investments.

Minimising the climate impact of energy use in property investments is a key element in environmental responsibility. The energy consumption of Keva's direct real estate investments still equalled one two thousandth of Finland's total greenhouse gas emissions in 2018. Keva aims to halve the carbon dioxide emissions caused by the energy use of these properties by 2025 and to reach carbon neutrality by 2030. The carbon neutrality target is being implemented in accordance with the contents of the Green Building Council's (GBC) Net Zero Carbon Buildings Commitment signed in 2020.

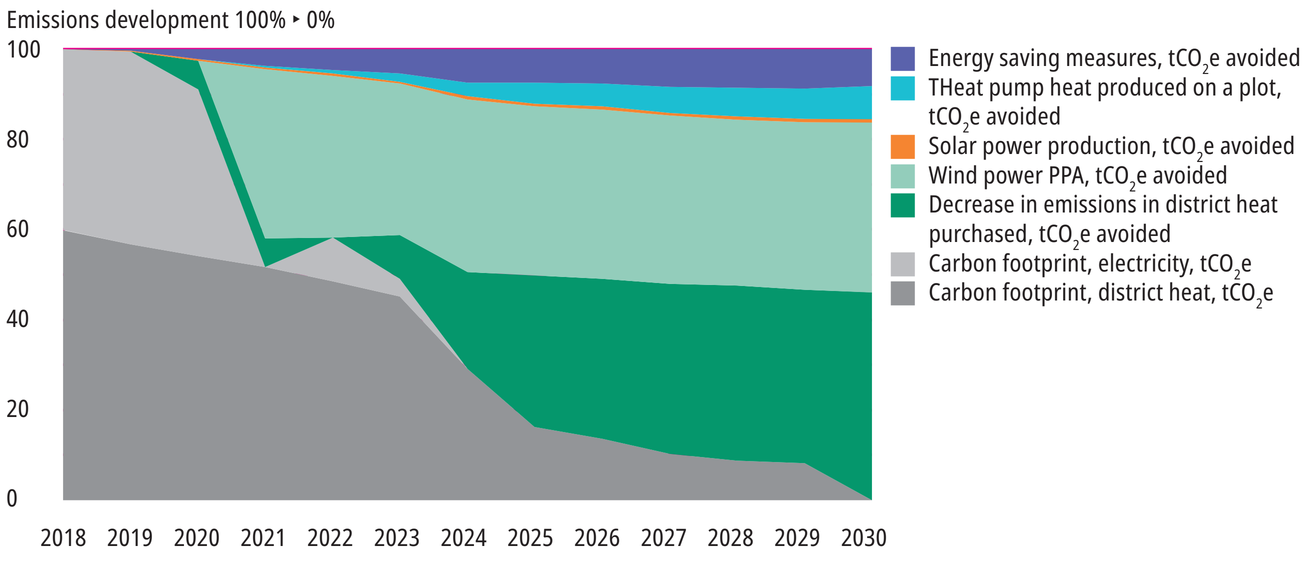
Progress towards the goal is discussed in the TCFD section of the report.

Measures towards the net-zero emissions goal

In 2024, Keva implemented around 40 individual energy-consumption enhancement or renewable energy production measures, which achieved calculated yet measured energy savings of more than 3.6%. Most of the energy savings in 2024 were achieved through renewable energy production and recycling systems. The year saw the completion of 10 heat pump systems and 2 solar power plants. Together, these accounted for more than 75% of the appr. 7,300 MWh/year energy saving measures in 2024, with the remaining savings of around 1,200 MWh/year being achieved through traditional building technology energy saving measures (approx. 25).

Besides energy-saving and property-specific energy production measures, the significant reduction in carbon dioxide emissions is due to the procurement of renewable electrical energy, in particular, and the sharp decrease in the emission intensity of district heat after 2022.

Development of emissions from energy use and the share of savings measures in emission cuts



Recycling rate and water consumption
Water consumption monitoring in properties has been continuous for 10 years. However, portfolio-level statistics and reporting on water consumption are hampered by the unreliability of metering and data breaks. Reliable water consumption data currently covers around 75% of the surface area. The available data shows that annual water consumption at the portfolio-level was about 450,000 m^3, and in reliably metered sites, specific consumption was about 550 l/m^2 per year. There were no major changes in specific consumption compared to the previous year.

It has been possible to significantly expand the monitoring of recycling rates for the calendar year 2024. This is the first responsibility report that can report on recycling rates with sufficient coverage and reliability. Waste and recycling rate data covers 60% of the number of properties.

The recycling rate for the entire real estate portfolio in 2024 was 48%. The recycling rate for the business premises portfolio was just over 60% and for the residential premises portfolio around 32%.

The main objective of monitoring the recycling rate is to identify the most effective target-specific measures to increase the portfolio-level recycling rate. The objective is also to expand the coverage of waste data.

CASE: Kauppakeskus Kaari shopping centre
Keva acquired ownership of the Kauppakeskus Kaari shopping centre in the Kannelmäki district of Helsinki in summer 2022, since when collectively with the owner, shopping centre management and the stores, numerous measures have been taken at Kaari to improve sustainability.

An energy recycling system built at Kaari utilises the waste heat and geothermal heat generated in the stores. In conjunction with the project, a geoenergy field of 50 geothermal wells, each about 350 metres deep, has been drilled in the backyard of the building.

The electricity used by the shopping centre and the new heating system is entirely emission-free, which significantly reduces the property's carbon footprint. The solution means that waste heat generated by the shopping centre's cooling equipment can be stored in the summer and reused for heating in the winter. This reduces carbon dioxide emissions by around 680 tonnes a year, which corresponds to the annual emissions of around 200 single-family homes or almost 400 cars. At the same time, the consumption of district heating will decrease by an estimated 40%, which will also result in a lower energy bill.

Summer 2024 saw the completion of Kaari's own solar power plant. The 1,077 solar panels of the solar power plant installed on the roof of the shopping centre produce about 350 MWh of electricity a year. This amount corresponds to the annual electricity consumption of about 30 single-family homes. The environmentally friendly electricity produced by Kaari's own solar power plant is used for the shopping centre's ventilation. The power plant produces around 3% of the shopping centre's electricity each year.

Waste management, too, has been updated. At the beginning of 2023, Kaari set a target to reach a recycling rate of 68%.

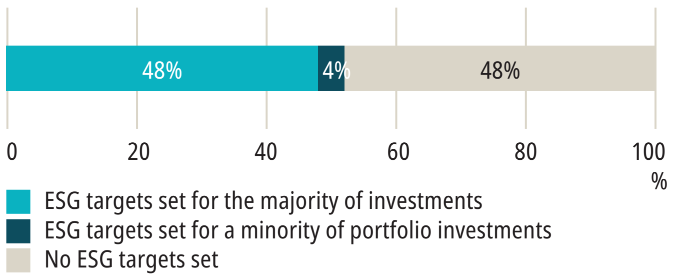
Parking at the shopping centre has also been modernised, with the addition of fast charging services for e-cars and a shared car system. This improves the sustainability of mobility and reduces environmental loading.

Investments in real estate funds

Investments in real estate investment funds in Keva's portfolio are diversified geographically, chronologically, by investment style and by 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 2024, the total assets managed were valued at around EUR 1.6 billion and the portfolio consisted of investments in around 650 individual properties.

The real estate investment funds in Keva's portfolio almost invariably own the entire property, which means that asset managers can engage directly with the properties. Our survey shows that our asset managers have set ESG targets for around 50% of real estate funds. These ESG targets almost invariably apply to all investments in the portfolio. In terms of ESG, Keva's asset managers focus in particular on environmental issues such as greenhouse gas emissions, waste management and use of water resources, but also on social issues such as occupational safety and diversity. ESG perspectives are integrated into investment analysis.

ESG targets set by real estate funds for their investments



The percentage of funds (% of the number of funds) in which the asset manager has set ESG targets for its portfolio companies and the percentage (%) of the portfolio companies for which targets have been set. The data is based on a survey conducted by Keva among external asset managers.

Keva's investments in real estate funds are primarily in closed-end funds, where the investor commits for many years. During the life of the fund, limited partner advisory committees are the most important means of engagement. Advisory committees are typically composed of the biggest fund investors and meet between two and four times a year. An advisory committee makes it possible to engage not only with the property itself, but also with the asset manager's own company and the responsibility of investment in general.

Last year, Keva had a seat on the advisory committee of 33 funds and attended around 70 committee meetings. Other forms of engagement include regular meetings with asset managers at which also responsibility themes are also discussed. Keva had 50 such meetings in 2024.

Keva's real estate investment fund asset managers responded to the responsibility survey, updated in 2024, which mapped their responsible investment practices. All Keva's real estate funds have responsible investment principles. In addition, almost all our asset managers are PRI signatories.

Keva is a member of the European Association for Investors in Non-Listed Real Estate Vehicles (INREV), which serves as a common forum for fund investors and strives to develop practices and standards in the industry in a variety of ways, including in terms of responsibility.

Infrastructure investments

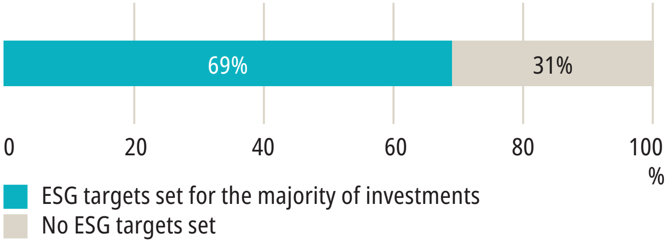
Infrastructure typically refers to structures and facilities that enable the effective functioning of society and includes energy production and distribution, transport infrastructure as well as social and digital infrastructure. Infrastructure plays an integral role in the transition to a more carbon-neutral society.

We invest in infrastructure mainly through funds, but also by making direct investments in unlisted infrastructure projects and companies. ESG aspects are integrated into our investment analysis both in direct and fund investments. The portfolio is under construction. The aim is to diversify the infrastructure portfolio geographically, chronologically, by investment style and across infrastructure sectors.

At year-end 2024, the total amount of assets invested in infrastructure was EUR 2.3 billion, with a total of 114 companies in the portfolio.

Infrastructure funds are always closed-end funds, where the investor commits for many years. During the life of the fund, limited partner advisory committees are the most important means of engagement. Advisory committees are typically composed of the biggest fund investors and meet between two and four times a year. An advisory committee makes it possible to engage not only with the investee, but also with the asset manager and the responsibility of investment in general. Last year, Keva had a seat on the advisory committee of 15 funds and we attended 25 committee meetings. Other forms of engagement includes meetings several times a year with asset managers at which also ESG aspects were raised.

ESG targets set by infrastructure investment funds for their investments



The percentage of funds (% of the number of funds) in which the asset manager has set ESG targets for its portfolio companies and the percentage (%) of the portfolio companies for which targets have been set. The data is based on a survey conducted by Keva among external asset managers.

An ESG survey carried out by Keva in 2024 showed that our asset managers had set ESG targets for around 70% of infrastructure funds. These targets applied to all investments in the portfolio. The main themes in the targets were greenhouse gas emissions and sustainability reporting.

All Keva's infrastructure funds have responsible investment principles. Additionally, three quarters of asset managers are PRI signatories.

CASE: Waste into energy with net-zero emissions

Our infrastructure investments include the UK's largest energy-from-waste company. Over the past three years, the asset manager has worked closely with the company's management team and ESG executives to develop a net-zero roadmap. The plan includes short-, medium- and long-term carbon targets and key actions to reach them. Preparation of the plan included regular meetings and support from external experts. The topic *was regularly discussed at the company's board meetings, where the asset manager was represented. Together, several options were explored and the most feasible solution was decided upon.*

In 2024, the company announced a net-zero transition plan that aims to reach net-zero emissions by 2033 and remove up to 1.2 million tonnes of carbon per year from the atmosphere by 2039. The company has already made progress in implementing the plan, for example by launching the UK's first carbon capture trial for converting waste into energy, which captures around 1 tonne of CO_2 a day. The purpose of the pilot is to show how the technology can be applied at a large scale to remove CO_2 from the atmosphere. The pilot collects real-world operational data on performance, such as the CO_2 recovery rate and performance of different amine solvents.

Hedge fund investments

Hedge fund investments are primarily aimed at diversification benefits and absolute returns that are independent of the market. The funds make use of instruments of different asset classes and derivatives. The practical possibilities of hedge funds to engage with investee companies are determined based on the asset class owned; for example, with listed equity investments, voting can take place at 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 by geography and style. In 2024, the assets were managed by 21 asset managers through 38 funds. At year-end 2024, there were EUR 5 billion in total assets managed in the portfolio. We use a rating provided by an external independent research firm for hedge funds. The rating also takes into account ESG issues. Almost all Keva's hedge funds have principles for responsible investment. Additionally, two thirds of our asset managers are PRI signatories.

Almost all Keva's hedge funds have principles for responsible investment.

We strive to promote responsibility in hedge funds. Key forms of engagement include regular meetings with asset managers and advisory committee seats, both of which provide an effective channel to engage with the activities of asset managers, including in responsibility issues. In 2024, Keva had a seat on the advisory committee of 23 funds and attended 24 committee meetings.

Keva is a member of the Standards Board for Alternative Investments (SBAI), which focuses, among other things, on promoting good governance, transparency and processes. The SBAI also provides a good channel for dialogue with other investors. Most of Keva's hedge fund asset managers are SBAI members and act in accordance with SBAI guidelines and recommendations.

Climate change risks and opportunities in accordance with TCFD

Keva's investment operations aim to support the funding of the liabilities of the pension system of Keva's member organisations through real returns. The pension liabilities covered by the fund extend for decades to come. The Act on Keva lays down that as a long-horizon investor, Keva must ensure the return and security of its investments.

Investment returns are generated in the long term as a result of economic growth. As a global owner and long-term capital allocator, Keva is dependent on the sustainability of economic growth. The need for future returns requires an understanding of the phenomena behind economic growth.

Climate change is a key example of this: it is a major challenge of our time, with wide-ranging dimensions which also affect long-term economic growth.

Keva's management of the risks and opportunities related to climate change is based on the belief that climate change is a challenging and multidimensional phenomenon that has the potential to have a significant impact on investment returns. Due to the wide-ranging impacts related to climate change and its mitigation, it is possible that investors are unable to hedge against risks by diversifying or selling individual holdings. This highlights the importance of engagement. These beliefs guide Keva's operations in managing the risks and opportunities of climate change.

Governance

Keva's Board of Directors decides how Keva's assets are invested. In addition, the Board decides on the principles of responsible investment and ownership steering, as well as on the annual investment plan, which include responsible investment. The Board of Directors also decides on Keva's risk assessment, which includes a special part factoring in climate change, including the utilisation of climate scenarios. Keva's Board of Directors has adopted Keva's Investment beliefs on climate change.

The Board of Directors receives reports on the development of the responsible investment strategy and processes twice a year. In addition, the Board of Directors is informed of the minutes of the Steering Group for Responsible Investment, key voting figures and observations made in the monitoring of international norms.

The Board of Directors' Audit and Risk Management Committee comprises at least three Board members. The Committee monitors and considers internal control plans – i.e. risk management, compliance and internal audit and reports (including financial statements, other financial reporting and investment reporting) with regard to investment operations.

The investment operations management team decides the operating principles to be complied with in investment operations and gives the Chief Investment Officer the authority to implement them. The investment operations management team is responsible for organising operations in accordance with the principles of responsible investment, including climate issues.

Keva's CEO chairs the team. The Chief Investment Officer has overall responsibility for the matters and proposals prepared for the investment operations management team and, through it, for the Board of Directors. The CIO decides on responsible investment (incl. climate) memberships, commitments and collaboration engagement initiatives, as well as on the utilisation of climate scenario work.

The responsible investment steering group guides the practical development of responsible investment at Keva. The group makes development proposals to the units and the CIO and presents reports and projects related to responsible investment to the CIO for decision-making. The steering group comprises a representative from each unit of Keva's investment function. Keva's Head of Responsible Investment convenes the steering group.

Until 31 December 2024, Keva's operations were supervised by the Ministry of Finance and, with regard to investment operations and financial planning, by the Financial Supervisory Authority (FIN-FSA). Since 1 January 2025, Keva has been supervised by the Financial Supervisory Authority. Keva's administration is described in more detail in the Annual Report.

> Climate scenario modelling helps us assess the long-term climate risks of our investment portfolio.

Strategy

As an internationally diversified investor, Keva is always part of the global economy and therefore bears risks and opportunities related to its exposure to climate change. Scientific analysis shows that uncontrolled climate change poses significant risks to long-term global economic growth and, consequently, to the success of Keva's investment operations. Keva strongly supports the Paris Agreement's goal of limiting the rise in the global average temperature to well below 2^0C compared to pre-industrial levels and to pursue efforts to limit the temperature increase to below 1.5^0C.

Keva is of the opinion that the impacts of climate change will bring both investment opportunities and investment risks related to the business conditions of companies and sectors in the long term. Keva's investments are geographically diversified across different asset classes and industries. Investments include, among others, listed and unlisted equities, corporate bonds, government bonds, real estate and infrastructure assets.

The economic impact of climate change can affect investee companies in in many ways, and the company or industry can also be affected by both positive and negative impacts at the same time. In addition to changes in costs, revenue and balance sheet valuation, a company's price and availability of loan financing may be affected. Regulation has a particularly significant impact on companies' business conditions.

Climate scenario modelling
We use a forward-looking climate scenario analysis to assess climate risks for our entire investment portfolio over the long term. The climate scenario model used by Keva is a tech-

nical extension of the ALM simulation model used in the modelling of reference portfolios. The starting point is forward-looking macroeconomic baseline modelling for a given point in time, without a climate scenario component.

Climate scenario modelling seeks to determine how the baseline scenario (in terms of economic growth, inflation and returns on investment classes) would change when specific assumptions are made about measures to combat climate change and their economic impacts are modelled more accurately.

Based on the modelling, the likely range of global warming in the long term is 2–3⁰C compared to pre-industrial levels. Investors should factor this into their assessments. The basic macroeconomic modelling underlying the climate modelling used by Keva has therefore been examined from this perspective. A review has shown that the interpretation of the baseline modelling could be modified to be 'Climate Aware', including the most likely development trajectory.

Going forward, the content of baseline modelling may be further modified from this perspective in conjunction with the annual update. This also contributes to the important and thorny question of what is already priced into the financial markets in terms of climate risks. Changes in the baseline model and its positioning in relation to climate scenarios change the interpretation of the results, because the results are of the type "changes to baseline modelling".

There are five scenarios in the 2024 version of the climate scenario model. In other words, the modelling now reviews five alternative futures:

- **Net Zero**, where enough measures are taken to limit warming to 1.5⁰C and the world will be carbon neutral by 2050 and beyond.
- **Net Zero Financial Crisis**, which is otherwise the same as Net Zero, but the impacts on the financial markets do not gradually, but suddenly arise and thus more strongly than the impact of economic growth alone would require.
- **Delayed Net Zero**, this scenario is somewhere between the Delayed Net Zero and Limited Operation scenarios. The scenario ends with a warming of about 2⁰C.
- **Limited Action**, this scenario most closely resembles the current real-world situation. In this scenario, emissions will not increase unlimitedly, but nor will they decrease at the rate required by Net Zero. This means that warming will be nowhere near 1.5⁰C, but will end up close to 3⁰C. The physical effects are therefore already very significant in this scenario.
- **High Warming**, which continues without specific measures to combat climate change and the climate warms by almost 4⁰C.

[1] Whereas baseline modelling itself has not, to date, changed in practice, after studies it has been possible to interpret it as comprising trajectories at a general level that are in line with the most likely warming range, taking into account estimates of what kind of trajectories are the estimated consensus of market participants. However, the results of actual climate scenarios may differ significantly from baseline modelling even within the 2–3⁰C degree warming range. This is because of significantly more detailed modelling and, in addition, a more conservative treatment of physical risk, especially in terms of physical risk, than, for example, in the NGFS scenarios (The Network of Central Banks and Supervisors for Greening the Financial System), which are used for central bank-led banks. A more accurate interpretation is that baseline modelling is Climate Aware so that the transition risks are in line with the Limited Action scenario and the physical risks with the NGFS scenarios are also within the 2–3⁰C warming range.

Basic characteristics of climate scenarios and their placement in the coordinate system of transition and physical risks

NET-ZERO

WHY?
Assess the risks and opportunities under a highly ambitious- but orderly transition with climate adaptation.

WHAT?
- **Hihgly ambitious** low-carbon policy and rapid technology transition
- **Adaptation** and low physical risks of climate change
- Financial markets **do not price-in** future risks

1.5 °C

NET-ZERO FINANCIAL CRISIS

WHY?
Shows the resilience of portfolios to sudden repricing, triggering market dislocation centered on high-emitting stocks.

WHAT?
- **Highly ambitious** low-carbon policy and rapid technology transition
- **Adaptation** and low physical risks of climate change
- Sudden divestments in 2025 to align with the Paris Agreement goals have **disruptive effects on financial markets** with sudden repricing followed by stranded assests and a sentiment shock

1.5 °C

DELAYED NET-ZERO

WHY?
Reflects a future where technological break-throughs and a step-up in policy action limits exposure to severe physical risks.

WHAT?
- **Ambitious policy commitments** combined with consid-erable improvements in the reasibility and competitiveness of low-carbon tehnology
- **Physical risks are limited** over the short to medium term
- Financial markets **price-in transition and physical risk** during the **late 2020s**

2.0 °C

LIMITED ACTION

WHY?
Highlights how falling short of meeting emissions targets and pledges would drive high exposure to physical risks.

WHAT?
- **Emissions targets** and commitments are **not fully met**
- **High** chronic and acute physical risks
- Financial markets **price-in physical risks gradually over the 2020s and 2030s**

2.6 °C

HIGH WARMING

WHY?
Considers a future withous any further action to limit climate change, triggering multiple climate tipping points and very severe physical risks.

