

Keva's Responsibility KPIs 2023



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CEO's review: The Sustainable Keva year

In 2023, we continued implementation of the Sustainable Keva strategy adopted by Keva's Board of Directors in summer 2022. We no longer have a separate responsibility programme, but sustainability targets are part of our strategic goals. Keva's Board of Directors and Management Group use common indicators to monitor the achievement of targets.

The change is also reflected in our responsibility reporting: Responsibility key performance indicators show that high-quality and efficient performance of our mission is at the core of our responsibility. The reportable indicators in this responsibility report have been updated to bring them into line with the Sustainable Keva strategy.

The four goals in our strategy are:

- We are a service-minded and cost-effective earnings-related pensions partner to our customers
- We safeguard sustainable pension funding
- We work sustainably and transparently
- We are an innovative, responsible and thriving community

Finns are of the opinion that earnings-related pensions are, by definition, "responsible" activities and a necessary part of social security. In addition, the pension sector operates on a long-term basis, and society guides Keva and other actors in the sector quite closely through laws, decrees and agreements.

We brought together representatives from Keva's different functions and units to consider how a responsibility approach and goal-setting in particular guide our operations. The group



CEO Jaakko Kiander

summed up the results of their work in the principles of Keva's responsibility. The work was far from a walk in the park and took more than a year to complete. Finally, Keva's Board of Directors adopted the principles at its last meeting of the year in December 2023.

Wellbeing services counties are our new customers

The wellbeing services counties and their employees became Keva customers at the beginning of 2023. It was very important to us to succeed in building these customer relationships and partnerships.

Nearly 200,000 Finnish public sector employees transferred to the well-being services counties that started their operations at the beginning of 2023. Keva is responsible for their pension cover and pension assets, and provides support for reducing disability risks.

The wellbeing services counties are one of Keva's very large employer customers. A total of 16 representatives of the wellbeing services counties participated in the employer-customer survey carried out in October–November. They are satisfied with Keva, and as many as 88% of the respondents estimated that Keva had succeeded well or excellently as an earnings-related pension provider and in its other duties. In the open feedback, the wellbeing services counties commended Keva for active cooperation among other things.

Increased popularity of partial early old-age pension

In 2017, 3,600 persons in the public sector took a partial early old-age pension. At the end of 2020, there were more than 9,700 partial early old-age pension recipients. The end of 2022 saw a particular peak in starting a partial early old-age pension, when around 5,000 Keva customers, 20% more than the total in 2021, began their pension in December.

A study completed last year shows that partial early old-age pension is paid at an average age of 62, mainly at 50%, for an average of 23 months before the actual old-age pension. Occupations in administration, research and education were increasingly prominent among employees starting the pension.

At more than 7,300 applications, the number of applications for partial early old-age pension received in 2023 was the second highest in Keva's history. No research or statistics on those who started their pension last year are yet available, but almost 86% of men and 94%

of women who started to draw a partial early old-age pension in previous years continued working while drawing their pension.

Pension contributions continued to fall

The total contribution level of Keva's member organisations has decreased moderately over the past couple of years, and the trend continued in 2023. At the beginning of the year, the total contribution level in the member organisations' pension system decreased by 0.5 percentage points and was 27.4% of the sum of wages and salaries of Keva's member organisations.

In addition to municipalities and wellbeing services counties, we manage pensions for the State, the Evangelical Lutheran Church, the Bank of Finland and Social Insurance Institution of Finland Kela, although we are not responsible for financing them. In 2023, the average wage-based pension contribution in the state pension system was 24.84% of wages. Church employer contributions remained at the 2022 level, with parishes' wage-based pension contributions being 28.7% and the wage-based pension contribution of the Church Pension Fund and Church Association being 34.5% of earnings.

Cost-effectiveness is one of the objectives to be monitored in the strategy. Keva ranks very successful in cost-efficiency comparisons between earnings-related pension providers, and we have long kept our operating costs under control. We aim to continue doing this throughout the strategy period, which ends in 2027.

We increased the share weighting of our investments

We aim for a stable contribution level. The fairly strong financial position of the local government pension system has enabled us to lower the total contribution level in recent years.

Since the share of investment returns in funding pensions will increase in the coming years and decades in both our system and the private sector TyEL system, Keva's Board of Directors decided in autumn 2023 to increase the risk level of the investment portfolio. This in practice means increasing an increase in the proportion of equities and similarly risky investments in our portfolio.

The approach is familiar from investing, which means that when we increase the risk of our investments in a considered and orderly manner, we expect them to generate even better returns in the long run. The old adage that in the earnings-related pension sector, a quarter does not mean three months, but 25 years, is also given new impetus, as the short term return on riskier investment assets will fluctuate more than earlier.

We were successful in our investment operations

The total return on the market value of Keva's investments in 2023 was 6.8%, or EUR 4.2 billion. At the end of the year, the market value of our investment assets intended to fund future pensions in the local government sector and wellbeing services counties was EUR 65.7 billion.

Our investment assets grew moderately compared to expectations. Equity and fixed income investments, in particular, performed well due to the worst recession concerns receding and expectations of easing monetary policy.