WHAT?
- **No new climate policies** are enacted
- **Very severe** chronic and acute physical risks
- Financial markets **price-in physical risks gradually over the 2020s and the 2030s**

3.7 °C

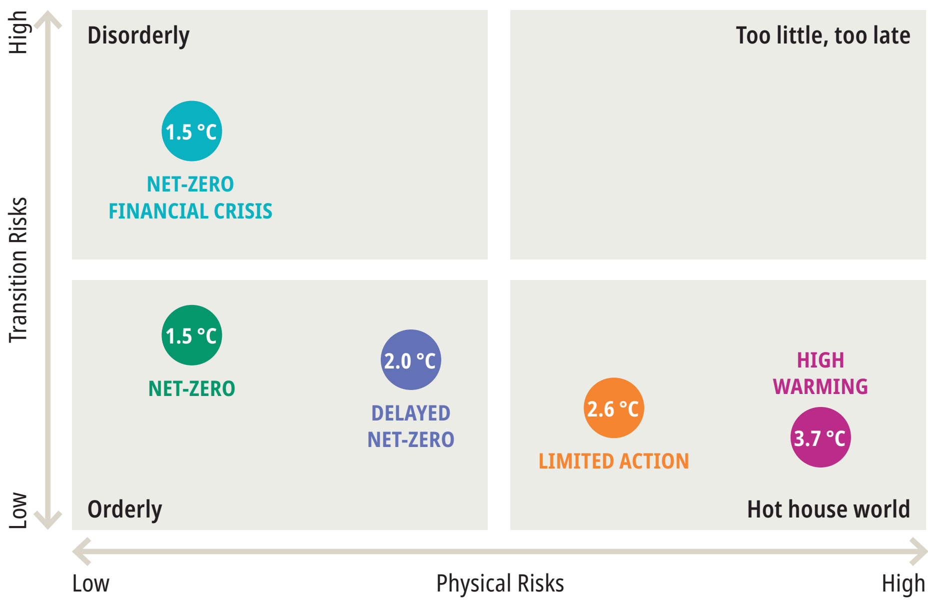
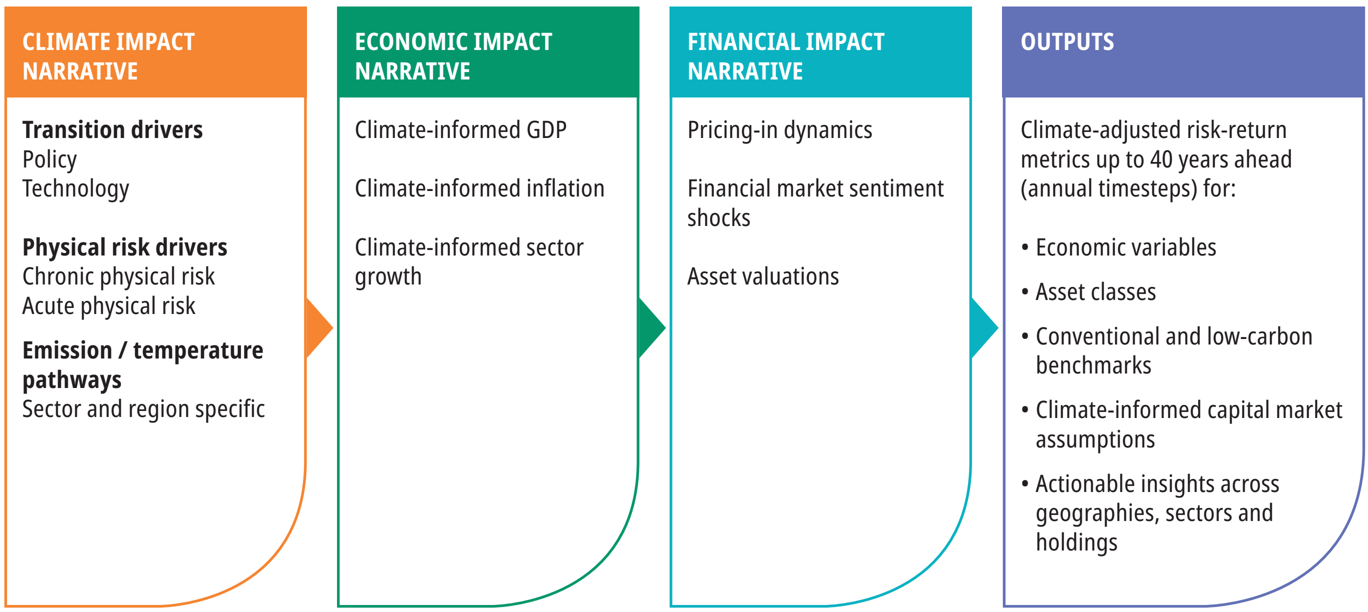


Diagram of the climate modelling used by Keva



The baseline model in climate modelling has been expanded with two external models. The first extension is an empirical macroeconomic model that describes, among other things, the functioning of economies, energy production and consumption, and international trade. This model is used to assess the productivity effects of climate change (chronic physical risk) and the effects of different policy choices and technological development (transition risks), such as the impact of the price of emission allowances on energy production methods.

The other extension is an actuarial model, which is used to model the effects of extreme weather phenomena in a form that can be priced effectively (acute physical risk). The figure above positions the climate scenarios in relation to the different dimensions of climate risk. The impacts on return in the climate scenario are obtained when the data from these two models is combined with the sensitivity data generated in the baseline modelling (e.g. how a given country's equity returns depend on changes in its GDP development).

Risk management

Procedures for risk assessment and management

Keva uses several different procedures to assess climate risk and manage the risk:

- We utilise climate scenario modelling at the level of all investment assets. The aim is to increase understanding of climate change as a phenomenon and its impact on the returns and risks of the investment portfolio.
- We monitor the development of climate metrics available on the financial markets and assess their ability to identify climate change-related risks in our investments. Read more on these in the section ´Metrics and Targets'.

- We increase the investment organisation's shared understanding of the challenges and opportunities related to climate change from an investor's perspective with the help of Keva's climate group. The group is made up of investment experts in portfolio management, investment strategy, energy technology and responsible investment.
  The climate group's theme for 2024 was oil and gas. The group held a discussion event headed by experts in the field on the topic: What is the future of fossil fuels? Representatives from our asset managers' investment teams from several different asset classes were involved in discussion at the event.
- We limit the transition risk of direct real estate investments by aiming for carbon-neutral energy use by 2030. Read more on this in the section ´Metrics and Targets´.
- We contribute to reducing emissions and take responsibility for our portfolio holdings using different methods in different asset classes. The document Keva's investment beliefs on climate change describes these principles and approaches.
- We monitor the operations of our asset managers with annual surveys on their responsible investment practices (e.g. climate indicators, targets and reporting) as well as their voting behaviour and engagement activities. Since around 80% of Keva's investments are managed by external asset managers, it is particularly important to carefully monitor their activities.

Keva uses several different procedures to assess climate risk and manage the risk.

- We work with other investors in selected projects to combat climate change.
  In the CDP Non-Disclosure Campaign project Keva asks companies to report on their environmental impacts in terms of climate, water usage and the use of forest resources.
  As a supporter of the **Climate Action 100+ project**, Keva encourages 168 major companies worldwide to reduce their emissions in line with the goals of the Paris Agreement.
  As a member of **IIGCC**, Keva participates in Europe's largest investor community focused on climate change mitigation, which aims to develop long-term risk management, policies and investment practices to combat climate change.
  Participation in the **2024 Global Investor Statement to Governments on the Climate Crisis** complements Keva's engagement with companies, as actions by states create an operating environment for companies' opportunities to curb climate change.

Risk identification and assessment

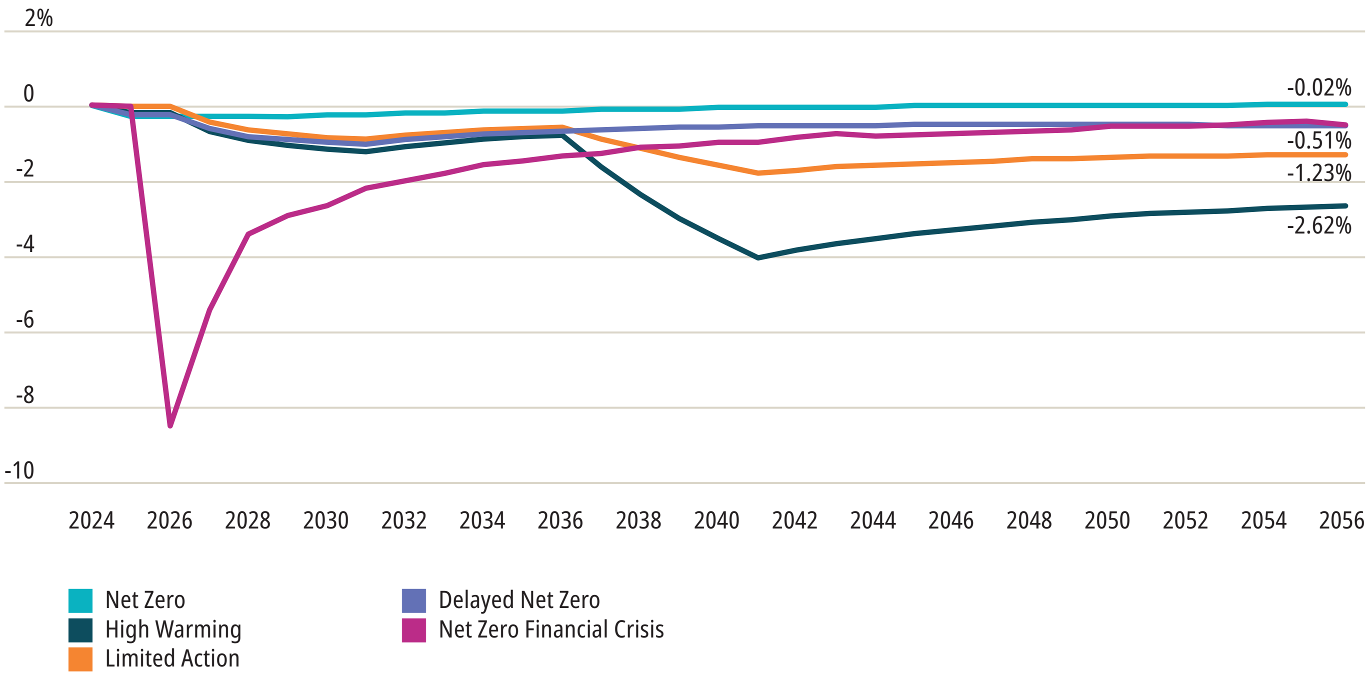
Climate scenario modelling

In 2024, we received the results based on the latest modelling of climate scenario modelling. These also include Keva-specific results, in which the scenarios have been combined with Keva's investment data. In principle, the results are intuitive in form and present the deviations in GDP and return by asset class in different climate scenarios. However, behind the seemingly approachable results is a complex modelling process. The following is a review of the key results.

Modelling results

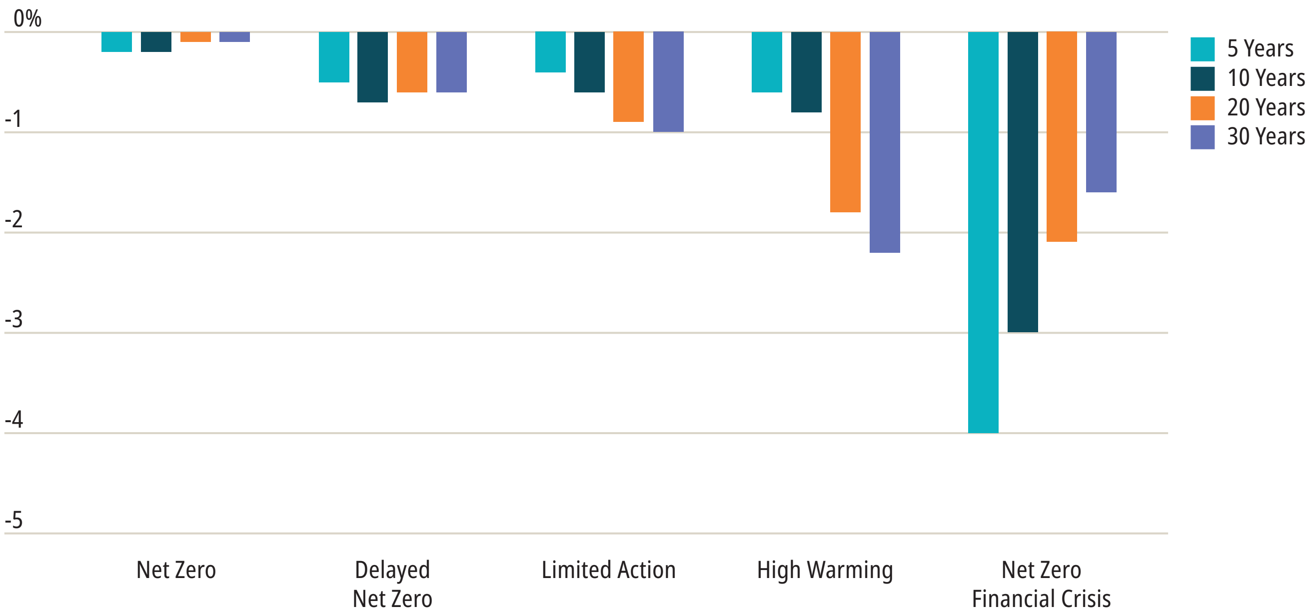
Combining the content of each scenario with the content[2], of Keva's investment assets (described at a rough level), gives results on the climate risks of the entire investment portfolio in terms of cumulative investment returns. Viewed in this way, the impacts are moderately negative in the most likely scenarios and very strongly negative in the High Warming scenario. The figure above presents the results at the level of investment portfolio. When interpreting the results, it should be noted that this assumes that the current allocation is maintained with annual rebalancing and that the analysis has been simplified, for example, with regard to derivatives.

Effects of climate scenarios on the cumulative return on investment assets p.a.



[2] In the analysis, Keva's investment assets are basically described at the same level as in ALM simulations otherwise, with certain extensions and limitations. For example, ALM simulations do not deal with individual equity or fixed income instruments, but with coarser entities similar to index components. The most important expansion for equity and credit risk investments is regional/sectoral division instead of just regional division, and the specification of regional allocations with regional allocations of turnover instead of the companies' domiciles. The most important limitation is the exclusion of currency risk, especially currency derivatives and hedge funds, from the analysis.

Return impact of climate scenarios on equities, p.a. on different horizons



As equity-type risk constitutes most of the risks of Keva's investment assets, it is important to examine them in more detail (the figure above, shows the equities as a whole). The results show that climate change seems to have a clearly systemic component that has a negative impact on economic growth and returns. The scenarios are in a hierarchical relationship with each other – more warming, greater impact – but for Net Zero, the financial crisis scenario stands out from the others.

When interpreting the results for the net zero financial crisis scenario, it should be noted that the significant negative outcome is based only on the narrative (i.e. not the actual climate modelling), in which the Net Zero Path is reached through a disruptive process that involves a very negative sentiment shock affect-

The results show that climate change seems to have a clearly systemic component that has a negative impact on economic growth and returns.

ing the market. Even though this is of course possible, the specific form and timing of the shock are entirely based on assumptions[3]. The scenario mainly describes that, at the moment, the Net Zero Path seems unlikely, and something dramatic must happen in order for the policy measures required by that scenario to be implemented.

There are great differences between regions and sectors. Many emerging countries, such as India, appear to be very vulnerable to climate risks, especially in terms of GDP growth. On the other hand, at the level of impacts on returns, developed and emerging countries look quite similar at an overall level. This is partly because China accounts for major part of the emerging country universe and a relative winner in terms of transition risks in modelling. In addition, due to the high valuation level, US equities are vulnerable to the slowdown in growth implied by climate scenarios.

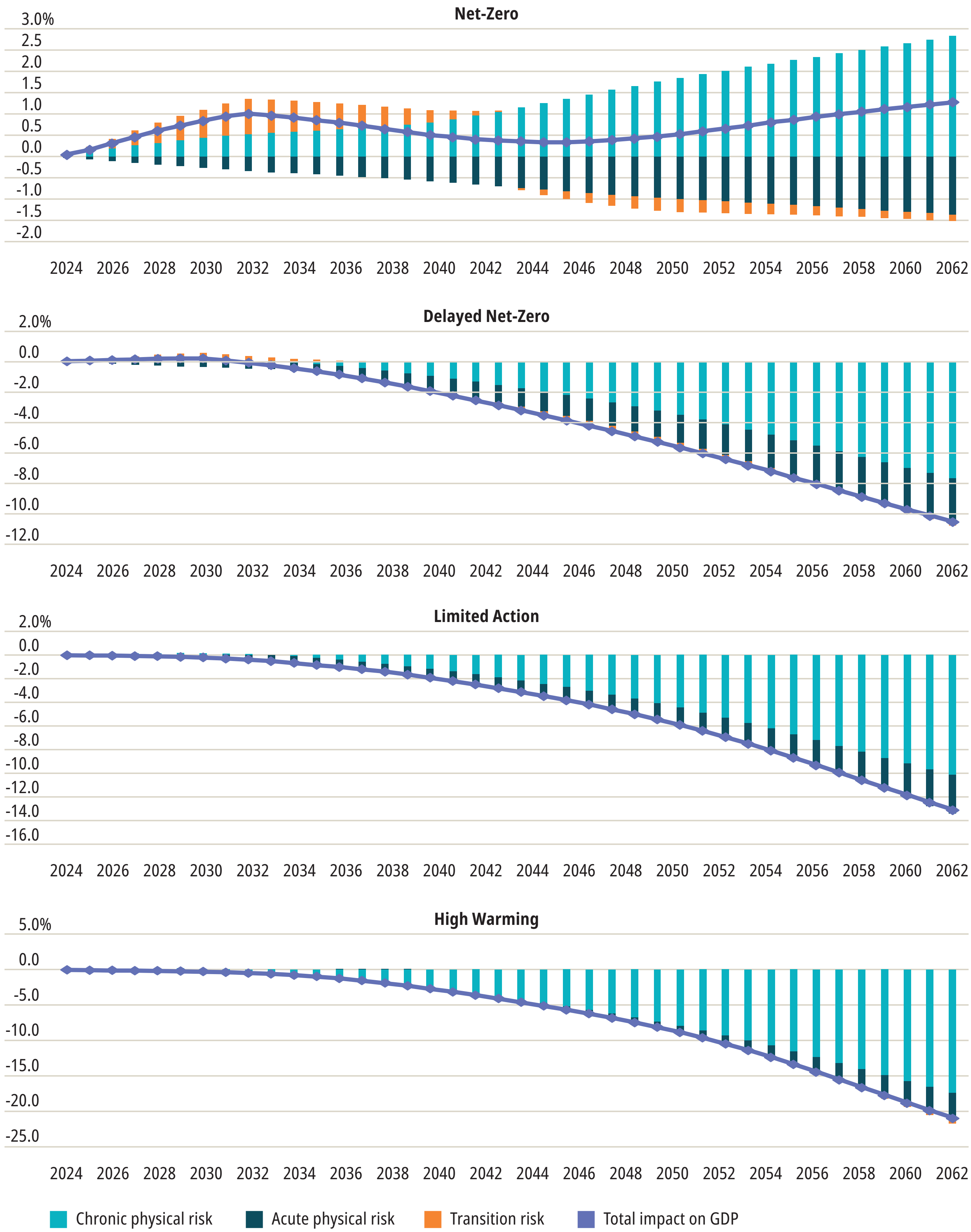
However, it is obvious that weaker institutions in emerging countries make it more difficult for them to adapt to a warming climate, so this key result cannot be considered entirely intuitive. In addition, drawing conclusions about investment portfolio is also complicated by the lack of clarity as to whether the realisation of physical or transition risk is correctly allocated to our portfolio. This is partly due to the choices made in the modelling, but mainly due to incomplete data on where the companies' operations are physically located and, on the other hand, where their results are generated.

Drawing conclusions about investment assets is also complicated by the lack of clarity as to whether the realisation of physical or transition risk is correctly allocated to our portfolio.

Return-based results are the most interesting from the investor's point of view, but in order to form them, in addition to macroeconomic effects, it is necessary to take into account 1) how much of the scenarios is already priced in and 2) when the market starts pricing in the development of each scenario. Question 1 has been partly answered by assuming that the baseline modelling is consistent with 2–3^{0}C warming under certain assumptions. This means that the differences between the scenarios and the baseline need to be interpreted in relation to this. Question 2 is even more difficult and is in practice entirely assumption-based in the climate scenarios.

[3] Calibration has relied on research literature on the market's tendency to overreact to changes in fundamentals. The literature includes Breuss (2010) Financial Market Crisis as a Phenomenon of Stock Market Overshooting: A Theoretical Analysis. Australian Economic Quarterly, 1/2010 and Angeletos, G-M., Huo, Z. & Sastry K. (2020, June) Imperfect Macroeconomic Expectations: Evidence and Theory. NBER Working Paper 27308

Global cumulative GDP growth impact broken down into different sources of climate risk per scenario



An examination of macroeconomic results, especially GDP growth, can provide a slightly clearer picture of the effects of the scenarios than return-based results.

The effects of GDP growth are transmitted especially to equity returns, but at this level there is no need to take a position on the difficult question above of market pricing in terms of climate risks. The figures above show the effects of climate scenarios on global GDP growth relative to the baseline model as a cumulative level change. The results are also broken down into different sources of climate risk.

The results show that in higher warming scenarios, physical risk begins to dominate. Within the physical risk, the majority of the impact comes from chronic physical risk, i.e. the general productivity effects of warming, rather than natural disasters (acute physical risk).

In the latest model version, the sensitivity analysis has been expanded in terms of how different parameter selections affect the modelling results. The most significant factors are Equilibrium Climate Sensitivity (ECS) and the damage function used in the modelling of chronic physical risk.