We safeguard sustainable pension funding

The pension expenditure of Keva's member organisations' pension system exceeded contribution income in 2017. Since then, some of the pension expenditure has been financed by returns on investments. The long horizon of an earnings-related pension provider's mission emphasises the importance of responsible investment aspects. Responsible investment means, above all, managing investments in a way that secures a stable level of contributions and pension benefits across generations.

The environment and climate, social responsibility and good governance must also be taken into account. The Responsible Investment Beliefs adopted by the Board of Directors guide this work at Keva.

A significant part of Keva's investment assets has been outsourced to be managed by our international network of asset managers. We systematically survey asset managers' views on the implementation of responsibility in our investments and draw on their expertise around the world.

We have continued to implement active ownership by voting at general meetings and through goal-oriented engagement projects. Last year, Keva and external asset managers voted on a

total of around 127,000 proposals in around 9,000 general meetings. Based on a survey of asset managers, there were about 600 different engagement projects aiming at change.

We help our customers to take good care of their work ability

Keva wants to support the work ability and well-being of public sector employees. We do not do this alone, but are pursuing this goal together with our employer customers and legally support our customers' work ability management aimed at preventing disability risks.

Last year, we paid particular attention to promoting best practices in work ability management. Savings of €500 million in disability costs in the local government sector alone can be achieved if best practices are implemented. In addition, we believe that the personnel's work ability is also directly linked to the national skills shortage.

Towards sustainable working life

We launched the Sustainable working life project in 2023. In 2023, an external evaluation consortium consisting of experts started to help with the impact assessment of the project. The consortium will evaluate the subprojects in the Sustainable working life project by means of surveys, document analysis and interviews, among other things. In addition, Keva's Work ability management and occupational healthcare cooperation survey will be used in the evaluation of the entire project.

The survey on the state of work ability management and occupational healthcare cooperation was carried out at Keva in its current form for the third time. The study showed that one third of public sector organisations had been successful in reducing disability costs related to sickness absence in the past 12 months. Functional solutions are traditional methods of work ability management, such as addressing supervisory work and enabling flexible work, as well as good occupational healthcare cooperation and active monitoring of employees' work ability.

Proudly responsible workplace

During the summer's Pride month, Keva organised a seminar on equality in public sector workplaces, with speeches and discussions. The seminar was attended by representatives of Social Insurance Institution of Finland Kela, the City of Helsinki, Helsinki Parish Union and Keva. As far as we know, this was the first time that different public sector workplaces came together to promote greater diversity.

In 2023, we were the main partner of the Oikotie responsible workplace community and shared our practices through articles, a video and online testing in the community's channels. For the fourth time, Keva employees responded to the Responsible workplace survey. As in previous years, the survey showed Keva's strength as a workplace is the meaningfulness of work, a good applicant experience and the opportunity to develop at work. More than 40 entries were received for the Community working life responsibility deed of 2023 competition, and the cornerstones of Keva's leadership and expert work made it to the top ten in the competition.

The results of Keva's employee survey carried out at the end of 2023 showed year-on-year improvement in almost all areas compared to the 2022 survey. According to Promenade Insight, which conducted the survey, our results are, on average, at the same level as those of other expert organisations. Keva employees are most satisfied with the practices of combining remote and office work, and consider that our goals are worth striving for. Respondents gave the lowest ratings for the fairness and equity of our remuneration model.

Reporting is evolving

As in earlier years, the cornerstones of our responsibility in 2023 are the GRI references of our reports for previous years, i.e. we partly

comply with the indicators of the international Global Initiative Reporting standards. Some of our performance indicators have changed because we use the indicators of the Sustainable Keva strategy in this report.

We monitor the development of national and EU-level requirements and guidelines for sustainability reporting. In 2024, Keva will start a group that will study, among other things, the application of the EU Corporate Sustainability Reporting Directive (CSRD) in Finland and, in particular, in Keva and other institutions governed by public law.

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.

Keva manages the processing of local government pension applications and payment of pensions and, together with its member organisations, is responsible for funding pensions. Funding is based on pension contributions and investment returns. In addition, Keva manages the pension applications and pension payments of those in the service of the State, Evangelical Lutheran Church, Social Insurance Institution of Finland Kela, the Bank of Finland and the Financial Supervisory Authority. The wellbeing services counties became Keva customers at the beginning of 2023.

Finland's largest earnings-related pension provider serves around 1.3 million employee customers and 1,900 employer customers.

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 and thus support the continuation of careers.

We work thoroughly and efficiently



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

Keva is Finland's largest earnings-related pension provider and serves around 1,100 local government employers, around 570 State employer customers, around 260 church organisations and the Bank of Finland and the Social Insurance Institution of Finland Kela.

Keva has 1.3 million employee customers, of whom around 614,000 are pension recipients, and the pensions of around 720,000 local government, State, Evangelical Lutheran Church, Kela and Bank of Finland employees are covered by Keva.

Key indicators

	2023	2022	2021
Sum of wages and salaries of Keva member organisations, €m	21,809	20,345	19,462
Contribution income from Keva member organisations, €m	5,966	5,677	5,489
Number of insured Keva member organisation employees at 31 Dec	588,777	573,945	563,644
Number of Keva member organisation pensin recipients at 31 Dec	437,944	435,830	423,827
Keva member organisation pensions paid, €m	6,748	6,192	5,915
Investments at fair value at 31 Dec, €m	65,685	62,235	66,849
Return on investments at fair value	6.8%	-7.0%	15.8%
Annual real return on investments since funding started in 1988 (capital weighted)	3.7%	3.7%	4.4%
Annual real return on investments since funding started in 1988 (not capital weighted)	4.8%	4.9%	5.5%
Operating costs, €m	84.6	81.1	79.9
Permanent personnel at 31 Dec	480	481	485
Number of State pension recipients at 31 Dec	226,375	232,613	237,008
State pensions paid, €m*	5,311	4,982	4,879
Number of Evangelical Lutheran Church pension recipients at 31 Dec	19,926	19,928	19,573
Evangelical Lutheran Church pensions paid, €m*	254	234	223
Number of Social Insurance Institution of Finland Kela employee pension recipients at 31 Dec	6,027	6,057	5,965
Social Insurance Institution of Finland Kela employee pensions paid, €m*	123	114	108
Number of Bank of Finland pension recipients at 31 Dec	1,461	1,458	1,404
Bank of Finland pensions paid, €m*	31	29	29

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

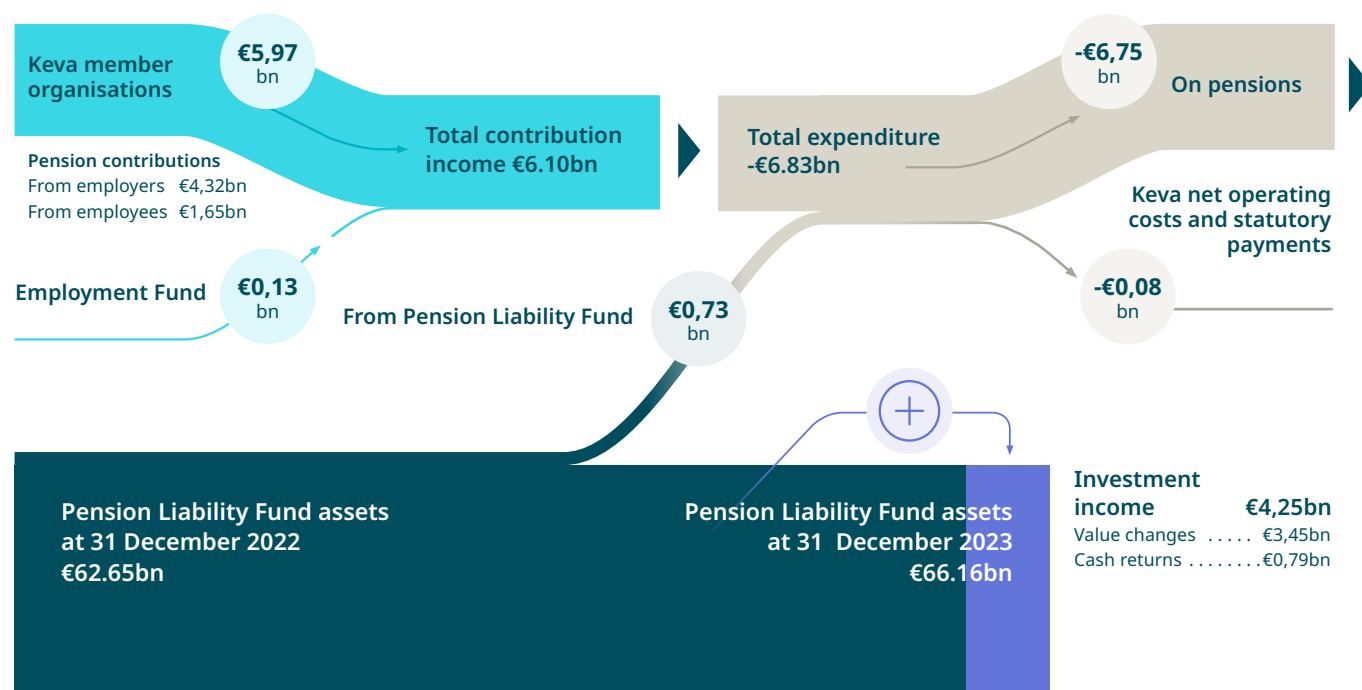
Circulation of earnings-related pension money

The majority of pensions are paid out of contributions collected from employers and employees. In 2023, around EUR 6 billion was collected in pension contributions from Keva member organisations, i.e. actors in the local government sector. The Employment Insurance Fund contributed around EUR 0.14 billion to pension payment.

Around EUR 6.7 billion was paid out in local government sector pensions. The gap of around EUR 0.7 billion between pension 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

Cash flows in pension system of Keva member organisations in 2023



State Pension Fund and Church Pension Fund, respectively.

More detailed information about Keva's customers can be found on pages 9–16 and the accrual of contributions on page 25 of the Annual Report.

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

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.