The damage function describes how productivity and economic growth behave in the face of global warming. Scientists have suggested that climate sensitivity could be up to 50% higher than the IPCC's baseline assumption (3^{0}C per doubling of CO_2)[4]. The modelling results are sensitive to this, and a higher climate sensitivity would significantly change the results for the worse. On the other hand, the damage function used in the model leads to quite large effects, at least compared to the central bank-led NGFS climate scenarios[5]. This choice highlights the importance of chronic physical risk in higher warming scenarios. The damage function used is justified by the fact that the modelling does not directly take into account tipping points, such as the melting of glaciers, which can accelerate global warming. Full consideration of tipping points could require an even more conservative damage function[6].

In summary, it can be stated that the climate scenario modelling paints a picture of a systemic challenge that may have a significant impact on Keva's investments. The systemic nature means that the primary measure is to try to prevent the progression of the phenomenon through engagement; It is difficult to avoid this phenomenon by diversification, at least not completely. Incomplete data makes it challenging to apply the results exactly, for example, at the level of individual companies.

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[4] For example, Hansen et al. Global Warming in the Pipeline, Oxford Open Climate Change, 2023.

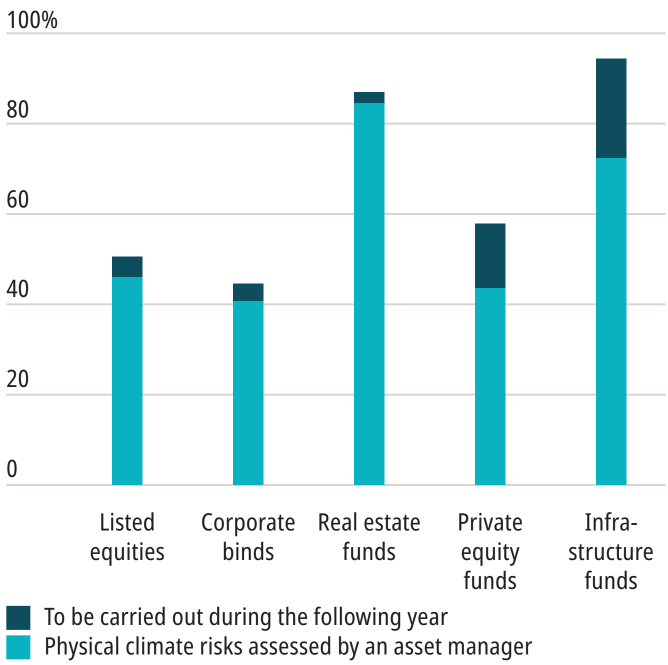
[5] Burke, M., & Tanutama, V. (2019, April). Climatic Constraints on Aggregate Economic Output. NBER Working Paper 25779.

[6] Trust, S., Joshi, S., Lenton, T. & Oliver, J. (2023) The Emperor's New Climate Scenarios. Institute and Faculty of Actuaries. The article extensively discusses climate scenario modelling and states that it typically leads to unintuitively minor impacts. In particular, the lack of tipping points is in the background.

Physical climate risks
Factoring in physical climate risks is emphasised in real asset classes, such as real estate. Climate risk assessments have been carried out in Keva's direct real estate portfolio using the EU taxonomy assessment framework.

Climate risks were divided into four impact areas (temperature, windiness, water and movement of solids) and acute and chronically progressive within them. In Finnish conditions, acute water-related flood situations in a changing climate were identified as material risks to be assessed in more detail. They have been assessed using the Finnish Environment Institute's (SYKE) accurate river and sea flood risk maps in Finland. Following the observations made from them, more detailed site-specific risk assessments have been commissioned, usually including the Munich RE climate risk assessment. On the basis of these assessments, it can be stated that the significance of physical climate risks for Keva's real estate investments in the Finnish climate is low and manageable.

Assessment of physical climate risks as part of asset managers' investment strategy



Percentage of asset managers (% of investment assets, total EUR 49.7 billion) who have carried out a physical climate risk assessment for their portfolio and integrated it into their investment strategy. The data is based on a survey conducted by Keva among external asset managers.

Our external asset managers also assess physical climate risks and integrate them into their investment strategy, especially in real estate and infrastructure investments. In listed equity investments, our asset managers in emerging markets take physical climate risks into account more generally than in other geographical areas. Integration of physical climate risks into the investment strategy is somewhat more common in Europe than in North America both in listed equity and corporate bond investments.

Metrics and Targets

Keva is committed to developing its own climate analysis, tools, indicators and understanding of climate change risks and opportunities for portfolio holdings. The measurement and assessment of the emissions of investees and Keva's ability to report on them externally depend on the availability of high-quality data.

Data coverage and quality
We use various information sources, including companies' own reporting, third-party ESG service providers and our asset managers, as data sources. We take a cautious approach to the use of estimates and aim to utilise data of the highest possible quality in reporting.

We use an ESG service provider as the data source for the portfolio's emission indicators in listed equity investments and corporate bond investments. In direct real estate investments, we use measured property-specific energy consumption data and the public district heating network-specific district heating emissions database of Finnish Energy and Local Power https://www.klpaastolaskuri.fi/en as data sources. Both are monitored and reported in the EnerKey information system.

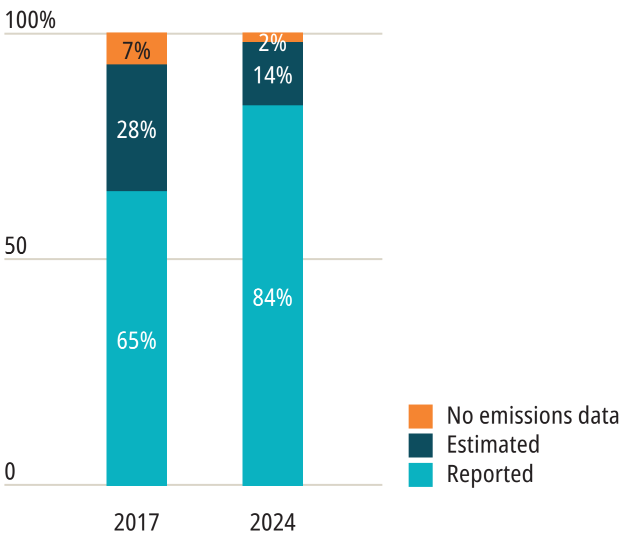
The emissions from electricity are zero and backed up with guarantees of origin for 100% renewable electricity. Some district heating has also been verified as zero-emission with district heating guarantee certificates of origin. In other asset classes, we aim to promote the availability of data, for example, through annual surveys of our asset managers.

The graph below shows that 98% of all Keva's listed equity investments are already included in the coverage of emissions data. Data quality has also improved, so that now 84% of the emissions data measured by the value of Keva's equity portfolio comes from companies' own reporting.

The situation is worse for corporate bonds: less than half of the companies reported emissions data measured by the value of the portfolio, but nevertheless development has been positive. Supplemented with the service provider's estimates, emissions data is available for 65% of the value of the portfolio for corporate bonds. In corporate bond investments, emissions data is more readily available on exchange-traded companies and corporate bonds that are included in commonly used bond indices. Outside of these, data is scarce and often based on estimates made by the service provider.

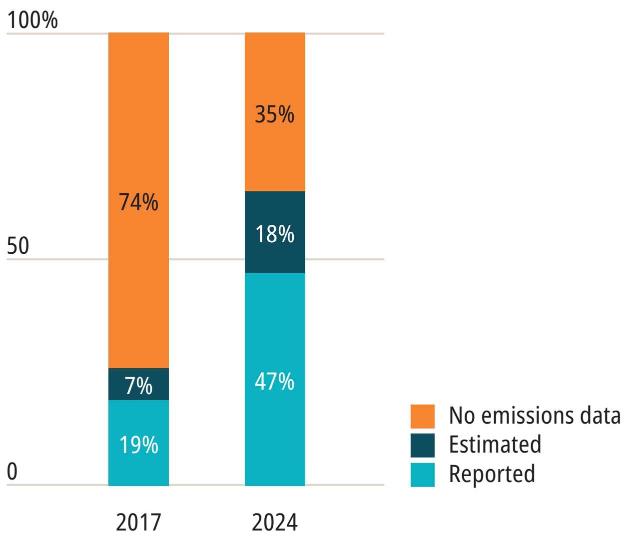
The emission data of investees is usually from previous years, and its timing and quality vary. Companies usually publish their emissions data in conjunction with the annual report at the beginning of the following year. When analysing emissions data for 2024, the most up-to-date figures come from 2023 annual reports, which were published during 2024. In the calculations in this report, 63% of the emission data

Development of emission data coverage and quality, listed equity investments



Investment assets EUR 29.4bn. Data source: MSCI ESG Research, Keva.

Development of emission data coverage and quality, corporate bond investments

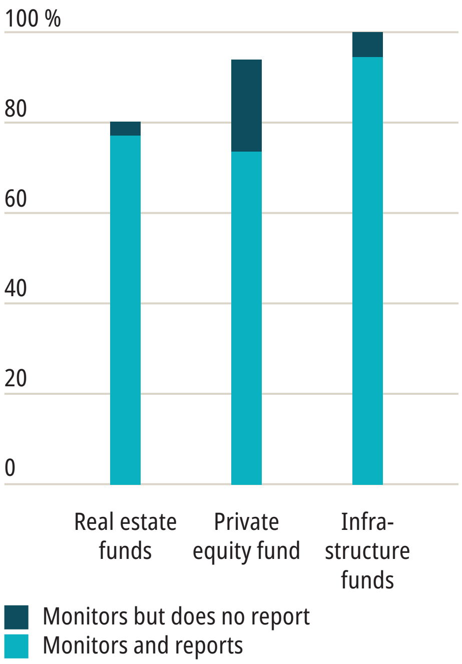


Investment assets EUR 9.9bn. Data source: MSCI ESG Research, Keva.

for equities is from 2023 and 34% from 2022 in terms of the value of the portfolio. The corresponding figures for corporate loans are 29% and 33%. Portfolio-level carbon intensity calculations combine companies' historical emissions data with investment assets at year-end 2024 and may also affect the readings of portfolio-level indicators.

Data from different sources must be comparable with each other. In real estate, private equity and infrastructure fund investments, the quality of emissions data does not yet enable their reporting. Based on the information we have collected from our external asset managers, it can be seen that our asset managers in these asset classes already quite frequently monitor the emissions of investments.

Emission monitoring carried out by asset managers, unlisted investments



Percentage of asset managers (% of investment assets, totalling EUR 13.3 billion) that monitors and reports the emissions of their investments in Keva's real estate, private equity and infrastructure funds. The data is based on a survey conducted by Keva among external asset managers.

Portfolio carbon footprint indicators

The carbon footprint of an investment portfolio measures the greenhouse gas emissions associated with investments at a certain point in time. When calculating the carbon footprint of our investments, we use methods that are in line with the TCFD and PCAF[7] recommendations. We calculate and report the portfolio's financed emissions, which measure our share of the investments´ emissions in relation to their enterprise value. In addition, we monitor the portfolio's weighted average carbon intensity, which measures the emissions of each investee in relation to its revenue and weights them according to the portfolio's allocations.

We have reported the weighted average carbon intensity of the equity portfolio and the benchmark index since 2020, based on reported and estimated data on Scope 1 and 2 emissions. These are emissions that arise from the direct operations of the investee companies and emissions related to energy consumption. We monitor the development of the quality and coverage of Scope 3 emissions data related to the value chain of the companies, but it is not yet at the level required for reporting.

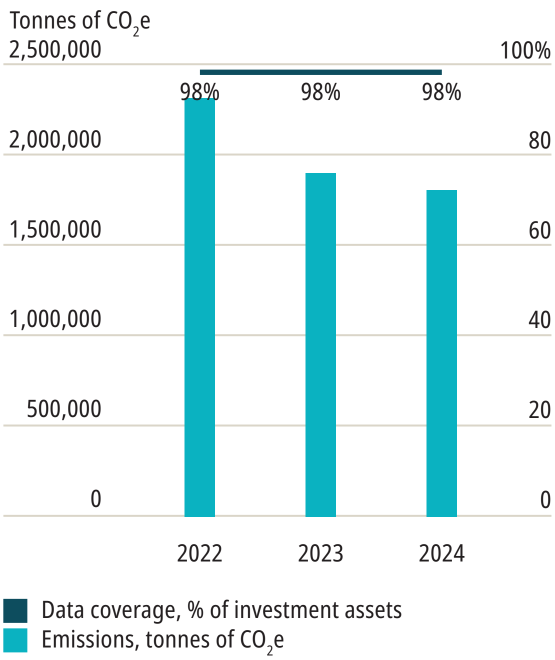
For direct real estate investments, we collect and report Scope 1 and 2 emissions data from properties under direct control or those that we maintain ourselves. We are unable to measure emission data for all triple net rented properties, as the tenant is not obliged to report the volume of energy consumption for which they are responsible (direct agreement between the energy company and the tenant) to the landlord. For some tenants, energy information is a business secret.

[7] Partnership for Carbon Accounting Financials: About PCAF

Financed emissions

Financed emissions are a Partnership for Carbon Accounting Financials (PCAF) indicator that seeks to describe the emissions attributable to investors by weighting the investor-financed share of total emissions of the investee companies and allocating all a company's emissions to its financiers according to its capital structure. Financed emissions are calculated by dividing the value of the investment by the value of the investee company and multiplying this by the Scope 1 and 2 emissions of the company.

Development of financed emissions, listed equity investments



The amount of financed emissions (tonnes of CO_2e, Scope 1 and 2) and the coverage of emissions data in listed equity investments (investment assets EUR 29.4 billion). According to the service provider's methodology, the intensities of the company's equity and debt investment instruments are always calculated according to the latest published enterprise value. These intensities will be used later in the calculation of emissions. This solution aims to solve the challenge of allocating emissions due to fluctuations in a company's market values. Data quality: 90% of the data is reported by companies and 10% is rated by the service provider, on a PCAF scale of 2.1. The calculation does not include investments for which the determination of market values and emission data is not currently reliable. Data source: MSCI ESG Research, Keva.

$$\text{Financed emissions } (tCO_2e) = \sum_{i}^{n} \frac{\text{position value}_i}{\text{enterprise value}_i} * \text{company's emission}_i$$

Enterprise value = EVIC Value of equity + value of liabilities taking into account cash

In 2024, Keva's financed emissions from listed equity investments amounted to 1,800,000 tCO_2e (tonnes of CO_2 equivalent) and from corporate bond investments to 746,000 tCO_2e. Financed emissions have decreased by 22% in equities and by 15% in corporate bonds since 2022. The calculation is limited to 2022 because the data required for the calculation of the financed emissions is only available from the service provider from that year onwards.

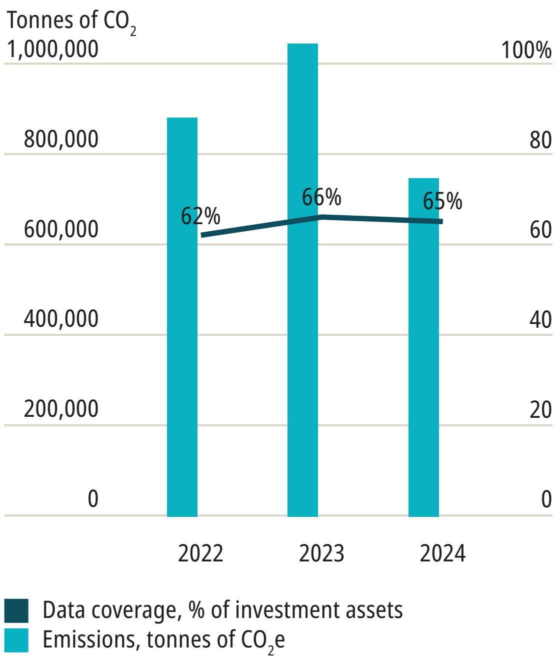
It is important to understand that the calculated financed emissions of the portfolio increase as the size of the portfolio and the coverage of the emissions data increases, if all other factors remain unchanged. This should be taken into account when interpreting the figures, especially in the case of corporate bonds, where data coverage has improved. Financed emissions may change due to changes in portfolio size, portfolio country and sector weightings, positions bought and sold, emissions data coverage, and changes in capital structure.

According to Keva's attribution analysis, the financed emissions of Keva's equity investments have decreased, especially due to the decrease in emissions in the portfolio, which has remained unchanged. New and divested investments have had approximately the same impact on emissions, and changes in the emissions data coverage have been minor. In corporate bonds, the biggest factor affecting emissions reduction has been the investments sold/matured in the portfolio. The emissions of the portfolio, which remained unchanged, have increased moderately during the period under review.

We have also calculated the financed emissions of direct real estate investments in accordance with the PCAF guidelines. The financed emissions are calculated by multiplying the emissions related to the energy consumption of each property by our ownership in the property.

The financed emissions of the direct real estate portfolio in 2024 were 12,539 tonnes. The calculation covers approximately 89% of the value of the direct real estate portfolio at the end of the year. In 2023, the financed emissions amounted to 19,730 tonnes, and the calculation covered 91% of the value of the direct real estate portfolio.

Development of financed emissions, corporate bonds

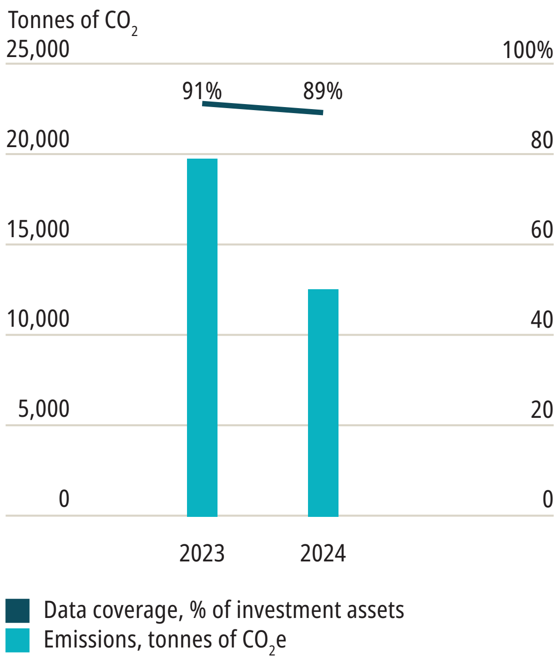


Emissions, tonnes of CO_2e, Scope 1 and 2) and the coverage of emissions data in corporate bond investments (investment assets EUR 9.9 billion). Data quality: 47% of emissions data is reported by companies and 53% is estimated by the service provider, on a PCAF scale of 2.5. The calculation does not include investments for which the determination of market values and emission data is not reliable at the moment. According to the service provider's methodology, the intensities of the company's equity and debt investment instruments are always calculated according to the latest published enterprise value. These intensities will be used later in the calculation of emissions. This solution aims to solve the challenge of allocating emissions due to fluctuations in the company's market values. Data source: MSCI ESG Research, Keva.

$$\text{Financed emissions } (tCO_2e) = \sum_{i}^{n} \frac{\text{position value}_i}{\text{enterprise value}_i} * \text{company's emission}_i$$

Enterprise value = EVIC Value of equity + value of liabilities taking into account cash

Development of financed emissions, direct real estate investments



The amount of financed emissions (tonnes of CO_2e, Scope 1 and 2) and the coverage of emissions data in direct real estate investments (EUR 3.2 billion). The financed emissions are calculated by multiplying the emissions related to the energy consumption of each property by our share of ownership in the property. Emissions have been calculated using measured consumption and emission factors. Properties for which emission data is not available (e.g. unbuilt plots, parking lots) and sites where Keva does not receive emission data from the tenant are excluded from the calculation.

Financed emissions (tCO_2e) =

$$\sum_{i}^{n} \frac{\text{number of shares owned by Keva}_i}{\text{number of all shares in the real estate}_i} * \text{real estate emissions}_i$$

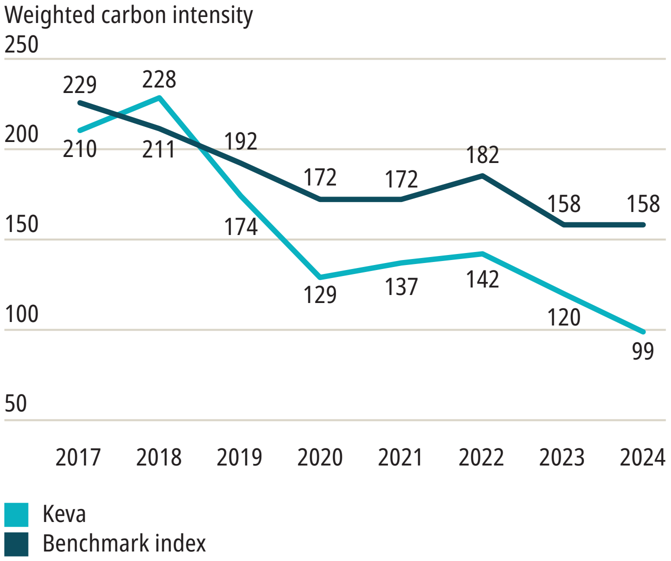
Weighted average carbon intensity (WACI)

The portfolio's weighted average carbon intensity seeks to describe the portfolio's exposure to carbon-intensive investments. It can be thought that the figure measures the risk to the portfolio at a given point in time caused by emissions trading and other regulation. When examining the development of the portfolio's weighted average carbon intensity over time, it should be noted that changes in country and sector weights, market prices of securities and company revenue result in variation between measurement periods. Computationally, the indicator reading is also affected by changes in the coverage of companies' emissions reporting.

The weighted average carbon intensity of the equity and corporate bond portfolio is calculated by dividing each company's Scope 1 and 2 emissions by the company's revenue and weighting the resulting carbon intensities by each company's share of the portfolio value.