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 2023](#) >

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

The reporting period is 1 January – 31 December 2023

Indicators

	2021	2022	2023	Target 2023
Cost efficiency	0.39%	0.38%	0.37%	0.37% or under
ROI compared to peer group	0.70%	0.14%	0.24%	0.3% or over
Cumulative real return on investments	6.60%	3.90%	3.62%	4.2% or over
Employer satisfaction with contact points / NPS	71	68	76	72 or over
Employee customer experience of ease of service / CES	86	88	92	87 or over
Service level of pension decisions	94.3	95.8	95.6	94.5 or over
Start of disability pensions in the public sector	0.83	0.79	0.71	0.83 or under

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.
Employer satisfaction with contact points / NPS	A summary of the service experience of the employer's contact points (customer visits, online service, event participant feedback, call feedback, expert and digital services). Measures likelihood to recommend through individual service experiences. Asks on a scale of 0-10 "How likely are you to recommend the service you received?". Calculated by subtracting from the percentage of promoters (9-10) the share of detractors (0-6). The result can be anything between -100 and +100. The figure is an average of the NPS of all channels.
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	Share (%) 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	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.

Responsibility principles

Responsibility is implemented as part of Keva's strategy. This is taken into account as part of the normal annual planning and implementation of operations. 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 Communication Director Reija Hyvärinen, 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 on 13 December 2023. These will be rolled out for the use of all employees in stages.

Responsibility is included in the annual planning and implementation of operations. Strategic indicators are indicators of responsibility.

We take good care
of our customers



We ensure
pension funding
for future
generations



We are an
innovative and
healthy work
community








We work
thoroughly
and **efficiently**



We take
responsibility
for the environment
and society



Responsibility principles

 <p>We take good care of our customers</p>	 <p>We ensure pension funding for future generations</p>	 <p>We are an innovative and healthy work community</p>	 <p>We work thoroughly and efficiently</p>	 <p>We take responsibility for the environment and society</p>
<p>We take care of the earnings-related pension cover of public sector employees.</p> <p>We ensure the uninterrupted income of persons retiring.</p> <p>We offer employees support and solutions when their work ability deteriorates.</p> <p>We support employers in understanding the risk of incapacity for work and prolonging careers.</p> <p>We ensure the accessibility of our services and take into account the diversity of our customers.</p>	<p>Our mission is to ensure that the pension system of Keva's member organisations is sufficient for future generations as well.</p> <p>We aim for a stable level of contributions.</p> <p>Financial sustainability requires real returns on investments, the pursuit of which requires bearing investment risk.</p> <p>ESG criteria related to the environmental, social responsibility and good governance of investments provide a framework for examining long-term risks and opportunities.</p> <p>Our investment operations are based on principle-level documents, which are the Investment Beliefs and Responsible Investment Beliefs, adopted by the Board of Directors.</p>	<p>Trust, fairness and appreciation of diversity are at the heart of our work community.</p> <p>We create opportunities to develop, learn new things and advance in careers.</p> <p>As working life changes, we identify business needs, which guide the development of competence and abilities.</p> <p>We promote equality, non-discrimination and a more diverse working life.</p> <p>We take care of work ability. We do not tolerate inappropriate behaviour.</p>	<p>We work openly and build trust in Keva. This requires a thorough way of working.</p> <p>We are committed to the principles of good governance.</p> <p>We work cost-consciously. Thorough preparation and procurement sustainability form the basis for high-quality operations.</p> <p>We take our own Responsibility principles into account in our choice of partners.</p> <p>We pay particular attention to data protection and security.</p> <p>The Code of Conduct adopted by the Board of Directors guides all our operations.</p>	<p>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.</p> <p>We minimise negative environmental impacts in our own operations.</p> <p>We promote the implementation of human rights both in our investees and in our own operations.</p> <p>We build social sustainability in society.</p> <p>We work in active interaction with the surrounding society and stakeholders.</p> <p>We produce information in our sector for diverse societal discussion and decision-making.</p>

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

During 2023, Keva significantly addressed supporting the new wellbeing services counties that launched operations on 1 January 2023. At the same time, we continued ensuring pension provision and the effortlessness of pension insurance, as well as supporting work ability management. Support for work ability management underscored the position of persons with partial work ability and support in structural change.

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

Keva is a public actor and complies with the Act on the Openness of Government Activities. Keva implements openness and transparency in all its operations as far as possible where this does not compromise the data protection of the individual. Good governance means, for example, that an employee customer is granted all the benefits to which they are entitled to at once. The customer is consulted where necessary and Keva will, on its own initiative, obtain any missing information.

Information about claims for rectification of Keva's pension decisions as well as decisions of appeal bodies can be found on page 48 of the Annual Report.

**We take
good care of
our customers**



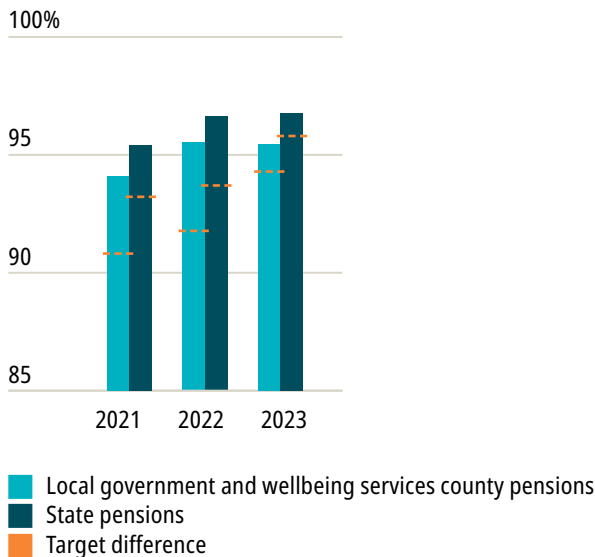
Uninterrupted livelihood of employee customers

The minimum old-age retirement age increases by three months each year until the pension age of 65. Persons born in 1959 reached their pension age of 64 years and 3 months by early 2024 at the latest. The average retirement age in the public sector in 2023 was 64.6 years, which is 0.1 years older than a year earlier.