The weighted average carbon intensity of Keva's equity investments was 99 tCO_2e/USD million in 2024, which was 37% lower than the bench-

Development of weighted average carbon intensity (WACI), listed equity investments

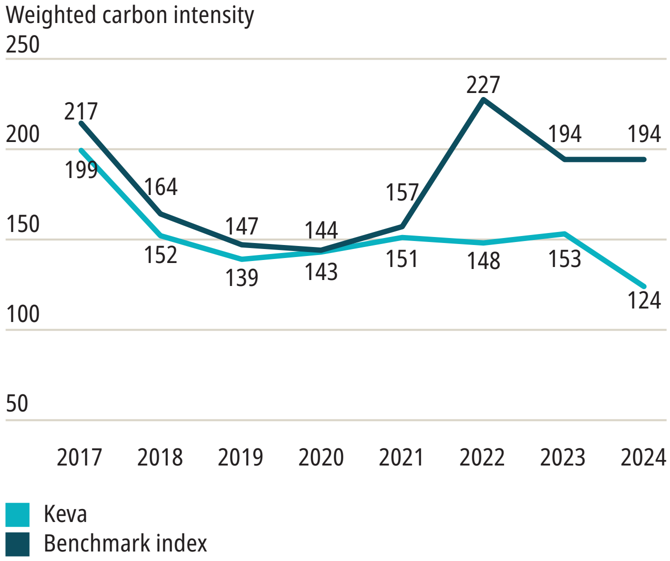


Development of the portfolio's weighted average carbon intensity (tonnes of Scope 1 and 2 CO_2eemissions/USD million/revenue, Scope 1 and 2) and the difference in equity investments listed in the benchmark index (investment assets EUR 29.4 billion). During the monitoring period (2018–2024), the weighted average carbon intensity of Keva's listed equity investments has decreased by 53% and was 37% below the benchmark index at the end of 2024. Benchmark index: The benchmark index comprises the following indices: MSCI Europe IMI, MSCI USA IMI, MSCI Emerging Markets IMI, MSCI Japan IMI ja MSCI ACWI IMI. Data source: MSCI ESG Research, Keva.

The formula for weighted average carbon intensity is:

$$\sum_{n}^{i} \text{portfolio weight of company}_i * \frac{\text{total emissions of company}_i}{\text{revenue of company}_i}$$

Development of weighted average carbon intensity (WACI), corporate bond investments



Development of the portfolio weighted average carbon intensity (tonnes of Scope 1 and 2 CO_2e emissions/USD million/revenue, Scope 1 and 2) and the difference in the benchmark index in corporate bond investments (investment assets EUR 9.9 billion). During the monitoring period (2018–2024), the weighted average carbon intensity of Keva's corporate bond investments has decreased by 38% and was 36% below the benchmark index at the end of 2024. The benchmark index consists of the following indices: Bloomberg Euro-Aggregate: Corporates Index, J.P. Morgan CEMBI Broad Diversified Core Index, HYG, IHYG. Data source: MSCI ESG Research, Keva.

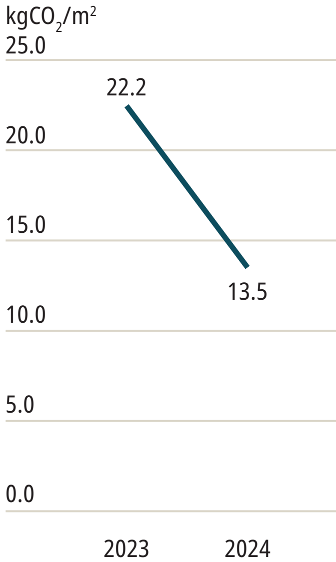
mark index and 53% lower than in 2017. Over the same period, the portfolio-weighted average carbon intensity of Keva's corporate bonds decreased by 38% to 124 tonnes tCO_2e /USD million at the end of 2024. This is 36% lower than the benchmark index.

The difference in the weighted average carbon intensity of the portfolio relative to the benchmark index may be due to differences in weighting towards carbon-intensive sectors and company choices within the sectors. Keva's equity portfolio is focused on lower emission sectors. Our choice of companies within the sectors has also led to lower figures in each sector compared to the benchmark index. In Keva's corporate bonds, the sector-specific weighted average carbon intensity has been lower than that of the benchmark index in all sectors except one.

Over the course of the eight-year monitoring period, the most significant change in sector-specific weighted average carbon intensity has been the downward trend in the energy sector, which is reflected in both Keva's equity and corporate bond investments. In equity investments, the carbon intensity of the materials industry has also decreased. In addition, the weighted average carbon intensities of equities and corporate bonds have decreased in all geographical areas, especially in equities in high-emission emerging markets. In corporate bonds, the decrease in carbon intensity has been significant in the high yield portfolio in both Europe and North America, while the carbon intensity of the investment grade portfolio has remained low throughout the review period.

The weighted average carbon intensity of the real estate portfolio is calculated by dividing the emissions related to the energy consumption of each property by its floor area and weighting

Development of weighted average carbon intensity (WACI), direct real estate investments



Development of the portfolio weighted average carbon intensity (kg CO_2e/m2, Scope1 and 2) in corporate bond investments (investment assets EUR 3.2 billion). The weighted carbon intensity of Keva's direct real estate investments decreased by 42% during the year. The weighted average carbon intensity is calculated by dividing the emissions of the properties by their apartment areas and weighting these site-specific figures with their fair values. Properties for which emission data is not available (e.g. unbuilt plots, parking lots) and sites where Keva does not receive emission data from the tenant are excluded from the calculation.

$$\text{WACI} = \sum_{i}^{n} \text{portfolio weight of real estate}_i * \frac{\text{emissions from real estate}_i}{\text{net floor area of the real estate}_i}$$

the resulting carbon intensities by each property's share of the portfolio value.

The weighted average carbon intensity of Keva's direct real estate portfolio was 13.5 kg CO_2/m^2 in 2024. In 2024, the calculation covered 89% of the value of the portfolio. In 2023, the corresponding figure was 22.2% and the coverage was 91%.

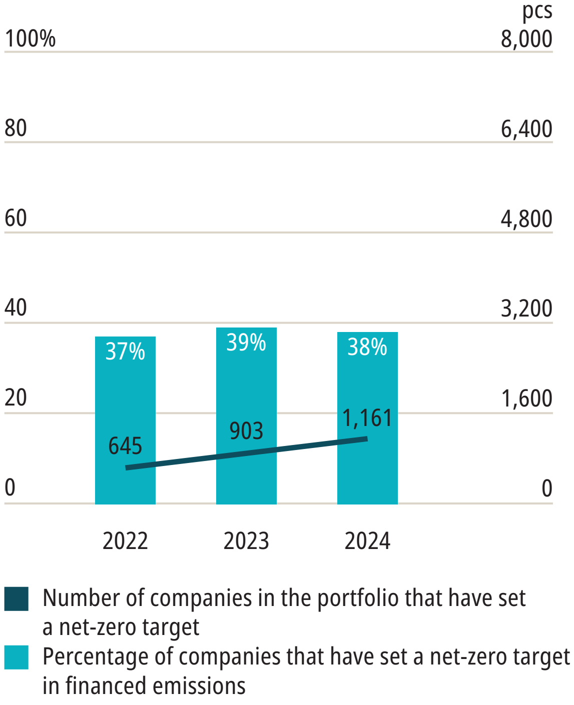
Forward-looking indicators
The emission indicators for the investment portfolio are based on historical data and do

not tell about the future. However, it is important for investors to try to understand the development direction of companies, and this can be done by utilising the emission targets set by the investee companies. In particular, Keva monitors Science Based Targets (SBTs) and other net-zero targets extending to 2050 at the latest.

Companies' net zero targets demonstrate that they have a strategy to reduce their emissions. We track the number of companies in our portfolio that have net zero targets for Scope 1 and 2 emissions and calculate the share of net zero targets for Keva's financed emissions.

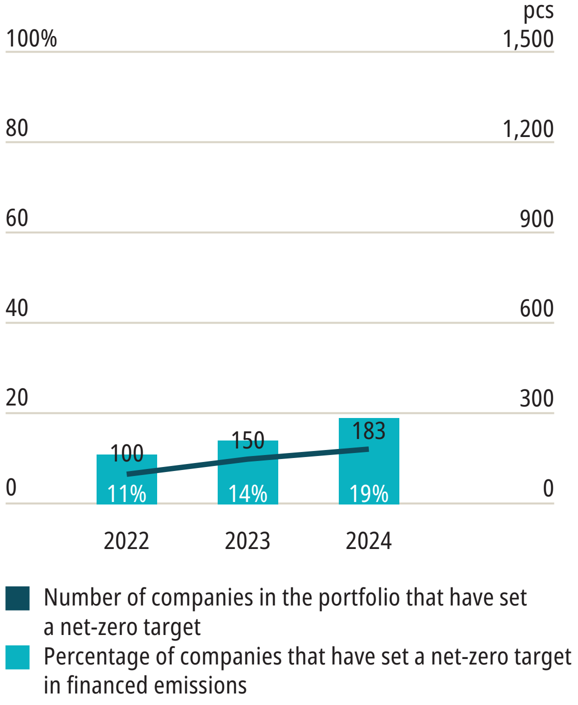
At year-end 2024, 38% of the Scope 1 and 2 emissions financed by Keva equities were covered by net zero targets for 2050 or earlier, and this percentage has remained stable since 2022. 19% of the emissions financed by corporate bonds were covered by net zero targets, which is 8 percentage points more than in 2022.

Coverage of net zero targets of Keva's financed emissions, listed equity investments



The figure shows the number of equity investment companies in Keva's portfolio whose declared climate targets are either approved by the Science Based Targets Initiative or such that they will achieve nearly net zero emissions (-95% Scope 1 and 2 and -67% Scope 3) by 2050 at the latest. The bars depicting the percentages have been calculated as the percentage of companies that have set such climate targets in Keva's financed emissions (Scope 1 and 2). Data on climate targets and financed emissions comes from the service provider. The data covers 98% of Keva's listed equity investments (EUR 29.4 billion). Data source: MSCI ESG Research, Keva.

Coverage of net zero targets of Keva's financed emissions, corporate bond investments



The figure shows the number of corporate bond investment companies in Keva's portfolio whose declared climate targets are either approved by the Science Based Targets Initiative or such that they will achieve nearly net zero emissions (-95% Scope 1 and 2 and -67% Scope 3) by 2050 at the latest. The bars depicting the percentages have been calculated as the percentage of companies that have set such climate targets in Keva's financed emissions (Scope 1 and 2). Data on climate targets and financed emissions comes from the service provider. The data covers 65% of Keva's corporate bond investments (EUR 9.9 billion). Data source: MSCI ESG Research, Keva.

There are major differences between geographical areas and investee companies in the corporate bond portfolio: in the European investment grade portfolio with lower credit risk, 76% of the financed emissions are below the net zero target, while in the North American high yield portfolio, the figure is 16%. In equity investments, the coverage of net zero emissions is highest in Europe (64%) and lowest in emerging countries (20%).

A total of 1,161 companies in Keva's equity investments and 183 companies in corporate bonds have set net zero targets. The figures have risen by 80% in two years, as in 2022 the corresponding figures were 645 for equity investments and 100 for corporate bonds.

Engagement indicators
We follow the active ownership practices of our asset managers and are involved in various collective projects.

In 2024, Keva and its asset managers **voted** in favour in 55% of 189 shareholder proposals on environmental issues.

Voting is complemented by goal-orientated **engagement projects** that can last for years. In 2024, Keva's asset managers had 460 ongoing engagement projects in equity and corporate bond investments, targeting 368 companies. Of the engagement projects, 106 were those in which the main focus area was on environmental topics. The largest number of environmental engagement cases were in the United States and China, targeting a wide range of sectors and especially greenhouse gas emissions.

We are involved in several **collective engagement** projects

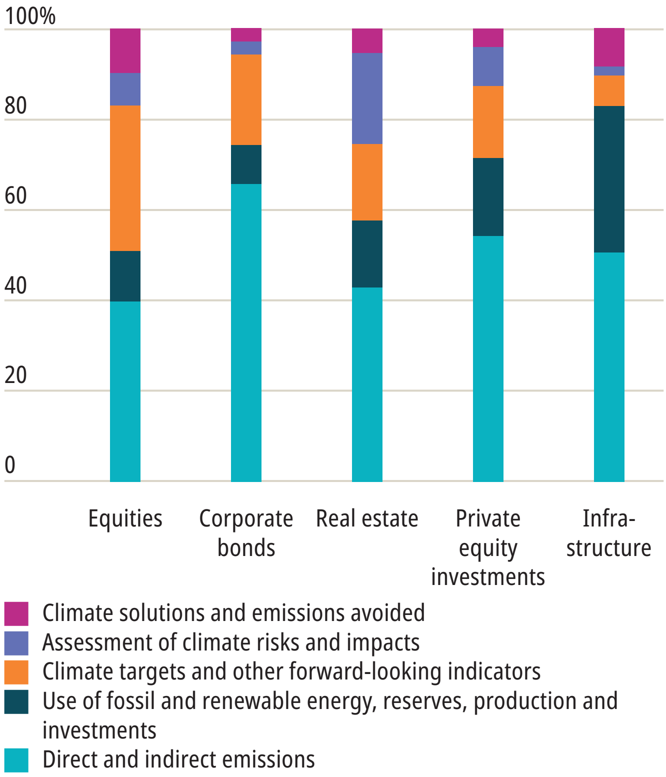
- **CDP Non-Disclosure Campaign**: The 2024 campaign was supported by 276 investors representing EUR 19 trillion in investment assets. The reporting request was targeted at 1,998 companies, of which 396 companies started reporting their environmental impacts after investor interaction. Companies were 2.5 times more likely to report when investors requested reporting through CDP's campaign.
- **Climate Action 100+**: In 2024, the project involved more than 600 investors and 168 investee companies, of which 80% have set a net zero target (Scope 1 and 2) by 2050 at the latest. For 90% of the companies, climate risks are the responsibility and supervision of the Board. 65% of the investee companies have been able to reduce their emission intensity and 80% have publicly committed to reporting on climate impacts in accordance with international reporting standards (TCFD, ISSB).
  In 2024, progress was seen in companies' reporting, allocation of capital to low-carbon solutions, and planning for a just transition. However, comprehensive transition planning remains limited, highlighting the need for clearer, more precise and feasible pathways to realistically address climate risks and opportunities.
- **2024 Global Investor Statement to Governments on the Climate Crisis**. In 2024, the statement was signed by 651 investors representing investment assets of approximately EUR 31 trillion. Investors made significantly more demands on governments than in previous years. In addition to the climate,

nature, such as forests, waterways and biodiversity, were now also taken into account in the requirements. The letter pointed out the importance of directing financial flows towards climate solutions and adaptation in emerging countries. In addition, reporting requirements were emphasised with regard to nature issues and climate risks.

Climate change metrics used by our asset managers

We monitor the climate change metrics used by our asset managers through our annual survey.

Climate change metrics that asset managers say they use



The graph shows the order of prevalence of different climate indicators in different asset classes. The shares are calculated as the relative shares of each indicator category of the indicators used in that asset class. The data is based on a survey conducted by Keva among outsourced asset managers.

Our asset managers report that they use the emissions-related metrics the most in all asset classes. After these, the use of climate targets and other forward-looking targets is common in equities, whereas a focus on fossil and renewable energy is more widespread, especially in infrastructure investments. The use of indicators related to the assessment of the impacts of climate risks, such as physical damage risks and climate scenarios, is more common in real estate investments than in other asset classes.

Targets and metrics of the environmental strategy for direct real estate investments

In direct real estate investments, Keva is mainly the sole or majority owner, and thus has a direct possibility to influence emissions from the real economy. Keva aims to halve the carbon dioxide emissions caused by the energy use of properties by 2025 and to zero them by 2030.

Reaching the carbon neutrality target for energy use is monitored through three indicators:

1. Improving the energy efficiency of properties: Improving energy efficiency by 20% as a result of active measures by 2030.

2. Improving the energy efficiency of properties (2 parallel metrics): Increasing energy efficiency by 20% by 2030 as a result of active measures and developing energy consumption per floor area (kWh/htm^2, year).

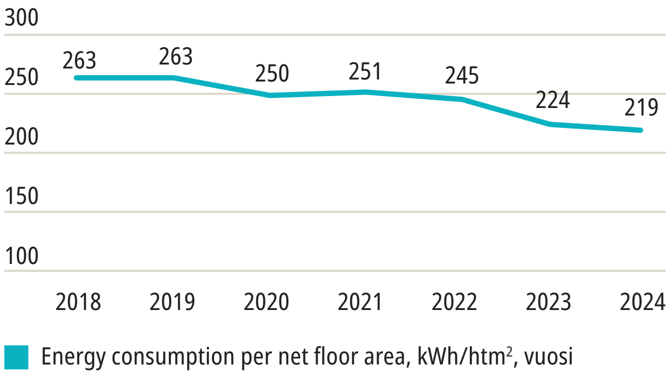
3. Share of own property-specific energy production: 10% of the total consumption of properties by 2030.

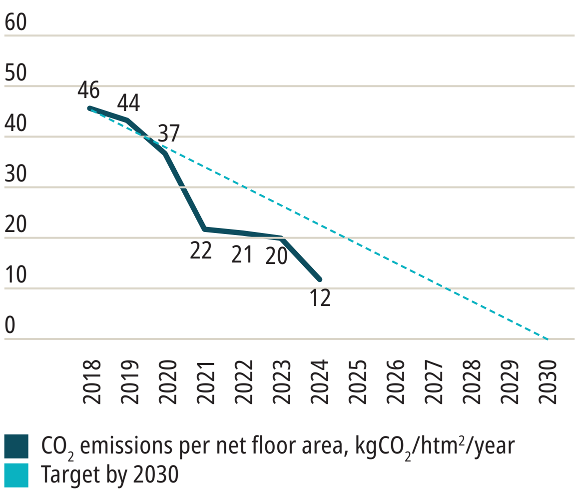
The monitoring of carbon dioxide emissions from real estate investments is always based on measured – not weather-adjusted – energy consumption in accordance with international reporting guidelines.

We have progressed at a pace in line with our goals on all three indicators. The measured specific energy consumption has decreased by more than 40 kWh/htm2 units since 2018.

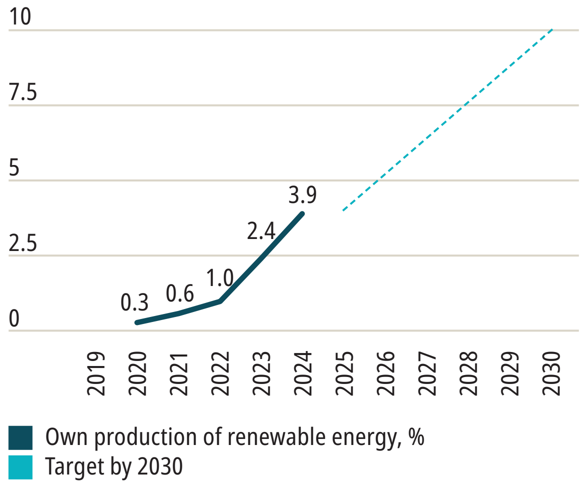
Between 2019 and 2024, the energy efficiency of properties has improved by more than 23,000 MWh/year, i.e. by almost 12%, through active measures. The share of own property-specific energy production of final consumption

Development of energy use and CO_2e emissions of direct real estate investments 2018–2024. The indicators are shown as characteristics relative to the floor area of investment properties

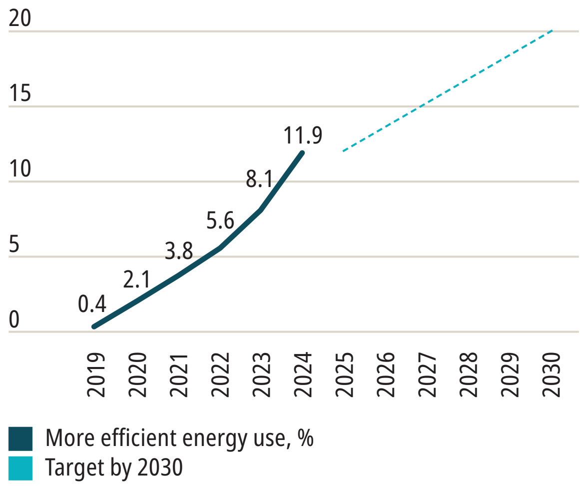




Share of renewable energy production of energy consumption at properties in 2019–2024



Active cumulative energy saving measures in direct real estate investments 2019–2024



rose to 3.9%. The interim targets for 2025 (12% energy savings and 4% renewable self-production) have almost been reached, one year ahead of schedule.

The monitored greenhouse gas emissions continued on a downward trajectory in line with the targets (Figure X). Specific emissions ($kgCO_2/m^2$) decreased across the entire portfolio. Comparable carbon dioxide emissions from the energy use of investment properties decreased by 43% year-on-year and by more than 68% compared to the start of our environmental programme, i.e. the base year 2018.

In addition to energy-saving and property-specific energy production measures, the significant reduction in carbon dioxide emissions is due to the procurement of renewable electrical energy, in particular, and the sharp decrease in the emission intensity of district heat after 2022. We will continue to reduce the purchase volumes of district heat through heat pump investments, utilising our 100% renewable electrical energy.

Engagement with the investor community and membership of organisations

UN Principles of Responsible Investment, PRI
• signatory since 2008

Finland’s Sustainable Investment Forum, Finsif
• founding member; Keva is represented in the scholarship working group

Green Building Council Finland, GBC
• member since 2014; Keva is represented in both the carbon-neutral construction and building use committees and expert groups

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

RAKLI’s Green homes initiative

We operate sustainably and transparently

We take responsibility for the environment and society

We operate sustainably and transparently

Keva's Code of Conduct guides the activities of our employees and provides general guidelines for situations where there are no separate guidelines or for which there are no provisions in legislation. There are ten principles.

Keva's Board of Directors adopted the updated the Code of Conduct in August 2022.

- Keva's mission is to ensure pension cover.
- Keva's operations are guided by legislation.
- Keva secures pension benefits and a stable contribution level.
- Keva's operations are guided by customer needs.
- Think before you click. Information security and data protection are at the heart of Keva's operations.
- Prevent conflicts of interest, corruption and bribery.
- Wellbeing of employees is number one.
- Your work is genuinely responsible.
- Be active, open and transparent in your communication.
- Act correctly. Keva strives to ensure an ethical corporate culture in which Keva employees act correctly and in accordance with the shared values.

Compliance supports, advises and supervises the practical application of the Code of Conduct. In 2024, Keva was not aware of any specific and material problems in compliance with the Code of Conduct or other procedural guidelines, and there was no need for special anti-corruption and bribery measures.

Keva prevents conflicts of interest, corruption and bribery

Our Code of Conduct states that: ”Keva is a key societal actor guided by the interest of society. We comply with laws, decrees and other external rules as well as internal guidelines, and do not undermine Keva in a manner that could call its operations into question”.

The Code of Conduct also instructs that every Keva employee must combat conflicts of interest, corruption and bribery.

Keva's Board of Directors adopted more detailed guidelines, i.e. the ”Receipt of Gifts or Other Benefits” principles in 2014, the ”Operating principles concerning conflicts of interest” in 2021 and the ”Hospitality Guidelines” in 2021. In addition, Keva's procurement guidelines pay attention to avoiding conflicts of interest and identifying disqualifications.

Keva's management, supervisors and, for its part, Compliance supervises compliance with the guidelines.

Political influencing

See section Stakeholder dialogue strengthens confidence on page 71.

Risk management, independent supervision of investment risks and contingency planning

Risk management is part of Keva's everyday management and supervisory work. Risk management aims 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 ensured in all situations.

Risk management is supported and coordinated by the head of risk management as an expert in the Compliance, Risk Management and Administration Unit (CRH). Risk management tasks are conducted across Keva as part of normal operations wherever actual risks take place. Operational risk management benefits from a network of risk management contact persons. Risk management is led by Keva's Management Group supplemented with risk management experts in the risk management team.

One of the key tasks of independent risk management in 2024 was related to the development and deepening of the use of the various areas of the application acquired to support risk management.

Independent supervision of investment risks

The CRH unit is also responsible for the oversight and official reporting of investment risks. Independent risk management is tasked in particular with monitoring and reporting the risk and authorisation status of investment assets and is also responsible for the official calculation of investment returns as well as for modelling and maintaining Keva's investment assets in different risk systems.

Independent risk management monitoring reports to Keva's Board of Directors' Audit and Risk Management Committee and to the investment operations management team.

Reporting to the Board of Directors and supervisors

Once a year, Keva's Board of Directors is provided with a risk assessment concerning Keva's entire operations as required by the Act on Keva. The risk assessment includes, among other things, an analysis of the responsibility of investments. The report is also sent to Keva's supervisors for information.

Strategic and operational risks identified

Keva's biggest strategic risk is the inadequacy of long-term funding, and the aim of financial planning is to secure the funding of future pensions, especially in the long term. The aim is to manage the negative financial coverage by increasing the risk of investment operations, which is expected to increase investment returns.

One of the key operational risks is related to cybersecurity. In 2024, attention was also paid to the development of ICT technology and especially smart technology. Keva has drawn up principles for the use of artificial intelligence. In addition, risk management methods were further developed to address factors that threaten operational reliability.

A responsible way of working and goals also includes the continuous development of operations. Risk management supports this by developing the recording of risks and near misses that have materialised at Keva, and emphasises the learning and development of operations through them.

Particular attention was given to compliance with legislation, orders and guidelines of the authorities as well as the internal guidelines and principles adopted by Keva's Board of Directors. In 2024, work continued on a comprehensive study of compliance risks associated with Keva operations. The identification and definition of risks relating to compliance with essential regulations enhance risk management means and controls that can be used to keep compliance risks at an acceptable level.

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, payment of pensions, in all situations.

Keva has a contingency plan adopted annually by the Board of Directors and is complemented by the contingency plans of functions and units that are critical to operations.

> The biggest strategic risk is the inadequacy of long-term funding.

In 2024, Keva participated in the Taisto open digital security preparedness exercise organised by the Digital and Population Data Services Agency, which provided valuable information on the functionality and development needs of contingency plans.

Compliance monitors the progress of legislative projects affecting Keva and its operating environment

Compliance oversees Keva's operations and promotes compliance with regulations and other rules. Independent compliance assists management and the entire organisation in compliance with the Code of Conduct and external and internal rules guiding operations.

Keva has a compliance officer and an investment compliance officer. The compliance officer reports to the Administrative Director, the CEO, the Risk Management Committee and to the Board of Directors.

The investment compliance officer reports to the Administrative Director, the CEO, the risk management team, the Audit and Risk Management Committee and the Board of Directors. Both the compliance officer and the investment compliance officer are part of the CRH unit, which is headed by the Administrative Director.

Compliance programme and work plans guide work

The Board of Directors has adopted the Compliance Policy, which sets out the tasks and mandates of Compliance. In autumn 2023, the Board of Directors adopted the new Keva

Compliance Programme, which indicates key regulations on a risk-based basis, compliance with which must be ensured, in particular by defining responsibilities for monitoring changes and other measures related to regulatory compliance.

In practice, the work of compliance officers is guided by more detailed work plans approved by the Board of Directors. Compliance oversees compliance with standards. In addition, advice and guidance strengthen trust in Keva's operations and strengthen a responsible operating culture. Investment compliance is responsible for monitoring the new regulation in accordance with the amendment to the Code of Conduct adopted in 2023.

During 2024, the compliance officer conducted annual function-specific focus area reviews. These were made into reports, which were reported to the Risk Management Group and the Board of Directors' Audit and Risk Management Committee. Compliance assessments were carried out on predefined targets. The autumn round of studying operational risk will have a compliance weighting. The annual round reviews the compliance risks of each unit in more detail. The round is carried out in cooperation with risk management. The compliance officer participated in the implementation of the new GRC (Governance, Risk & Compliance) software known as Valpas.

Cooperation between Keva and the oversight authorities, the Ministry of Finance and Financial Supervisory Authority, continued with regular unofficial meetings. The compliance officer worked in Keva's responsibility group, which prepared the responsibility principles. Quality control of the solution operations was carried out on a quarterly basis.

The investment compliance officer assesses the regulatory compliance of Keva's investment operations. The officer participated in regulatory monitoring and its organisation, as well as in the maintenance and development of Keva's investment compliance principles and processes. For regulatory monitoring, an external service provider prepared a summary of Keva's global obligations concerning investment activities. The summary has compiled the obligations that will result in a sanction if not addressed.

The investment compliance officer supports investment operations in complying with regulations, orders and guidelines. The key method for assessing regulatory compliance is compliance assessments, of which two were carried out in 2024. In addition to the company's own audit and observation activities, investment operations were monitored by assessing the data on compliance with investment limits produced by the independent monitoring of the investment risk team.

The investment compliance officer chairs the Investment Compliance Group. The officer participated in competitive tendering for the legal expert service for investments and the sanctions monitoring service.

No reports received via the ethics channel

No reports were received via Keva's ethics channel, an internal whistleblowing channel, in 2024. If there had been any reports, the ethics group would have investigated and processed them and given its response to the anonymous whistleblower through the reporting channel.

Data protection and data security

Keva ensures functions and services that safeguard data security and data protection of personal data.

In 2024, data protection impact assessments were carried out with a view to the introduction of artificial intelligence tools, among other things. Instructions, document templates and descriptions for both personnel and customers were updated.

The recording and reporting of personal data privacy incidents was revised in 2024 with the introduction of the new GRC (Governance, Risk & Compliance) software.

Statistics are compiled of data protection triggers and incidents

All risks that have materialised and near misses are recorded, and entries related to data protection are brought to the attention of the data protection officer. The double bookkeeping used previously was abandoned. At Keva, deviations in data protection are divided into data protection triggers (near misses) and data protection incidents (risks that have materialised).

During 2024, there were 47 data protection triggers and 18 data protection incidents. Four incidents were reported to the Office of the Data Protection Ombudsman. The deviations in data protection were mostly the result of individual human processing errors. The increase in triggers was due to recording and reporting changes and to an increase in deviations occurring in stakeholders.

47 data protection triggers
18 data protection incidents

Keva monitors and develops processes to reduce data protection incidents. An important part of this work is active communication and educating Keva employees to identify data protection breaches and to promptly report them to the right instance.

Customers can inspect their personal data

Registered employee customers have the right to inspect their data in Keva. There were four such requests in 2024. A request under the General Data Protection Regulation and the Act on the Openness of Government Activities may be made at Keva using a form that guides the person making the request to more specific requests.

To make a request to inspect personal data, go >

Keva's data protection officer oversees the processing of personal data in the pension system. Random control may be directed at the processing of any customer matter. In addition, separate oversight is directed at cases involving, for example, public figures and other customer groups whose data is at a risk of unauthorised processing. The primary purpose of oversight is to prevent abuse and ensure that personal data processing rules are taken into account.

We publish a data balance sheet

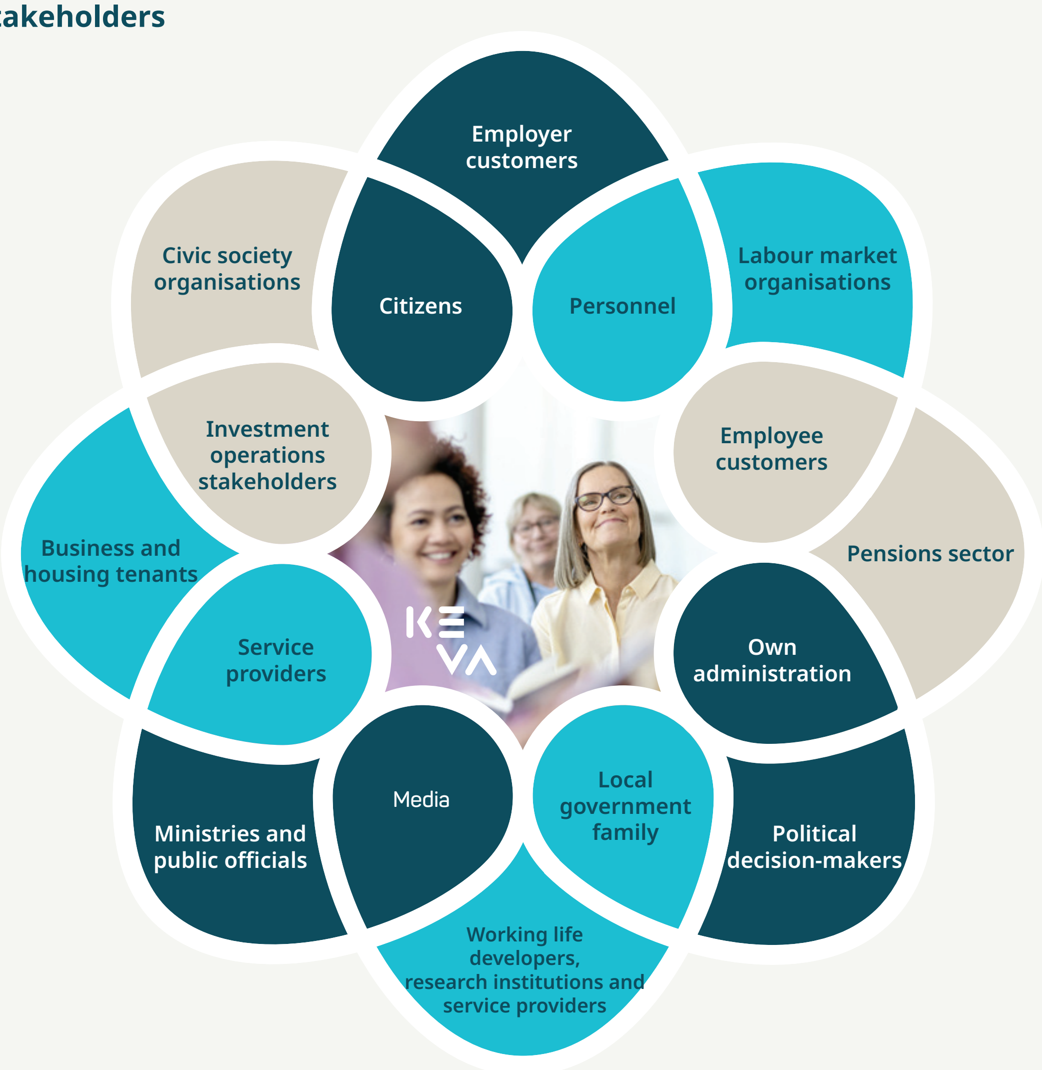
Each year, the data balance sheet combines the most important events in Keva's information management, data security and data protection into a presentation that provides Keva's decision-makers, personnel, pension insured and customers with information on the processing of data at Keva, the benefits of processing and the protection of data.

The 2023 data balance sheet describes Keva's current work with AI.

Stakeholder dialogue strengthens confidence

Keva strives to ensure that 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 and its operating environment as well as to increase stakeholder understanding.

Keva's stakeholders



Keva's key stakeholders

Personnel	Employee customers	Employer customers	Local government family	Labour market organisations
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 career development opportunities of the personnel are important to Keva as an organisation and something in which we are ready to invest.	Keva considers it important to serve rehabilitation customers, pension applicants and recipients as best, promptly and flexibly as possible. Employee customers are one of Keva's important stakeholders.	Employer customers are one of Keva's core stakeholders. Reliable, fast pension insurance and services affecting the risk of incapacity for work are the focus of Keva's mission and operations.	Keva is a local government pension provider and various municipal advocacy organisations and actors are important partners.	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 maintain close working relations with earnings-related pension providers and to make the expertise of Keva employees available to these providers.
Stakeholder expectations	**Stakeholder expectations**	**Stakeholder expectations**	**Stakeholder expectations**	**Stakeholder expectations**
• A dependable and stable workplace where operations are developed • Responsible operations in investments and in relation to the personnel and fairness in the allocation of resources • Active, more visible societal discussion • Focus on the mission	• Reliable pension management and timely and accurate payment • Good customer service, clear advice and guidance if needed • Information and communication about topical matters • Good management of pension funds and wise investment decisions	• Activity and support for the development of work ability management, supervisory work and occupational health care as well as for work ability management • User-friendly online and digital services • Maintenance of cost efficiency and competitiveness • Looking after pension funds and responsible investment activities	• Stable and dependable investment operations • Continuation of development work relating to contribution level • Keva must be active in preventive work as a developer of wellbeing at work and participate in societal discussion	• Managing the mission, open dialogue and stronger cooperation with stakeholders • Information related to wellbeing at work, work ability and careers as well as study and research work • Continuing along the same appropriate line
Keva's actions	**Keva's actions**	**Keva's actions**	**Keva's actions**	**Keva's actions**
• Keva has a culture based on trust and openness, equal and fair pay and HR policy as well as an incentivising reward system. • Keva is developing the employee experience, looks after wellbeing at work, supports learning new things and encourages societal discussion.	• Keva provides prompt, easy and high-quality pension provision services digitally and these are supported with personal service. • Open, smooth information about pension payment dates among other things. • Keva's investments are responsibly managed.	• Keva manages pension insurance efficiently and supports employer customers to reduce the risks of incapacity for work. • Keva develops its services together with customers. We provide concrete benefits, solutions and tools for employer customers. • Keva monitors the cost efficiency of its operations.	• Keva provides neutral, expert information and help in work ability management. • Keva engages in societal discussion in themes related to work ability among other things. • Development partners are told about the results of investment operations and contribution level matters in stakeholder interaction.	• Keva provides research and study data and engages in cooperation in working life development, rehabilitation as well as in work ability management and anticipation of incapacity for work matters. In addition, Keva provides information about the management of pension assets and investment operations.

				
Pensions sector	**Political decision-makers**	**Central government experts**	**Working life developers**	**CSOs**
Actors in the pensions sector form a key collaboration network where the development of pension processes and pension regulation takes place. Keva considers it natural to work with all key actors in the pensions sector.	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 up-to-date and clear picture of matters at Keva to enable informed decision-making.	Keva considers it important to have good, direct contact with Finnish officials in dealing with confidential matters.	Working life development partners are an important partner in developing the content of working life and wellbeing at work as well as in the provision of some Keva services.	CSOs such as pensioner organisations and environment organisations provide a good feedback channel for Keva from the perspectives of their special expertise.
Stakeholder expectations	**Stakeholder expectations**	**Stakeholder expectations**	**Stakeholder expectations**	**Stakeholder expectations**
• Good constructive cooperation and doing things together • Safeguarding pensions, professional management of pension assets • Continuing in the same way along own line • Quality statistics, research and studies as well as analyses of the municipal field • Strengthening the expert role, Keva could profile itself even more strongly in the discussion related to sustainability in the earnings-related pensions sector	• Up-to-date information and pension matters and engagement in social discussion • Research-based knowledge and statistics to support municipal decision-making and development work • Adequate communication • Continuation of the prevention of incapacity for work	• A stable and sound pension provider • A key influencer and leader in the earnings-related pensions sector which develops new ways of working and provides cost-efficient services for employers and the insured • Responsibility for pension matters is important, as is helping people. Keva has begun good projects to prolong work careers. Keva also shares good statistical material	• Target-oriented activities in promoting the work ability of employees in the public sector • Close cooperation and an active, pro-active approach to current challenges and pension issues • Professional, reliable investment operations • Reliable, open, fair and efficient operations	• Manage stakeholder cooperation more actively and manage investment operations responsibly • Influencing the ageing debate • Institutional investors should tell how they measure the responsibility of investments and what kind of goals there are to develop the portfolio • More responsibility action
Keva's actions	**Keva's actions**	**Keva's actions**	**Keva's actions**	**Keva's actions**
• Keva continues to closely cooperate and interact with actors in the pensions sector. • Keva raises in particular the special features of the public sector pensions system as well as expert views in work ability matters and rehabilitation, and the principles of pension funding and investment operations and publishes reports and research.	• Keva makes information, studies and research available to political decision-makers. Matters related to work ability management in particular are raised. • Keva is in regular contact with key decision-makers • Keva actively engages in social discussion.	• Keva continues to closely cooperate and interact with central government experts. • Keva raises in particular the special features of the public sector pensions system as well as expert views in work ability matters and rehabilitation as well as the principles of responsibility in pension funding and investment operations. Keva publishes research, reports and statistics.	• Keva provides partnership and research cooperation and provides partners with information and forums to raise issues. • Development of work ability management so that social engagement is kept on the agenda. • Keva provides neutral, expert information and help in prolonging work careers.	• 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 incapacity for work.




Own administration	Media	Investment operations stakeholders	Citizens
Our own administration decides the content of Keva's service provision and the level of pension contributions within the framework enabled by legislation. Oversight and auditors oversee the compliance of operations with the regulations.	Keva wants to provide information about pension provision and the special features of public sector pension insurance to all Finns and everyone interested in it. Cooperation with the media is paramount.	Keva's investment operations stakeholders are an important target group whose stakeholder support is paramount.	Keva is responsible for the pension provision of 1.2 million citizens. It is important that trust in the public sector pension system and Keva's operations is in good order and that Keva has a good reputation in the eyes of citizens.
Stakeholder expectations	**Stakeholder expectations**	**Stakeholder expectations**	**Stakeholder expectations**
• Continue as an expert, influential actor • In the long term, customers' pension assets are managed profitably, and Keva pays pensions reliably in accordance with the regulations • Customer-driven development and cooperation of sustainable working life and expertise as well as developing management work; cooperation, research and projects	• Studies on public sector pensions and future perspectives on the sustainability of pension funding • Keva remains independent. Keva has to generate better earnings than private pension providers to cover pension liabilities with the same or a lower cost	• Keva is considered to be a stable investor	• Increased openness and information and advertising • Openness and transparent operations
Keva's actions	**Keva's actions**	**Keva's actions**	**Keva's actions**
• Administration is provided with analysed information and expert reviews and progress on the implementation of Keva's strategy is reported. • Administration is kept informed about risk management. Administration understands and knows the principles, goals and decision-making procedure of Keva's investment operations and its own role in the process.	• Keva provides neutral, expert information and help in supporting work careers. • Regular releases tell about the quarterly performance of investment operations. • Use active communication and various background discussions to make Keva's operations known.	• Stakeholders understand that Keva and the rest of the earnings-related pensions sector need to secure the pensions of generations to come. Keva wants to carry out its investment operations in the long term in line with the principles and strategy it has drawn up. • Stakeholders understand what Keva means by responsibility and how Keva implements it in its investment operations.	• Keva monitors the views of citizens on responsibility. Keva also monitors views related to the position of pensioners and their ability to cope at work and the employment of persons with partial incapacity for work. • Keva communicates openly about its own activities through the mass media, websites and social media.

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

Keva has identified various stakeholder groups affecting Keva's operations. Keva has reviewed stakeholder expectations and wishes, and considered how expectations and wishes can best be met in working with stakeholders. The stakeholder programme, which examines the wishes and expectations of each stakeholder vis à vis Keva, defines Keva's stakeholder cooperation and its development. The stakeholder programme is drawn up as a three-year, goal-driven guideline.

The stakeholder programme has identified various development tasks related to stakeholder dialogue. There are a total of 63 tasks, and their implementation is monitored regularly both in conjunction with Keva's annual planning and reporting, and in Keva's stakeholder team. The expectations of Keva's key stakeholders and Keva's response to these expectations are described on the following pages.

Keva's stakeholder work process

Continuous stakeholder interaction

PLANNING AND TAKING STOCK	IMPLEMENTATION AND OBSERVATIONS	REPORTING
Stakeholder identification and taking stock as well as Keva employees in different functions at Keva	Stakeholder interaction in different places	Continuous reporting on the development measures in the stakeholder programme
Stakeholder studies, expectations, viewpoint and importance to Keva	Continuous and regular assessment and necessary response	Annual assessment of stakeholder-specific goals in the responsibility report
Keva's goals for stakeholder cooperation	Situation snapshot of key stakeholder development	Stakeholder work in the responsibility context (GRI)
	Implementation of stakeholder engagement goals in the action plan	Societal influencing in stakeholder work

Purposeful performance monitoring and documentation of measures

Keva's stakeholder work is systematic and planned.