The number of partial early old-age pensions decreased by around one third compared to the record year of 2022 and Keva received more than 7,300 applications, which was nevertheless around 3,000 higher than average during 2019–2021, when around 4,400 applications were received.

Continuity of livelihood requires that the register information of the pension applicant is correct and up-to-date, and that the applicant applies for a pension in good time before the planned start of retirement. Keva reminds

Service level 2021–2023



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.

customers to check their register information so that when applying for a pension, processing the pension is as fast as possible and there is no interruption of livelihood. At best, a customer can receive a decision on their application in less than 24 hours. In 2023, Keva further shortened processing times of pension applications compared to 2022.

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 continuation of livelihood. Keva guides its customers to apply for pension electronically using the My Pension online service, which has also had a positive

impact on the continuity of livelihood and the ease of the application process.

Keva's service level indicator is used to monitor the continuity of livelihood. In 2023, the service level of all pension applications was almost 96%, with differences in pension types. Continuity of livelihood is most often interrupted when applying for discretionary pension.

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 in pension matters, change their banking details and make other changes related to pension payment.

During 2023, customers' use of the online service continued to grow compared to the previous year. The self-service/personal service ratio increased to 92%. Customers were satisfied with Keva's My Pension online service and during the whole year, 91.5% thought that using the online service was very or extremely effortless.

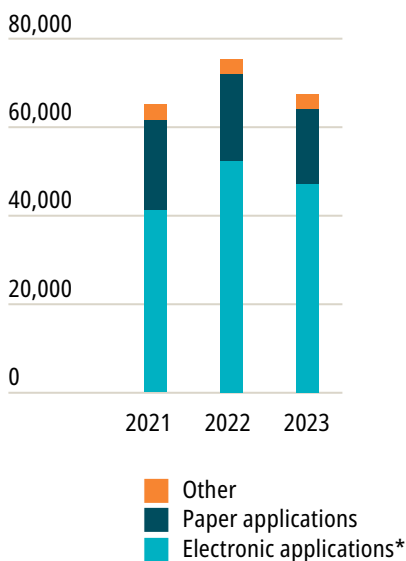
The priorities of customer guidance in 2023 were on increasing e-interaction in the My Pension service and increasing the paperless service. Customers were encouraged to subscribe to the paperless service and notification messages through a variety of campaigns targeted at different target groups. During the year, approximately 69,000 Keva employee customers signed up for the paperless service.

Popularity of e-services stabilised

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

The number of online applications remained roughly unchanged compared to 2022, with around 62% (2022: 63%) of all applications arriving through the My Pension service. Around 84% (84%) of old-age pension applications and around 94% (95%) of partial early old-age pension applications were made electronically.

Applications received by source 2021–2023



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

Of all disability pension applications, around 38% (37%) were submitted electronically. In addition, around 7% of all pension applications arrived electronically, including via Kela.

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

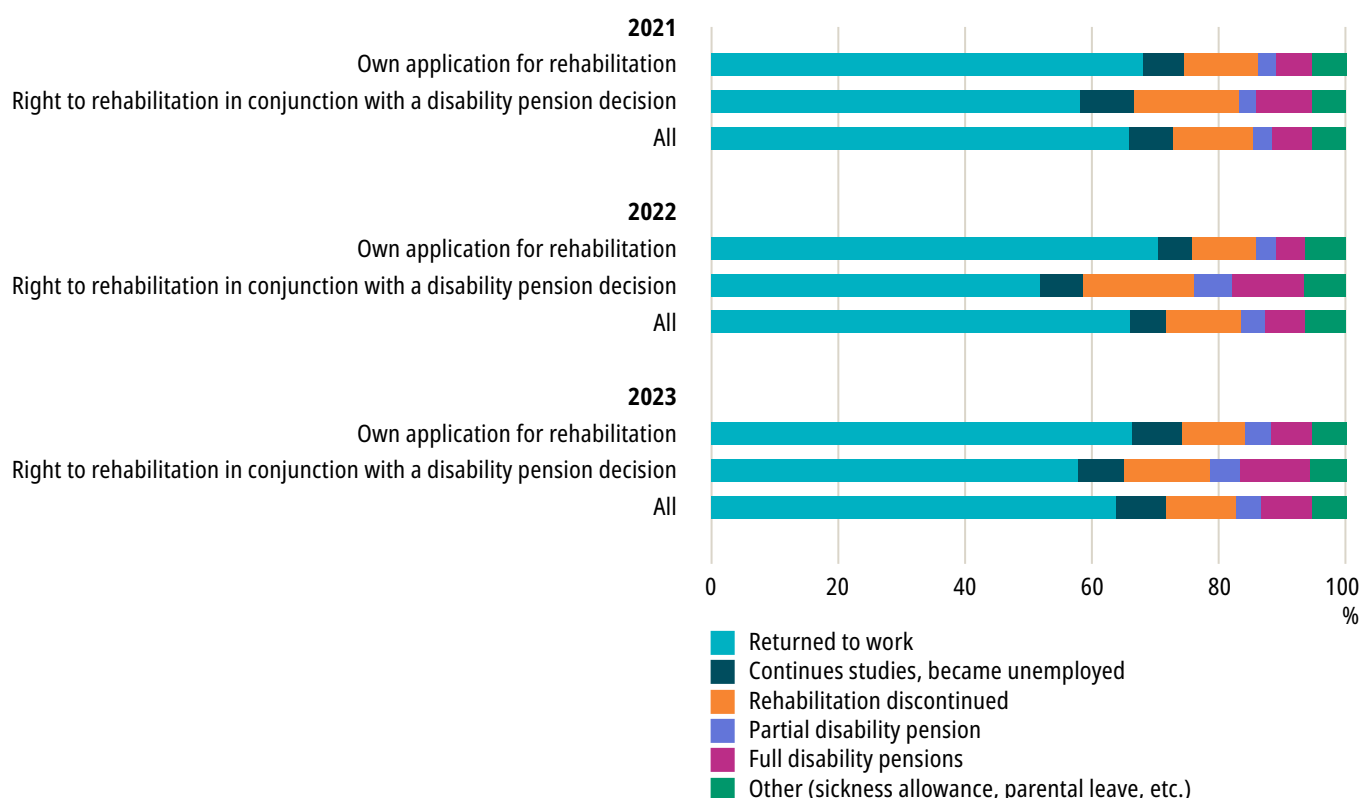
We offer solutions as work ability diminishes