Keva uses surveys to monitor stakeholder perceptions, expectations and wishes

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

The customer satisfaction and expectations of Keva's employer and employee customers, and tenants in Keva's residential properties, are measured annually. Keva has commissioned an extensive analysis examining Keva's publicity in different media. Keva's employee experience was measured quarterly in 2024 through the pulsometer and annually employee survey.

Every few years, Keva has commissioned a separate stakeholder and reputation survey. The survey has established the expectations and wishes of Keva's key stakeholders and perceptions of Keva's reputation, communication and responsibility. An extensive stakeholder survey will be completed in 2025. A survey for employee and employer customers took place in late 2024. This was used to map out various expectations towards Keva and to seek feedback on the current operations and their development.

We assess the expectations of our key stakeholders and strive to respond to them.

Keva's stakeholder surveys

Survey and who conducted it	Survey stakeholders	Previous survey	Key goals	Survey frequency
Keva's reputation in the eyes of citizens (T-media)	Citizens on T-media's survey panel	Spring-summer 2023, previous 2021	To examine the recognition of Keva and various elements in the reputation of Keva in the eyes of Finns	Two-year intervals
Employee survey (Promenade Insight)	Keva's personnel	Autumn 2024 and 2023, personnel included in Keva's responsibility and strategy survey and in responsibility survey 2022	Image and expectations also asked	Annually
Customer survey, employer customers (own/partner)	Keva's employer customers	Autumn 2024 and 2023, and additionally top management included in strategy and responsibility survey 2022	To establish the views and expectations of Keva's employees concerning the challenges in Keva's operating environment, the success of the strategy policies, future policies and work with responsibility	Annually
Employee customer service (Aula Research)	Keva's employee customers	Turn of 2024, included in strategy and responsibility survey 2022	To establish the views and satisfaction of Keva's employer customers with Keva's services and their expectations of Keva's operations	Continuous feedback, quarterly analyses
Stakeholder and reputation survey (Iro)	Pensions 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	Turn of 2024–2025, strategy and responsibility survey 2022 (Image and expectations))	To establish the views and expectations of stakeholders concerning the challenges in Keva's operating environment, the success of the strategy policies, future policies and work with responsibility	Three-year intervals
Keva's municipal decision-maker barometer (Pohjoisranta)	Municipal councillors	Autumn 2023, 2022, including senior management of municipalities	To establish the opinions of municipal decision-makers of i.a. workplace wellbeing actions in municipalities and labour availability. Image and expectations also asked	Annually
Keva's residential tenant satisfaction survey (Own survey)	Keva's residential tenants	Autumn 2024	To establish the views of Keva's tenants of Keva's services for tenants and their expectations of Keva	Annually
Surveys on topical issues concerning pensioners (Pohjoisranta)	Citizens' pension awareness	Autumn 2023	To establish the views of citizens of pension awareness and matters related to retirees, regional reporting. Image and expectations also asked	Annually
Keva's business premises customer survey (Valve)	Tenants of business premises	Autumn 2023	To establish customer satisfaction and satisfaction with facilities, facilities services and the service provided by Keva and the facilities management	Annually

Team coordinates decision-maker communications

Keva has a team that coordinates stakeholder work and decision-maker communications. The team assesses legislative changes affecting the implementation, sector and funding of Keva's pension provision and assesses the impacts on Keva's operations and operating environment. The team members are part of Keva's senior management, and the team meets once a month to discuss stakeholder activities, monitoring of regulations and decision-maker dialogue. The team is also responsible for setting the goals for Keva's stakeholder programme and for assessing the achievement of the goals.

Very many different issues were raised in Keva's monitoring of regulations and decision-maker communications in 2024. The stakeholder team dealt with 37 key regulatory issues affecting Keva's operations and operating environment, of which five were EU regulation matters.

The most important regulatory matters were the amendment to the Act on Keva which sees the oversight of Keva being transferred from the Ministry of Finance to the Financial Supervisory Authority.

Keva prepared expert material for political parties and municipal and county election candidates on the costs of incapacity for work, influencing the costs and the importance of work ability management. Keva also approached social influencers about Keva's current affairs by email seven times.

Keva's view and expertise were heard by ministries and parliamentary committees, among others. In 2024, Keva provided 14 opinions to ministries and parliamentary committees. Keva published all key decision-maker communication matters in which it has been active. The list can be found in appended to this report.

Stakeholder meetings and networking

Keva has many various stakeholder meetings and Keva employees actively participate in stakeholder events. For example, Keva's stakeholder expert alone attended 130 (2023:143) stakeholder events in 2024.

Keva's biggest customer and stakeholder event was Keva's 60th anniversary gala, which took place on 21 May 2024. Held in Musiikkitalo concert hall in Helsinki, the event brought together a record audience of 1,200 people. The gala theme was Keva's 60-year journey.

In June, together with the Association of Finnish Municipalities and Local Government and County Employers KT, a seminar was held in line with established practice for the communications management of the 30 largest cities. In October, a seminar and network meeting was organised with Local Government and County Employers KT and Hyvil Oy for the communications management of the wellbeing services counties.

Keva regularly meets with representatives of public sector wage earner organisations. The wage earner network meets 6-8 times a year to discuss current topics relating to Keva's operations and issues concerning public sector pension provision. A similar network was launched in 2023 for representatives of employers' confederations. The employer network met four times in 2024.

Requests for information and opinions

The mass media contact Keva because of various requests for information. During 2024, Keva received 17 requests for information from the mass media with many requests concerning MPs' adjustment pension and allowance.

Key meetings of the CEO, deputy CEOs and communication director in 2024

- With parliamentary groups 1
- With ministers and special advisers 1
- With media journalists 24

Opinions in 2024

Request for an opinion: Government proposal to Parliament on the implementation of the EU Green Bond Regulation

Request for an opinion: Supplement to the terminology work for continuous learning

Request for an opinion: Objectives set for Suomi.fi services

Request for an opinion: Report of the working group's investment strategy of Finnish Industry Investment Ltd (Tesi)

Request for an opinion: Memorandum assessing the establishment of a national procurement data repository and the publication of purchase invoice information

Request for an opinion: Changes to statistics production

Request for an opinion: Ministry of Finance Decree on Fees Charged for Digital and Population Data Services Agency Performances in 2025

Request for an opinion: Request for an opinion on the preliminary draft measures of the working party on the judiciary system

Request for an opinion: Update of general terms of public procurement in supply contracts

Request for an opinion: Memorandum on penalties concerning public authorities

Request for an opinion: Draft for a government proposal for legislation on the implementation of the Artificial Intelligence Regulation

Requests for information in 2024

Request for information on persons retiring on a disability pension for mental health reasons, Yle Helsinki

Request for information for the calculation of the 2023 EAPSPI membership fee

Request for information for the calculation of the 2024 EAPSPI membership fee

Request for information on the retirement forecast published for wellbeing services counties, municipalities and central government personnel, Suomen pelastusalan ammattilaiset SPAL ry

Request for information on the selection of an institutional investor's asset manager, Kauppalehti

Request for information on the recipients of partial early old-age pension, Yle news

Request for information on investments and the increased risk level, Taloustaito

Request for information on work ability management and rehabilitation in strengthening work capacity, Dino-lehti

Request for information on the grounds for MPs' adjustment allowance, Iltalehti

Request for information relating to the Stockmann property and activities, Helsingin Sanomat

Request for information on the increased risk level of investments, IPE International Publishers Ltd

Request for information on adjustment allowance recipients, Uutissuomalainen

Request for information on the increased risk level of investments, Kuntalehti

Request for information on the increased risk level of investments, Reuters News

Request for information on the investment markets, Yleisradio Oy

Request for information on MPs' adjustment allowance, Uutissuomalainen

Request for information relating to pensions, Senioriopettaja-lehti

Request for information on recipients of MPs' adjustment allowance, Iltalehti

Request for information on recipients of MPs' adjustment allowance, Iltalehti

Request for information on vocational rehabilitation, Kauppalehti

Request for information relating to extending careers, Kansalliskustannus Oy

Request for information on the workforce needs of municipalities, Tehy-lehti

Request for information on the attendance and annual fees of Keva's Board of Directors, Ilta-Sanomat

Request for information on sickness absences, Lännen Media Oy

Request for information on work ability during the menopause, Aino-Mari Tuuri

Request for information on performance and investment returns, Kauppalehti

Request for information on the adjustment allowance paid to members of parliament, Yleisradio Oy

Request for information on MEP benefits, Keskisuomalainen

Request for information on Keva's investments in the logistics sector, Bonnier Business Forum Oy

Request for information on Keva employees' service relationship information, Liukkonen

Request for information on disability pensions, Otavamedia Oy

Request for information on Keva's investments, IPE International Publishers Limited

Request for information on pension insurance with Keva, Kouvolan Ammattiopisto Oy

Request for information on the employment relationships of retired people in the wellbeing services counties, MTV Oy

Request for information on pension insurance with Keva, Tampereen Energia Group

Request for information relating to the distraint and garnishment of cash rehabilitation benefit, Kuitunen

Request for information related to the application process for a summer job in the Real Estate Investment Unit's business premises team, Lehto

Request for information on the increased risk level of investments, Financial Times

Request for information relating to Keva's investments, Modular Finance AB

Request for information relating to Keva's investments, Modular Finance AB

Request for information on the adjustment allowance paid to members of parliament in July 2024, Yleisradio Oy

Request for information on pension investments, Helsingin Sanomat

Request for information on the adjustment pension/allowance of former members of parliament, Aamulehti

Request for information on Finland's pension system, European Pensions

Request for information on pension insurance with Keva, Limingan Vesihuolto Oy

Request for information, interests and secondary occupations of medical advisers, Brunou

Request for information on the adjustment pension paid to members of parliament, Finnish News Agency STT

Request for information on the working life development grant awarded to Tavastia Education Consortium, Hämeen Sanomat

Request for information on disability pensions for emergency response centre operators, Suomen pelastusalan ammattilaiset SPAL ry

Request for information on years of service pension statistics, Rosa Nokio

Request for information on MPs receiving adjustment allowance, Ilta-Sanomat

Request for information concerning the renovation of Pohjoisesplanadi 37, Helsingin Sanomat

Request for information on applying for a new pension accrued from working while receiving a pension, Savon Sanomat

Request for information on pension reform, Ilta-Sanomat / Taloussanomat

Request for information related to disability pensions, Yleisradio Oy

Request for information related to the geographical spread of investments of pension providers, Yleisradio Oy

Request for information on deferment increase, Tehy-lehti

Request for information on police retirement, Suomen Kuvalehti

Request for information relating to labour shortage, Polemiikki-lehti

Request for information on Åland pension contributions, Government of Åland

Request for information on the recipients of MPs' adjustment allowance 2022, Iltalehti

Keva's memberships in 2024

CDP Worldwide
EGN Suomi
European Association for Investors in Non-Listed Real Estate
European Association of Public Sector Pension Institutions
Finnis Business & Society, FIBS
Finsif
Focus Localis
Green Building Council
Helsinki Region Chamber of Commerce
HENRY
Institutional Investors Group on Climate Change
Institutional Limited Partners
International Social Security
Finnish Property Owners RAKLI
Metsänhoitoyhdistys Eteläinen Metsäreviiri
Nooan Arkki
PRI Association
Standard Board for Alternative Investments
Actuarial Society of Finland
TIEKE Finnish Information Development Society
Finnish Pension Alliance TELA
Vakuutus- ja finanssialan urheiluseura
Veronmaksajien keskusliitto

Keva's media publicity remained at a good level

Keva's overall publicity decreased slightly compared to 2023, when Keva received particularly much media publicity. Nevertheless, the tone of publicity and the visibility of the representatives remained at the good level of the previous year. As in previous years, Keva's publicity consisted mainly of neutral expert publicity.

Keva's visibility in high-reach article types, editorials, debate mentions and analyses increased compared to the previous year. Visibility in guest articles also remained at the previous year's level.

As in previous years, themes related to employment, work ability and retirement received the most attention in 2024. Based on Keva's information, the personnel and employment situation in the wellbeing services counties triggered discussion, especially in the regional media. The municipal decision-maker barometer and data on those retiring from the wellbeing services counties quantitatively attracted a lot of media publicity. Pensions were discussed a lot in the media during the year, and CEO Jaakko Kiander's comments on the subject were also actively highlighted in these reports.

There was demand for Keva's expertise during the year. The number of public appearances remained large, with a total of 18 experts appearing in the news.

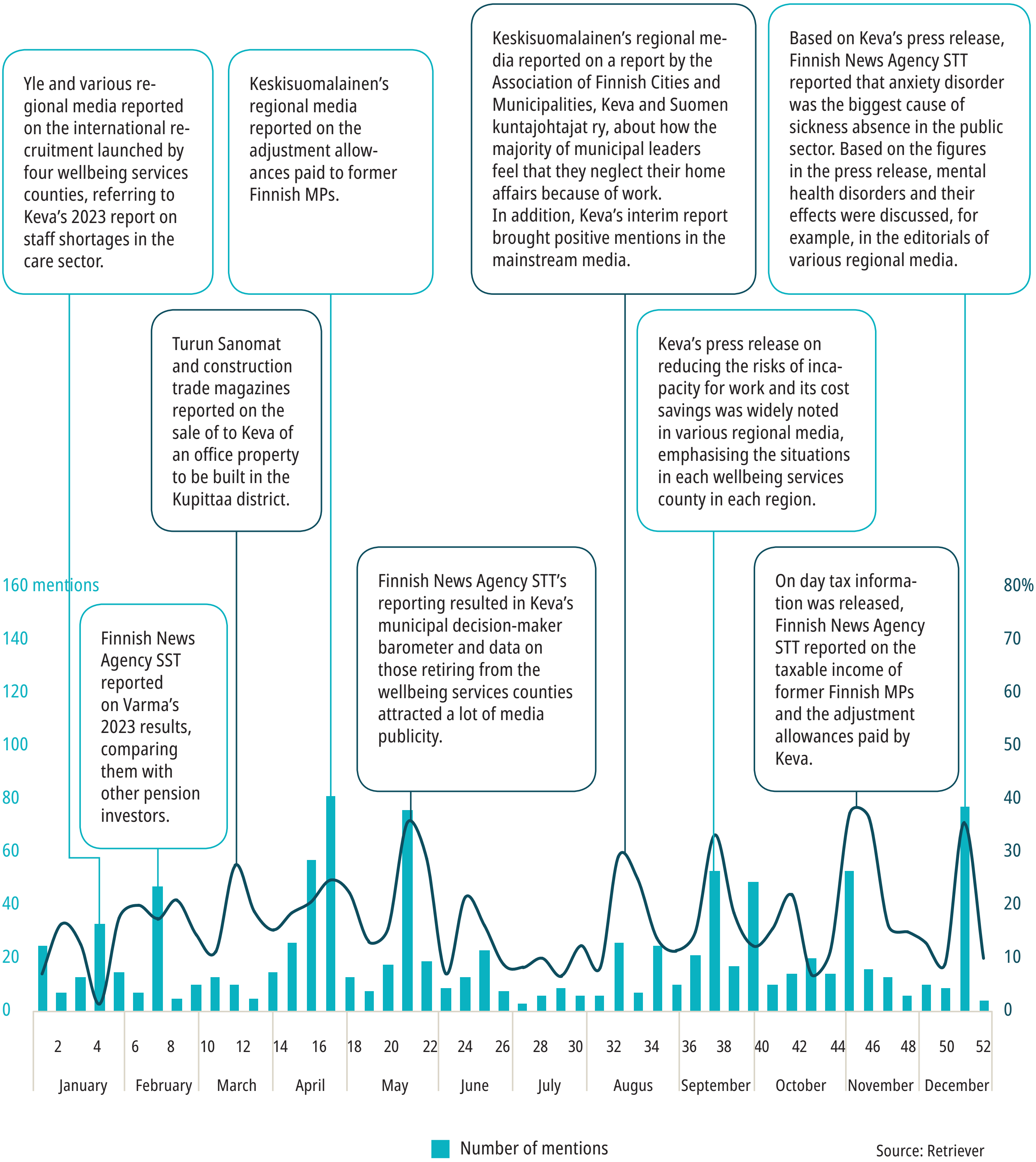
Keva was increasingly visible in editorials, etc.

Media visibility in 2024

	Number of mentions	Tone of publicity (pos/neutr. %)	Amount of news based on press releases
2024	1,040	98	255
2023	1,713	97	941
2022	1,297	97	587

Source: Retriever

Keva's media publicity during the year and themes receiving most publicity



Responsible procurements

Keva is an independent corporation governed by public law and complies with the Act on Public Procurement and Concession Contracts in its procurements.

Keva's responsibility principles guide our operations, and we operate in a cost-conscious manner. Careful preparation and the sustainability of procurements are the foundation of high-quality operations.

Keva requires suppliers of goods and services to always meet the minimum requirements for economic and social sustainability. Where appropriate, environmental factors are also used as minimum requirements or comparative factors in procurement.

In 2024, the chapter on responsibility in Keva's procurement guidelines was updated. It instructs the procurement units to take into account the sustainability goals of their unit and to request tenderers to submit a tender as part of the tenderer's responsibility programme.

Keva drew up guidelines and procedures according to which preparedness is taken into account in the preparation phase of procurements. In addition, the procurement process was developed so that systematic attention is paid to data security, data protection, preparedness and responsibility in the procurement planning phase.

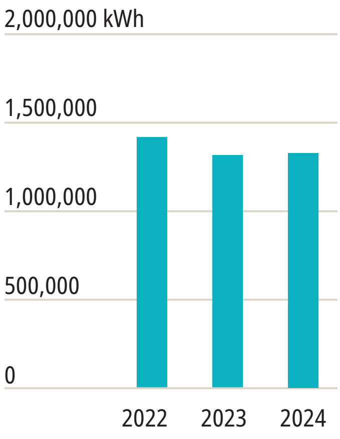
Environmental impacts of the Keva building

The environmental impacts of Keva's own operations are very low and are measured at the Keva building at Unioninkatu 43 in Helsinki.

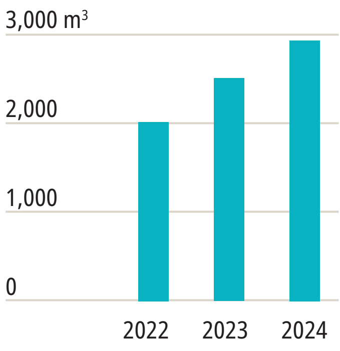
Carbon footprint calculated for the first time

Keva is mapping the climate emissions originating in its operations and calculating its carbon footprint for 2024 in cooperation with Pääkaupunkiseudun Kierrätyskeskus Oy. The calculation takes into account the emissions in both the company's own operations and the value chain. Once the carbon

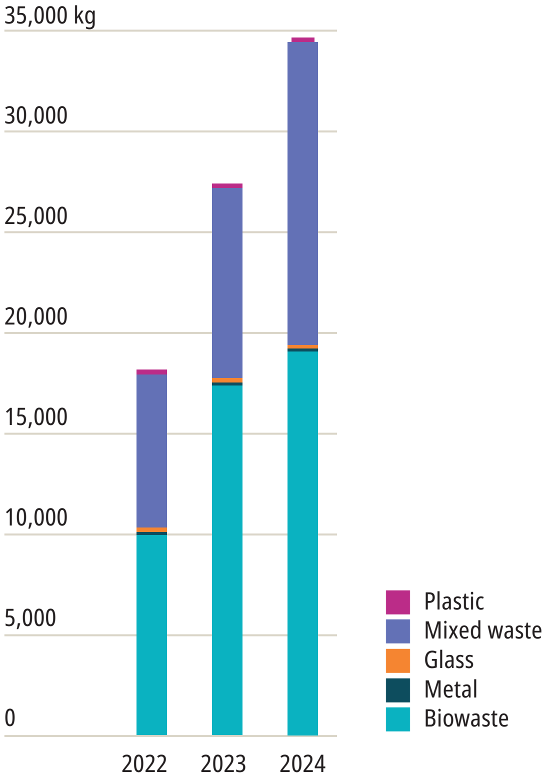
Electricity consumption at the Keva building 2022–2024



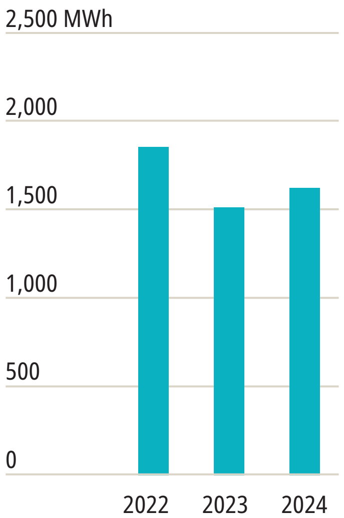
Water consumption at the Keva building 2022–2024



Waste at the Keva building 2022–2024



District heat consumption at the Keva building 2022–2024



footprint calculation is completed in spring 2025, it will be possible to see where emissions are generated and how the most effective measures can be taken to reduce them.

The emission calculation of Keva's investments is described in the "Responsible investment operations" section of the Responsibility Report.

Occupancy rate of the Keva building has stabilised

The variation in the number of employees related to hybrid work levelled out compared to 2023, and the occupancy rate of the building has stabilised. Apart from the summer holiday season, an average of 100–200 people worked in the Keva building every day in 2024.

The solar power plant installed on the roof of the Keva building generated 38,611 kWh of electricity during 2024. This was around 3% of the electricity used by Keva.