When an employee's ability to work has significantly diminished 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.

Vocational rehabilitation requires that the employee's work ability is likely to diminish in the near future. The earlier the possibility of rehabilitation is taken, the better the chances of preventing disability retirement through rehabilitation. This is why the possibilities of vocational rehabilitation are always examined when applying for a disability pension.

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 2023, the use of partial disability pension solutions was lower than in the previous year, and the number of decisions

Rehabilitated by Keva for the labour market 2021–2023



fell by as much as 8.5%. Keva made a total of 10,104 partial disability pension decisions. Correspondingly, the number of full disability decisions increased by 1.2%.

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 pilot has reached its final stretch, and a final report on it will be published in 2024.

Based on the experiences of the pilot, the Work tools for anticipating Depression risk and returning to work project was launched in late 2023. The project seeks to build a concrete tool to support everyday management, and this follow-up project will be implemented as part of the Sustainable working life project.

Slightly fewer applications received

Keva has been very successful in vocational 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 relocation opportunities have been good.

Vocational rehabilitation application and decision numbers were down in 2023 compared to the previous year. The number of rehabilitation decisions was down 7.6% and 5,710 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. Cooperation with new service providers got off to a good start in 2023 and new services that support rehabilitation were rolled out. Rehabilitation customers welcomed the chance to choose a service provider in their area.

Year of major changes for our employer customers

The year 2023 was a significant year for the Finnish public sector, as the responsibility for organising social welfare and health care services as well as rescue services was transferred from the municipality-based system to the new wellbeing services counties.

The health and social services reform strongly marked the cooperation between Keva and employer customers, as the change targeted both the new wellbeing services counties and the majority of municipalities. Also the pace of preparations for the TE services 24 reform (employment and business services to be transferred to municipalities on 1 January 2025) gathered momentum. This reform likewise affects municipalities and central government extensively, especially organisations connected to employment and business activities.

Labour shortage highlighted the relevance of work ability management

Almost without exception, the challenge of finding skilled labour is a factor that all of Keva's employer customers have in common. This is why work ability management has increasingly become part of the management agendas of various customers, and its increased importance is particularly evident in the management team work of the wellbeing services counties.

The labour shortage is also clearly reflected in expectations and hopes towards Keva. During the spring-summer of 2023, Keva representatives met with about 100 representatives of the wellbeing services counties' management team and HR from across Finland. When asked whether work ability management has risen permanently on the management agenda, the result was clear, with around 80% of the respondents agreeing with the statement.

We serve through multiple channels

In 2023, more than 80% of Keva's customer cooperation with employers was carried out digitally online. This resulted in travel at Keva decreasing, which in turn enabled productivity to develop and the number of customer encounters to clearly increase. The environmental aspect is also one of the criteria when we consider ways to reduce travel.

Employer customers are very satisfied with the changes in customer encounters. The results of a survey conducted in late autumn 2023 showed that the customer experience of Keva's employer customers has remained at a high level and NPS has further improved since 2022. Read more about customer research on the page 21.

Sustainable working life project creates tools to anticipate the risks of incapacity for work

The Sustainable working life project was launched in 2022. In 2023, the project and its subprojects progressed in close cooperation with Keva's employer customers.

The Sustainable working life project aims to provide support to public sector employers with recovering from the pandemic and lessening the risk of incapacity for work. The project will create concrete tools for anticipating the risks of incapacity for work and supporting the development of work ability management. The new services and products will be available to

all public sector employers once the project completes at the end of 2024.

The pilot projects in the project involve 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 have also been offered networked activities in the project.

By the end of 2023, more than 400 public sector workplaces had already participated in events and co-creation in the project.