Green Office creates everyday eco-deeds

The Keva building joined the WWF's Green Office network in 2017, since when waste sorting and amounts, commuting, and energy and paper consumption, among other things, have been addressed in the office building. WWF audits Green Office sites every three years, and the Keva building inspection was carried out on 11 January 2024. In its audit statement, WWF draws attention to, among other things, the development of procurement and the energy efficiency of the Keva building.

WWF Green Office has promoted Keva's internal discussion and encouraged people to take eco-friendly actions in their everyday lives. For many Keva employees, influencing the work environment is a concrete way of thinking about and promoting sustainability in the workplace.

The following took place in 2024:

- Keva took part in Earth Hour on 23 March 2024 and switched the office building's lights off for an hour.
- The staff restaurant had a meat-free day in March.
- On 21 August 2024, we held a morning-long Green Office event for all Keva employees on the theme of ways to reduce the environmental impact of the Keva building, meals, commuting and waste.
- Keva participated in the Energy Saving Week on 7–13 October 2024 with a campaign, where our internal Green Office ambassador Unski encouraged Keva employees to take various energy-saving measures both at the office and at home offices.
- A second meat-free day took place on 23 October 2024.

Green Office goals and results agreed with WWF for 2024

Energy saving

Slightly more electricity and district heat were consumed in 2024 than in 2023. This is explained not just by slightly more days in the office but also by renovation work done in the building. More renovation work was done in 2024 than in earlier years.

Tougher energy efficiency targets and reducing the carbon footprint of the building are demanding, and work to reach the targets will continue.

Water consumption also increased slightly compared to 2023. A more stable building occupancy rate, more active use of social facilities in conjunction with commuting and the gym, and large events hosted in the building contributed to more consumption.

Each Keva employee can still make a positive contribution to optimising energy consumption by small everyday deeds. This is why Keva employees will continue to be reminded to:

- switch the lights off when leaving the Keva building,
- use the power switch to turn off screens at the end of the day,
- minimise biowaste and put only an appropriate amount of food on the plate.

Improving sorting

In 2024, the higher occupancy rate of the Keva building was reflected in greater waste volumes, with the biggest increase seen in quantities of mixed waste and biowaste. The increase in the quantity of mixed waste is partly explained by the cleaning of large storage facilities carried out during the year and the waste generated during renovation work in the Keva building.

Work on improving waste management will continue in 2025.

Commuting

Keva supports commuting through employer-subsidised commuter tickets.

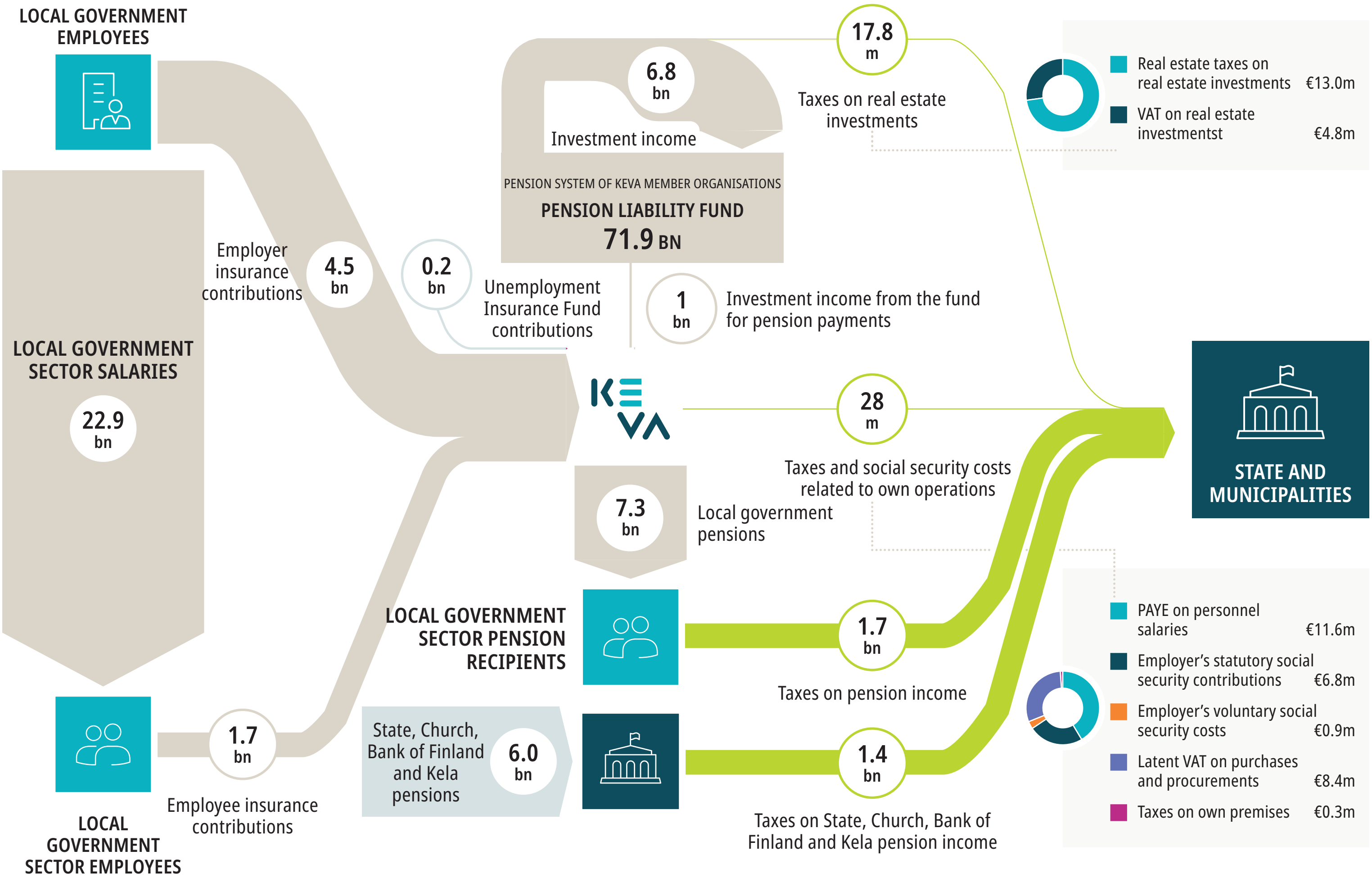
For those who commute to work on foot or by bicycle, the Keva building has good, secure bicycle parking spaces and a possibility to use changing rooms to change clothes and shower.

Tax footprint

Keva's tax footprint in Finland is made up of tax withheld on pensions paid as well as taxes and social security costs related to its own operations. In addition, Keva pays taxes 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 2024, Keva paid EUR 13.3 billion in pensions and cash rehabilitation benefit to local government, State, the Evangelical Lutheran Church, the Bank of Finland and Social Insurance Institution of Finland Kela employee customers. Tax of EUR 3.1 billion was withheld on these payments. Taxes and social security costs from Keva's own operations totalled around EUR 46 million (2023: EUR 43 million).

Tax footprint (euro)



Taxes on investment returns in accordance with laws and treaties

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 met by increasing pension contributions or by cutting pensions.

The investment operations 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 on investments. This includes the ability to take into account the impact of investment on investment returns.

The purpose of investment operations is to contribute to securing the funding of pensions in the long term.

Earnings-related pension providers invest a significant share, Keva around 89%, 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.

We are an innovative, responsible and healthy work community

Basic information about Keva employees

The headcount at 31 December 2024 was 482 (2023: 502) of which 13 were temporary.

Full-time equivalent person years in 2024 was 470.1 (2023: 475.7).

Women accounted for 65.4% of Keva employees. The average age of the personnel was 51.1 years.

A total of 26 permanent employees left Keva and 14 permanent employees were hired.

A total of 26 temporary employees, some of which were summer employees, were hired during the year.

A total of 1,720 days were spent on personnel training, which equated to 3.6 fte/person. The statistical amount of training days has slightly decreased (2023: 1,969 full-time equivalent days and 3.9 fte/person).

We are an innovative and healthy work community

Strategic objective to strengthen the work community

The annual targets derived from the strategy guide HR management and the development of supervisory work.

Keva aimed in 2024 to strengthen the work community and create a common approach to hybrid working. New ways of working were developed together with the personnel. Remote working has reduced working together, and particular attention was paid to this.

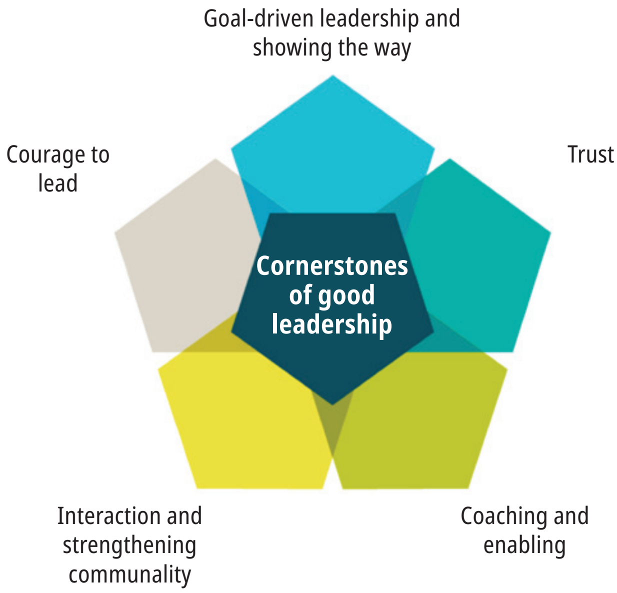
Joint skills development was active across the company and based on the cornerstones of good leadership and expertise. A total of 55 experts participated in the spring and autumn groups of the experts' coaching course "Succeed in a changing working life".

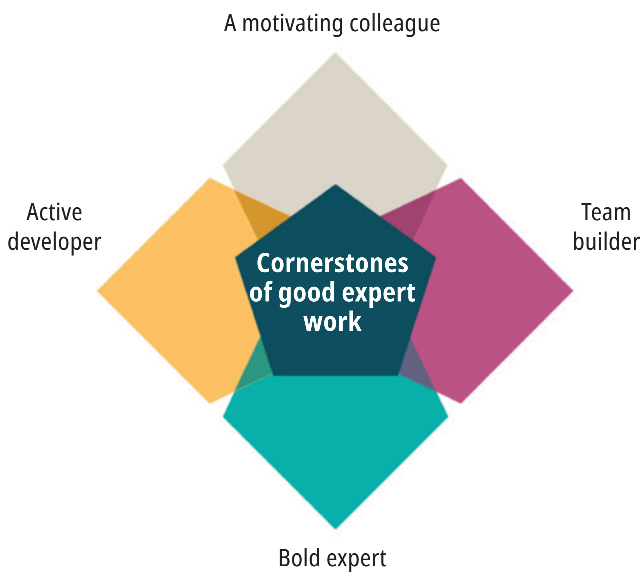
Supervisors met regularly to strengthen their supervisory skills around strategic and day-to-day supervisory work themes. The Management Group developed its own activities in Terveystalo's Humanely Efficient programme.

Common learning areas for 2024 also included AI trials, data analytics and knowledge-based management, as well as various inspirational talks on cornerstone themes.

Cooperation with educational institutions and students was developed as part of employer branding. Cooperation with the Institute of Rehabilitation at Jyväskylä University of Applied Sciences (Jamk) was strengthened. Keva organised an internal workshop to clarify the main forms of action and objectives of cooperation with educational institutions and the student community.

Keva's 60th anniversary year was also reflected in many ways internally at Keva. Various events were organised for staff to reminisce about the past decades and look boldly to the decades





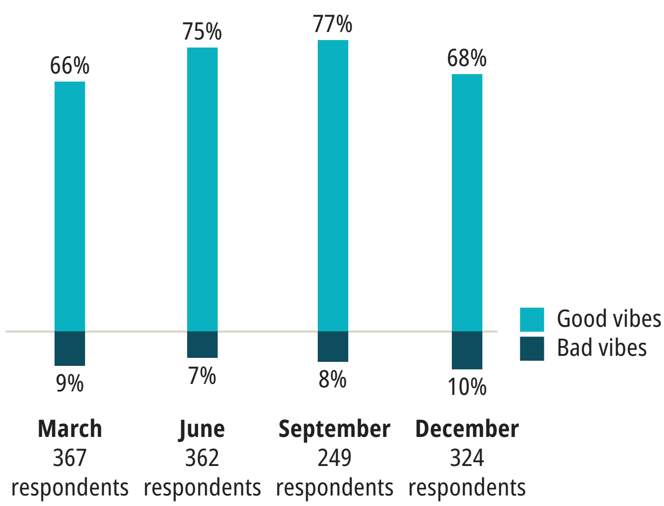
Updated indicators to support employee experience and supervisory work

Keva's employee experience was measured in 2024 through an annual employee survey and a quarterly pulse survey.

A clear upward trend has been seen in the results of the employee survey over the past three years. The employee survey measures different aspects of a productive work community (inspiring work, learning work culture, smooth teamwork, participative management and reliable employer). The 2024 results improved in all areas and the eNPS also strengthened.

A new quarterly pulse measurement was introduced in 2024. Pulse measurements were used to obtain follow-up data to support day-to-day to come. In the autumn, the personnel named Keva employees' deeds and doers based on the cornerstones of good expert work and leadership. The most impressive deeds and doers received an award.

Pulse measurements 2024



On a scale of 1–5, respondents replying 4 and 5 have good vibes and those replying 1 and 2 have bad vibes management and goal achievement in units and teams. Across Keva, pulse measurement showed an upward trend in the first three measurements, with the last one showing a slight decline in work mood and recovery.

Since 2023, Keva has developed a set of indicators to support the work of supervisors. This set of indicators was also used in supervisors' own development discussions and was further developed in 2024 based on supervisor experience and feedback. At the end of the year, new supervisor knowledge-based management indicators were introduced to provide information on the use of time, wellbeing and engagement of the personnel.

We take good care of the work ability of Keva employees

Occupational healthcare partnership with Terveystalo has become established at an excellent level. Keva monitors and anticipates the work ability of its personnel in cooperation with occupational health care.

At Keva, work ability management is strategic. Keva's Management Group regularly discusses the semi-annual work ability management review. The expert group on work ability management preparing the reviews met four times and also met with representatives of Keva's employer customers.

During 2024, Keva employees were sick for an average of 4.8 working days. Employee sickness absenteeism continued to remain lower than average compared to the time prior to 2020.

The health rate has remained high, with 42% of the personnel having no sickness absences at all in 2024.

Keva aims to increase activities to support work ability. Offsetting the care debt inherited from the coronavirus years and public healthcare queues led to a higher-than-expected rise in the costs of occupational healthcare. Despite this, we succeeded in increasing the share of the costs of preventive activities to proactively support work ability in line with the objectives.

The upward trajectory of absences for mental health reasons stopped. Likewise, absences from musculoskeletal disorders have remained at the same level as in previous years.

Sickness absences

	2022	2023	2024
Number of persons	492	502	482
Sick days as working days per person	6.6	5.3	4.8

Accidents

	2022	2023	2024
Workplace accidents	0	0	1
Commuting accidents	1	7	3
Workplace and commuting accidents resulting in sickness absences	0	5	7

The personnel's health rate remained high, with around 42% of the personnel not absent at all due to illness during 2024.

Keva partnered with occupational healthcare and a sleep researcher to hold a work ability day in May to increase the personnel's awareness of work ability. Besides the work ability day, the Occupational Safety and Health Committee organised an online wellbeing week and set up a wellbeing channel on Keva's intranet.

Keva introduced the Auntie service, which supports mental wellbeing, in which employees were offered the opportunity to talk to a mental health professional anonymously. The service was very well received.

An assessment of the risks of psychosocial stress was developed following an occupational safety and health audit in 2023. A team-specific assessment of the risks of psychosocial stress was carried out across the organisation in spring 2024. The results were drawn on in the context of a workplace survey carried out with occupational healthcare in the autumn.

As in earlier years, wellbeing in the workplace was supported through culture and exercise clubs, which continued to be partly held remotely. Employees have access to culture and exercise benefits as well as employer-subsidised commuter tickets.

Diversity targets set and pay is equal

The Equality and non-discrimination plan for 2023–2024 highlighted the importance of diversity. As part of Helsinki Pride cooperation, Keva participated more visibly in the Pride parade. Anonymous recruitment was piloted.

Keva's diversity targets

1. To increase discussion and responsibility for diversity and diversity in the work community and at work
2. To arrange diversity-related personnel training every year
3. For Keva to monitor that we recruit new employees evenly in different age groups
4. To offer an unpaid internship/work try-out/summer job opportunity as part of studies annually to a person who is difficult to employ (immigrant, person with special work ability, elderly, etc.)
5. To ensure a sufficiently good working environment and work community in the Keva building for employees presenting neuropsychiatric traits
6. To ensure the Keva building is accessible for people with mobility, visual or audio impairment

At the end of the year, Keva's diversity targets were adopted. As part of the age and life situation management, a survey on informal caregiving was carried out for the personnel in cooperation with Carers Finland.

In practice, there is no gap in median pay between genders when the differences are examined by job grade. In some job grades, the difference is in favour of women and in others in favour of men. Examined by job grade, women's median pay was 99.4% of men's median pay. In terms of average pay, the pay gap is in favour of women, because examined by job grade category, the average of women's wages is 100.5% of the average of men's wages.

In practice, there is no gap in median pay between genders.

An examination of Keva as a whole shows that men's median monthly salary was EUR 5,992 and women's EUR 4,687. The difference is due to the fact that there are far more women than men in the lower job grades, whereas the gender distribution in the higher job grades is slightly male-dominated.

Development of pay gap between men and women (median pay F/M)

Job grade	2022 %	2023 %	2024 %	2024 No. of employees
10	98.8	98.8		0
11	109.9	110.4	109.7	4
12	103.7	102.6	103.0	24
13	98.0	98.8	98.3	100
14	96.9	96.1	97.1	45
15	98.4	100.0	101.5	90
16	101.2	98.5	99.3	82
17	98.9	100.2	100.4	48
18	90.2	94.2	86.2	13
19	105.2	106.0	107.0	27
20	87.9	93.1	91.4	14

GRI content

GRI index	Indicator	Location in the report	More information
102 GENERAL DISCLOSURES			
2-1	Organisational details	Our responsible mission p. 7–13	Keva operates at Unioninkatu 43, Helsinki, postal address Keva, 00087 Keva
2-2	Entities included in the organisation's sustainable reporting	Our responsible mission p. 7–13 Annual report 2024 Financial statements 2024	All Keva's entities are included in the annual report, financial statements and responsibility KPIs
2-3	Reporting period, frequency and contact point		The reporting period is from 1 Jan-31 Dec 2024, Keva publishes the annual report and responsibility KPIs once a year, the website address is www.keva.fi and the telephone number is +358 20 61421
2-4	Restatements of information		The report has been prepared referencing GRI standards from 2021.
2-5	External assurance		No assurance has been obtained for theresponsibility report
2-6	Activities, value chain and other business relationships	Our responsible mission p. 7–13 Annual Report 2024	
2-7	Personnel	We are an innovative, responsible and healthy work community p. 88–92	
2-9	Governance structure and composition	Annual Report 2024 p. 35–38	
2-10	Nomination and selection of the highest governance body	Annual Report 2024 p. 34–38	
2-11	Chair of the highest governance body	Annual Report 2024 p. 35–37	
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report 2024 p. 35–37	Board of Directors' Risk Management Committee
2-16	Communication of critical concerns	Annual Report 2024, p. 35–37 and 42–46	Audit and Risk Management Committee
2-19	Remuneration policy	We are an innovative, responsible and healthy work community p. 88–92	All Keva's employees are included in the performance bonus scheme
2-22	Statement on sustainable development strategy	CEO's review p. 3–6	
2-23	Policy commitments	Commitments of Keva's investment operations p. 62 Engagement in the sector and memberships p. 65 Green Office targets for 2024 agreed with WWF and results p. 84–86	

GRI index	Indicator	Location in the report	More information
2-25	Process to remediate negative impacts	Risk management and contingency planning p. 67–68 Stakeholder dialogue strengthens confidence p. 71–78	
2-26	Mechanisms for seeking advice and raising concerns	We operate sustainably and transparently p. 66–87	Ethics whistleblowing channel p. 69
2-28	Membership associations	Keva's memberships in 2024 p. 80	
2-29	Approach to stakeholder engagement	Stakeholder dialogue strengthens confidence p. 71–78	
2-30	Collective bargaining agreement		Keva's personnel are covered by Keva's collective agreement and the Municipal Collective Agreement (KVTES)
3-2	List of material topics	Responsibility means implementing the strategy p. 10–11	
3-3	Management of material topics	CEO's review p. 3–6 Our responsible mission p. 7–9	
201-1	Direct economic value generated and distributed	Our responsible mission p. 7–11 Annual Report 2024 Financial Statements 2024	
203-2	Significant indirect economic impacts and their scope	We provide solutions as work ability deteriorates p. 16–18	
207-1	Approach to tax	Tax footprint p. 86–87	
302-1-c-e	Energy consumption within the organisation	Environmental impacts of the Keva building p. 83–86	
302-4	Reduction of energy consumption	Real estate and infrastructure investments p. 37–42 Environmental impacts of the Keva building p. 83–86	
303-5	Water consumption	Environmental impacts of the Keva building p. 83–86	
401-1	New employee hires and employee turnover	We are an innovative, responsible and healthy work community p. 88–92	
403-3	Occupational health and safety management system	We are an innovative, responsible and healthy work community p. 88–92	
403-9	Work-related injuries	We are an innovative, responsible and healthy work community p. 88–92	