Projects that received working life development grants in 2023

Municipality of Askola (€20,000)

Hyvinvoiva Uusi Askola

Espoo Catering Oy (€11,000)

Development of supervisory work at Espoo Catering

HSY Helsinki Region Environmental Services (€32,000)

Anticipating, managing and developing psychosocial workload as part of strategic work ability management

ISLAB joint county authority for wellbeing services (€25,000)

Development of age management at ISLAB joint county authority for wellbeing services

Istekki Oy (€75,000)

Psychologically safe and humanely effective Istekki for people

Joensuu Evangelical Lutheran parish union (€10,000)

Digitalisation helps wellbeing at work and work ability management, as well as the overhaul of work processes and ways of working

City of Järvenpää / Early education and care services (€20,000)

Wellbeing from community steerability

City of Kouvola (€25,000)

Power of foresight for a longer career

Lempäälä Municipality (€55,000)

Development of modern leadership capabilities in Lempäälä

Länsirannikon Koulutus Oy WinNova (€75,000)

WinNova's WinTime learning path

NordLab joint county authority for wellbeing services (€74,000)

MOTI Multidisciplinary Teamwork towards smoother laboratory processes

Town of Pietarsaari/Early education and care division (€34,000)

VoVA – Power to early education and care

Satakunta wellbeing services county (€75,000)

Humanely sustainable work in Satakunta wellbeing services county

Suomussalmi Municipality (€50,000)

On your own career - career management towards a renewing HR policy

City of Tornio (€15,000)

Work first, work supporting coping in the City of Tornio

The Sustainable working life project receives government funding from Finland's Sustainable Growth Programme 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 instead of solving problems that have already arisen.

Working life development grants €600,000

With the working life development grant, Keva supports innovative and effective projects by municipal sector, wellbeing services counties and church employers that strengthen strategic work ability management and wellbeing at work and promote productivity and renewal at workplaces.

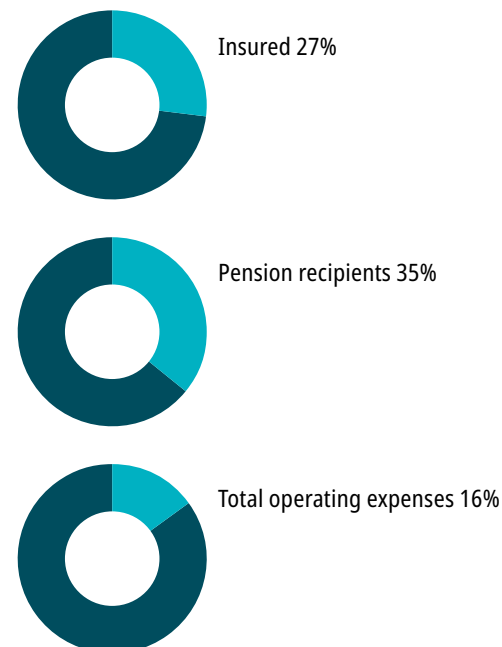
Keva has large customers on average

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 Tela, an association looking after the interests of providers of statutory earnings-related pensions, compiles an annual summary of key figures from financial statements. The summary includes each provider's total operating expenses, excluding investment expenses.

Keva's operating expenses are reduced by the fact that municipalities, federations of municipal authorities, the State, the Evangelical Lutheran Church, the Social Insurance Institution of Finland Kela, the Bank of Finland and, since the beginning of 2023, also the wellbeing services counties are Keva's customers by law. In addition to these, Keva has municipal enterprise customers who can choose their pension provider.

Unlike TyEL pension insurance companies, Keva has no costs from marketing or distribution channels for canvassing new customers or

Keva is cost effective



Keva manages 27% of all earnings-related pension insured persons and 35% of all earnings-related pension recipients, but its share of expenses (excluding investment expenses) in 2022 was just 16%. 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 2022, Työeläke-lehti 2/2023

from insurance transfers. Pension insurance is more cost efficient 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 of employer and employee 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. Employee customers similarly assess different interaction situations using the Net Promoter Score (NPS) as the indicator).

Both CES and NPS scores are very high. In 2023, the NPS was 76 (an increase of 7 compared to the previous year) and the CES was 92 (an increase of 4 compared to the previous year).

Services meet customer needs

Besides continuous monitoring, a customer satisfaction survey for employers was carried out in November 2023. The results showed that satisfaction with Keva's operations has

Employer customer satisfaction and likelihood to recommend Keva's operations and services

	2021	2022	2023
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)	80	84	84
NPS (recommendation rating for the service after having used it. The result has been weighted by the number of persons providing feedback)	71	68*	76

* Change in question phrasing

Our new wellbeing services county customers rate Keva's success as an earnings-related pension provider and in its other duties as good or excellent.

Employee customer experience of ease of service

	2021	2022	2023
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.	86	88	92

remained at a good level, with 84% of respondents considering that Keva had managed to serve them well or excellently. The NPS again rose compared to 2022.

The result of the annual employer-customer survey has shown positive development for four years now. The main conclusion of the survey was that the services provided by Keva correspond well to customer needs and expectations, and the 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 applica-

tion process. Of the customers responding to the question (n=8898) 87.9% thought that the application process was effortless. The result showed a slight improvement (0.4%) compared to a year earlier.

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 customer service process is constantly being developed to make it smoother by backing up feedback and other data collected from interactions, as well as observations made by experts.