GRI index	Indicator	Location in the report	More information
404-1	Average hours of training per year per employee	We are an innovative, responsible and healthy work community p. 88–92	
404-3	Percentage of employees receiving regular performance and career development reviews	We are an innovative, responsible and healthy work community p. 88–92	All Keva employees receive regular performance and career development reviews
405-2	Ratio of basic salary and remuneration of women to men	We are an innovative, responsible and healthy work community p. 88–92	
415-1	Political contributions	Anti-corruption and anti-bribery measures p. 66	Keva made no political contributions in 2024
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Continous development of data protection and datasecurity p. 70–71	
KEVA’S OWN INDICATORS			
	Total processing time of applications	Annual Report 2024 p. 49	
	Percentage of disability pension applications rejected in the public and private sector	Annual Report 2024 p. 49	
	Keva's service level	Service level 2022–2024 p. 15	
	Complaints concerning Keva's decisions	Annual Report 2024 p. 49	
	Effectiveness of rehabilitation	We provide solutions as work ability deteriorates p. 16–18	
	Supporting work ability management	Challenging year financially for our employer customers p. 18–20	
	Digitalisation of services	Digitalisation speeds up services p. 15–16	
	Customer satisfaction and likelihood to recommend Keva	Customer experience and likelihood to recommend strengthened for employee and employer customers p. 21–22	
	Keva's return on investments	Annual Report 2024 p. 28–31 Financial Statements 2024	
	Focus and process of responsible investing	Responsibility for investments p. 27–65	
	Cost efficiency	We aim for cost efficiency p. 21	
	Keva's tax footprint	Tax footprint p. 86–87	

Appendix

Keva's monitoring of regulations and decision-maker communications in 2024

Matters	Background	Impact assessment on Keva's operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/ officials contact
National work ability project relating to the corona crisis	Corona has burdened front-line local government, state and church employees. This increases the risk of incapacity for work of these employees. Keva proposed that the government implement a Corona work ability project. The project has received Govern-ment/EU funding for 2023–2026.	Keva has started implementation of the project and was prepared to finance half of the resources required by the work ability project. The project concluded at the end of 2024.	Keva has informed both the Ministry of Social Affairs and Health and the Ministry of Finance's officials and labour market influencers about the project. Nearly 30 of Keva's customer organisations are involved in the project.	Juha Majanen, Susanna Huovinen, Riitta Aejemaelus, Juha Sarkio
Amendments to the Act on Keva	The Ministry of Finance has started working on a legislative amendment to transfer the supervision of Keva in its entirety to the Finnish Financial Super-visory Authority.	The reform will simplify Keva's supervision and harmonise it with the earnings-related pension insurance sector. The change in supervision may, at least initially, increase the workload at the Keva office.	Keva has had preliminary discussions with Ministry of Finance officials about the amendment. The Ministry of Finance prepared the legislative proposal and it has been on a consultation round. Keva issued an opinion on the legislative proposal to the Ministry and reviewed the main points of the opinion by telephone with the rapporteur and the special adviser. Keva was consulted on the matter by the Commerce Committee and the Social Affairs and Health Committee of the Parliament of Finland. The law has been adopted and confirmed.	Jani Pitkä-niemi, Marja Isomäki, minister Sirpa Paatero, Minna Salminen, Lauri Finer
TE Services 2024, transfer of central government employment services to the munici-palities	The plan is to transfer responsi-bility for arranging employment services from central government to the municipalities from the start of 2025.	The plan is to transfer responsibility for arrang-ing employment services from central government to the municipalities in 2025. Around 4,000 state employees will transfer to the municipal pension system.	Keva has followed the preparation of the matter and participated in events organised by ministries for the municipalities. Keva issued an opinion the matter in 2022 and 2024.	-
Act on Leav-ing Disability Pensions Dor-mant and the development of monitoring earnings	In 2022, Parliament extended the temporary Act on Leaving Disability Pensions Dormant until 2025 if working alongside the pension exceeds a certain earning limit. The Programme of Prime Minister Petteri Orpo's Government includes leaving the disability pension dormant and gainful employment permanent. Preparation of the matter was suspended in April 2024 and the plan is to extend the existing Act by a year.	From the point of view of implementation, it is desirable to extend the existing Act. In addition to the tempo-rary Act, experts have identified factors that could improve and make implementation of the Act faster and better for the customer. Long extension of the Act would be a good thing from the implementation aspect.	Keva's proposals have been discussed among earnings-related pension providers. The issue has been discussed in the Pension Insurance Shared Services Steering Group (EPO Group) and in the Pension Negotiation Group at the Finnish Centre for Pensions as well as in informal discussions within the Finnish Centre for Pensions. The matter has also been discussed with representatives of the Finnish Pension Alliance Tela, Ministry of Social Affairs and Health officials and with the State Secretary to the Minister of Social Security. Keva has issued an opinion on the matter.	-

Matters	Background	Impact assessment on Keva’s operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/ officials contact
Linear model for disability pension	The Programme of Prime Minister Petteri Orpo's Government includes the implementation of a linear model combining disability pension and gainful employment. Preparation of the matter began in April 2024.	In Keva’s view, a more practical solution for implementation is the development of the Act on leaving disability pensions dormant and enabling working. If the linear model replaces the Act on leaving disability pensions dormant, there should be a long transition period due to the system changes involved.	Kevan drafted a letter to the Ministry of Social Affairs and Health on proposals to improve the Act on leaving disability pensions dormant and discussed the matter and the challenges of implementing the linear model with the Finnish Centre for Pensions and with the State Secretary to the Minister of Social Security.	Ministry of Social Affairs and Health State Secretary Laura Rissaninen, Jaana Rissanen, Liisa Siika-Aho
Need for legislative amendments to military pensions	Based on the decision issued by the Employee Pensions Appeal Board, the resignation age of certain persons serving in the Defence Forces is lower than intended when the Act was amended in 2017. Keva has contacted the Ministry of Defence and proposed an urgent legislative amendment	Clarification of the legislation would clarify the implementation of the Act.	The matter was discussed with Ministry representatives. Keva issued an opinion on the legislative proposal and was consulted by the Defence Committee of the Parliament of Finland.	Ministry of Defence Minna Maria Nurminen and Sinikka Vahvaselkä
Reform of the Act on the Openness of Government Activities	The Ministry of Justice completed a preliminary study on the reform of the Act on the Openness of Government Activities. A working group and its sub-groups are also studying the matter, and a proposal has since been subject to an extensive consultation round.	In terms of implementation, Keva considers the current Act on the Openness of Government Activities to work. Due to uniform practices in the sector, it might be a good idea for all earnings-related pension providers to be within the scope of application of the Act on the Openness of Government Activities without separate restrictions, as is currently the case with Keva.	The matter has been discussed in previous years, and in e.g. Finnish Pension Alliance Tela and the Finnish Centre for Pensions. Keva has issued an opinion on the matter.	-
Finnish Transparency Register	It had been proposed that a transparency register be established in Finland to improve the transparency of lobbying. The register opened in 2024. During the year, a proposal was submitted for consultation on the impact costs to be reported to the register.	Transparency register legislation excludes public institutions such as Keva. Keva has already reported the matters included in the transparency register and contacts in the responsibility report.	Keva has followed the preparation of the matter. Parliament approved the Act in February 2023. The Transparency Register opened at the beginning of 2024. Keva is excluded from the scope of application of the Act. Keva will continue to be open about the effects of the regulations on the implementation of the Keva Act in the responsibility support.	-

Matters	Background	Impact assessment on Keva’s operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/ officials contact
Working of the Social Security Committee	In Finland, preparations lasting several parliamentary terms are underway to simplify social security. An interim report on the matter was completed in 2023.	Discussions related to the concept of work ability have a great touchpoint with matters related to implementation of the current Act.	Keva has followed the reform and participated in background groups in the pensions sector and in commenting on the proposals. In the work of the Social Security Committee, Keva has studied, in particular, the development of rehabilitation, informal care and family care, and has commented especially on materials related to combining rehabilitation benefits and unemployment security. Keva issued an opinion on the interim report in spring 2023.	-
Revision of the Energy Performance of Buildings Directive (EPBD)	As part of its climate action (fit 55, or fit for 55 package), the EU has launched directive-level legislative work aimed at influencing the climate impacts of buildings. In late 2023, the European Parliament and the Council of Europe reached a common position on the matter. The final form of the matter will be determined by the national application of the Directive.	If implemented, the proposal will have financial impacts on Keva's real estate investments. In particular, the limits and timetable for energy efficiency will have the greatest impact.	The matter has been monitored in Keva’s real estate investments and the matter has been discussed with real estate experts from earnings-related pension companies, Finnish Property Owners Rakli and with the rapporteur responsible for the implementation of the directive at the Ministry of the Environment.	Minister of the Environment Mykkänen, Special Adviser Emma-Stina Vehmanen, Jyrki Kauppinen
Amendments to in-house regulation in the Public Procurement and Concession Contracts Act	A working group report on the reform of the Public Procurement and Concession Contracts Act and the tightening of in-house regulation has been prepared. The matter is also included in the current government programme.	Keva insures several in-house companies owned by municipalities and wellbeing services counties. Changes in in-house regulation may have a major impact on the accrual of Keva's pension contributions.	Keva has been involved in discussions in which aspects related to the in-house issue have been reflected on together with Local Government and County Employers KT, MuniFin and the Association of Finnish Local and Regional Authorities. The matter has also been discussed with representatives of the Trade Union for the Public and Welfare Sectors JHL, for example, and the matter has also been touched upon in the meeting of the Minister of Local and Regional Government. Additionally, the staff of the Minister of Local and Regional Government have solicited Keva’s views on the in-house matter.	Minister of Finance Anna-Kaisa Ikonen, Special Adviser Maija Niskala
Wellbeing services counties reform and reforms of local government finance incl. government spending limits discussion	In 2024, several different changes were made to the steering of the wellbeing services counties' operations and the financial regulation of municipalities.	Keva has not formed a view on individual proposals.	Various legislative amendments have been examined, and consideration has been given on a case-by-case basis to whether there is a need, for example, for a regulatory amendment. to comment on the matter. Changes in the regulation and operating environment of municipalities and wellbeing services counties have also been examined in Keva’s long-term financial calculations. Keva has also discussed views related to disability risks in the wellbeing services counties with Minister of Social Services Kaisa Juuso.	Minister of Social Services Kaisa Juuso

Matters	Background	Impact assessment on Keva's operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/ officials contact
Development of investment regulation of pension insurance (TyEL) pension assets	The Finnish Centre for Pensions and the Finnish Pension Alliance Tela have considered different models that could be used to develop the investment regulation of pension assets in the TyEL system.	Irrespective of this proposal, Keva has decided to increase the investment risk in its investment activities in municipal pension assets. The TyEL investment regulation has no effect.	Keva has followed the discussion on the matter, and representatives of the Finnish Pension Alliance Tela, the Finnish Centre for Pensions and labour market organisations have been informed of Keva's own decision. This issue has also been discussed with media representatives.	-
The role of social security funds in fiscal adjustment	The Ministry of Finance has appointed a working group to consider the significance of social security funds as part of general government finances and economic adjustment measures.	Based on the information received, Keva's pension fund is not the subject of the working group's work. Through the Employment Fund's contributions, the working group's work may have an impact on the financing of Keva's pension system.	Keva has been in contact with the Ministry of Finance and enquired whether the work of the working group applies to Keva's pension fund.	Ministry of Finance Mattila
Changes to the qualification requirements for the management of earnings-related pension companies	The Ministry of Social Affairs and Health prepared a so-called fit & proper legislative amendment to the qualification requirements for the management of earnings-related pension funds. The Financial Supervisory Authority has submitted a legislative initiative to the Ministry.	The fit & proper regulations will apparently apply to Keva at a later stage, where applicable, and this will be enacted separately.	Bodies of the Finnish Pension Alliance Tela have discussed the matter, which has also been raised in various contexts with representatives of labour market organisations. Preparation and progress of the matter has been followed.	-
Reform of the Building Act	The Building Act is being reformed, and the reforms will result in lighter and clearer construction regulations.	The new regulations will also apply to Keva's real estate investment construction management activities, and the issue has been identified in Keva's investment operations.	Keva has not decided to issue an opinion on the matter.	-
Legislative amendments to supplementary pension funds and funds	Legislative amendments related to investment activities and the organisation of administration have been and will continue to be introduced in the regulations of pension funds and funds.	Whereas the regulation will not have a direct impact on Keva's operations, it will have an impact on the development of the industry.	Keva has followed the progress of the legislative amendments via the Finnish Pension Alliance Tela and published sources. The matter has proceeded to the consultation round stage.	-

Matters	Background	Impact assessment on Keva's operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/ officials contact
Corporate Sustainability Reporting Directive (CSRD)	The EU has adopted sustainability reporting regulations for corporate responsibility reporting. The CSRD reporting regulations are now being transposed into national legislation in Finland.	Pension insurance companies, foundations and funds are subject to the application of the Act, but application of the Act does not apply to Keva. Keva will assess the actions required for voluntary sustainability reporting.	Keva has been following the preparation of the matter, and officials have been contacted to clarify the scope of the regulation. The Act does not apply to Keva. Keva has clarified the conditions for voluntary reporting.	Ministry of Economic Affairs and Employment Timo Kaisanlahti
Government proposal to Parliament to amend the Farmers' Pension Act	Since 2017, the Farmers' Social Insurance Institution Mela has been implementing the national Consideration for Farmers project with temporary funding. The services are designed to support work ability, prevent disability and prolong working careers. Under the Government Programme, the Consideration for Farmers project will become a permanent model.	Keva is the only earnings-related pension provider with a statutory duty to manage the disability risk of pension insured persons. Now, the Farmers' Social Insurance Institution Mela is also creating its own legal framework to manage the risk of disability.	Preparation of the matter has been followed. No opinions on the matter have been issued.	-
Pension reform	The Ministry of Social Affairs and Health and the Ministry of Finance have appointed a working group to investigate the reform of the earnings-related pension system. The working group's term of office ends on 31 January 2025, after which the working group's proposals will be compiled into a government proposal.	There are currently no direct implications on the implementation of the Act on Keva. Preparations for the reform are still ongoing. The industry will be greatly affected.	Keva has participated in the discussion on the matter at the Finnish Pension Alliance Tela and the Finnish Centre for Pensions, and the matter has been raised in a meeting between representatives of Keva and the Insurance Department of the Ministry of Social Affairs and Health. Keva has proposed increasing the investment risk of municipalities' pension assets to those involved in the reform work.	Ministry of Social Affairs and Health Liisa Siikaaho, Minna Lehmuskero, Jaana Rissanen, Outi Aalto, Eva Aalto
Abolition of adult education allowance and alternation leave	The Government proposes the abolition of adult education allowance and job alternation leave. The proposal will have implications for the funding of pensions.	The proposal will have implications for the funding of Keva's pension system.	Keva issued an opinion on the matter in early 2024. Keva experts took part in a Ministry of Social Affairs and Health event where alternative models for abolition were presented.	Ministry of Social Affairs and Health State Secretary Laura Rissanen

Matters	Background	Impact assessment on Keva's operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/ officials contact
Gender balance in listed companies	The Board of Directors proposes that in listed companies, representatives of the under-represented gender must occupy at least 40% of seats on the Board members' Board seats. This relates to national implementation of the EU directive.	Keva has shares in listed companies in its investment portfolio. Should Keva decide to influence the appointment of members to the boards of directors of the listed companies it invests in, the above-mentioned regulations apply. The content of the directive applies to stock exchange investments across the EU.	Keva has not issued an opinion on the matter.	-
Comprehensive reform of the Data Protection Act project	The Ministry of Justice has set up a project that will initially identify provisions on the processing of personal data that affect the movement of information between authorities and the organisation of public services in the legislation of the administrative branch of different ministries.	No impact assessment is yet visible.	Preparation of the matter is being followed. Keva has issued an opinion on the interim report of the Coordination Group on the Comprehensive Reform of Data Protection Legislation.	-
Utilisation of technology in vocational rehabilitation	The Ministry of Economic Affairs and Employment has launched a project on the use of technology to identify customers benefiting from vocational rehabilitation on the basis of current data. The aim is to identify criteria that predict incapacity for work.	No clear impact is yet visible.	Keva and the earnings-related pension providers have been discussing the matter at the Ministry of Economic Affairs and Employment.	Ministry of Economic Affairs and Employment Elina Pylkkänen
Exchange of rehabilitation information between Kela and earnings-related pension providers	The Ministry of Social Affairs and Health has launched a study at the proposal of the Rehabilitation Committee, whereby a rehabilitation matter could be initiated by the authorities from Kela to the earnings-related pension provider in certain situations.	The impacts of practices and legislative amendments identified by experts can be improved and the implementation of regulations can be streamlined.	Preparation of the matter has been followed with the help of public sources.	-
Kela's and the earnings-related pensions sector's joint work ability process	A joint work ability process of Kela and the earnings-related pensions sector has been studied with the Finnish Centre for Pensions, earnings-related pension providers and Kela.	By improving practices and making changes to regulations identified by experts, it is possible to improve and streamline the implementation of regulations.	Keva has been involved in the study. The report has identified many different development proposals and several needs for legislative development. For now, the matter is likely to proceed as normal development work by the authorities.	-

Matters	Background	Impact assessment on Keva’s operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/ officials contact
Statutisation of disability risk criteria for earnings-related pension companies	TyEL companies have explored the possibility of introducing more specific provisions on the management of the disability risk into law. The matter was extensively studied, but no follow-up work was done.	Keva’s management of the disability risk has been written into law. Had the TyEL companies’ project been implemented, it would have had no direct implications.	Preparation of the matter has been followed and studied.	-
Amendment to the Taxation Prepayment Act, so-called tax card reform	A reform of tax cards is planned, with their validity starting at the beginning of the year instead of the beginning of February. The reform entered into force in 2025.	The reform affects the payment of pensions to Keva's customers. The tax information must be available to the pension payment office well ahead of the turn of the year, so that the information can be used from the beginning of the year.	Preparation of the matter has been followed. Parliament has adopted the matter. The Finnish Pension Alliance Tela will give an opinion from the pension sector to the Finance Committee tax department.	-
Legislation implementing the EU AI Act	A draft act on the national application of the AI Act has been prepared. The draft proposes an act on the supervision of AI systems and amendments to acts on, among other things, market surveillance of products and enforcement of fines.	The reform also partly affects the development of Kevan's AI features.	Preparation of the matter has been followed. Issuing an opinion during the consultation round is under consideration.	-
Legislative proposal on the non-compete agreements of government members	The new act could limit the right of a government member to take up a new post for a maximum period of 12 months after the end of their term of office. The law would apply to both the prime minister and other ministers.	The proposal may have implications for Keva’s implementation of the adjustment allowance for members of the Parliament of Finland.	Keva issued an opinion on the matter. The opinion considered whether adjustment allowance and non-compete compensation could be obtained at the same time.	-
Development of water services management legislation	The proposal aims of to ensure that publicly owned water services remain under the ownership and control of municipalities, as required by Parliament's decision EK 26/2021 vp, to promote regional cooperation and restructuring of water services, to improve the asset management of water utilities, to clarify and improve the supervision of water services and finances, and to improve the functioning of the Act on Water Services in general.	The proposal would affect the possibility for publicly owned and controlled water utilities to be a Keva member organisation. The proposal would also impact the potential investment opportunity seen in water services.	Keva has followed the discussion on the matter. Keva did not issue an opinion during the consultation round.	-

Matters	Background	Impact assessment on Keva’s operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/ officials contact
Legislation implementing the Directive on corporate sustainability due diligence (CSDDD)	The Directive on corporate sustainability due diligence entered into force on 25 July 2024 and national implementation will begin in 2027. The new rules will ensure that companies identify the adverse impacts of their business activities on human rights and the environment and mitigate them. A working group and monitoring group have been appointed for national implementation.	The proposal may have implications for Keva’s own operations and the responsibility assessments of investees.	Keva has followed and is following preparation of the matter.	-
Reform of regional state administration	The reform of regional state administration will bring the central government’s permit, guidance and supervision functions together in a new national agency and new regional Economic Development Centres.	The unbundling will have implications for Keva's employer customer work and the implementation of pension provision.	Keva is following preparation of the matter and participates in the measures required for the implementation of pension provision in normal customer work.	-
Management of the pension matters of the Åland regional administration	The Åland regional government has enquired whether Keva could take over the administration of their pensions. In the same context, there have also been discussions about a so-called "connection" to the Vilma system of the last pension institution to pay.	This requires a change in the law and a similar process for transferring the pension database and increasing execution capacity as was done for transfer of Bank of Finland's pensions.	Preliminary discussions on the matter have been held with Åland regional administration and Ministry of Finance officials.	Ville Koponen Ministry of FinanceTiina Robertson Åland
Determination of the balancing payment of Åland	The municipality of Sund in the Åland Islands has corresponded with Keva and the Ministry of Finance on the legal basis for determination of the balancing payment. A municipal representative has, among other things, highlighted in the press the different interpretations of the rules. A written question on the matter was submitted to Parliament.	Keva has submitted a balancing payment decision for 2023 to the municipality of Sund. According to the Ministry of Finance, application of the law was done in accordance with the rules.	The matter has been discussed with a municipality of Sund and Ministry of Finance representative among others.	Ville Koponen Ministry of Finance Marja Liukko Ministry of Finance, Andreas Johansson, Municipality of Sund
ViDA (VAT in the Digital Age)	The EU has been in the process of reforming its VAT system. So far, no decision has been taken on Vida.	At Keva, the effects may be targeted, for example, at real estate investments and EU-level service purchases.	Progress at the EU level has been followed.	-

Matters	Background	Impact assessment on Keva’s operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/ officials contact
Amendment of the Act on the Pension Fund of the Evangelical Lutheran Church, the Church Order and the rules of procedure of the Church Council	The Act would be amended so that instead of the Board of the Pension Fund of the Evangelical Lutheran Church, a Board of Directors would be appointed for the Pension Fund and the Church Council would no longer act as the Board of the Pension Fund. The proposal also includes the Church Council's justification for maintaining the current allocation basis for the pension fund contribution.	Implementation of the pension provision of the Evangelical Lutheran Church has no direct impact.	Keva has been requested for an opinion on the matter.	-

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