We safeguard sustainable pension funding

The aim is to achieve a stable contribution level that takes generations into account

By law, Keva must carry out its financial-related tasks 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.

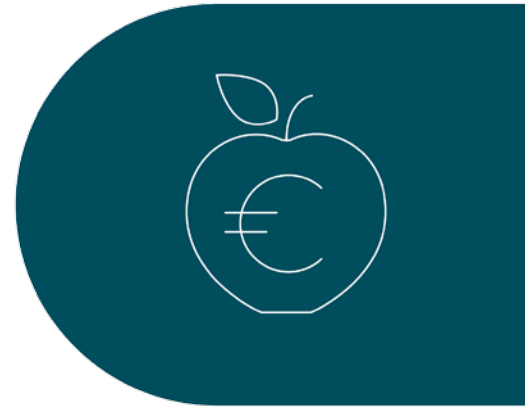
Contribution level decided on the basis of reports

Keva's Councillors decide annually on the contributions payable by Keva member organisations 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 financing and payment principles outlined by Keva's Board of Directors. The starting point for the preparation is the biennial Asset/Solvency 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 latest 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

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an innovative
and healthy
work community



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 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.

In December 2023, Keva's Council decided on a contribution rate of 27.15% for 2024.

Higher risk level to increase investment returns

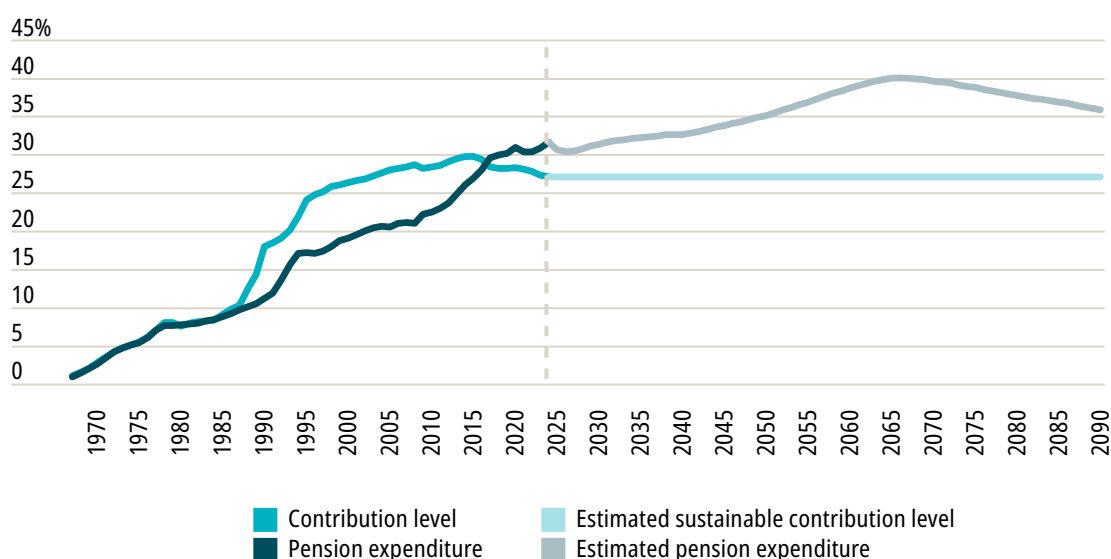
The pension expenditure of Keva's member organisations' pension system exceeded the contribution income in 2017, since when some pension expenditure has had to be funded out of investment returns. Financial sustainability therefore requires real returns on investments,

the pursuit of which requires bearing an investment risk.

Going forward, the significance of investment returns in funding will increase as pension expenditure continues to grow faster than contribution income until the 2060s. However, pension contributions will continue to be the main source of pension funding for each year.

In summer 2023, Keva's Board of Directors decided to increase the risk level of the investment portfolio. The decision was made 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.






Sustainable contribution level and pension expenditure estimated in the autumn 2023 contribution level survey



In autumn 2023, the sustainable contribution level was estimated at 27.0%. 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.

Responsibility for investments

Key figures 2023

 <p>65.7 bn EUR investment assets at 31 Dec 2023</p>  <p>3.8% return on investments over 10 years (real return excluding capital weighting)</p> <p>4.8% return on investments since funding began in 1988 (real return without capital weighting)</p>	 <p>Attendance at 9,021 general meetings</p> <p>99% attendance rate at general meetings</p> <p>127,003 votes cast in general meetings</p>	 <p>617 goal-oriented engagement projects in equity and corporate bond investments</p> <p>150 engagement projects relating to the environment (E) theme</p> <p>100 engagement projects relating to the social (S) theme</p> <p>367 engagement projects relating to the governance (G) theme</p>	 <p>-55% in CO₂ emissions derived from energy use in our direct real estate investments compared to 2018</p>
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The future is ensured through an increase of the risk level

At Keva, responsible investment means, above all, managing investments in a way that secures a stable contribution level and pension benefits also for future generations.

The funding of pension assets began in Keva member organisations' pension system in 1988. Pension expenditure, i.e. the amount of pensions paid out, exceeded income received as pension contributions in 2017, since when some of the pension expenditure each year has been financed by investment returns, the



CIO Ari Huotari

Keva's Board of Directors decided to increase the risk level of the investment portfolio.

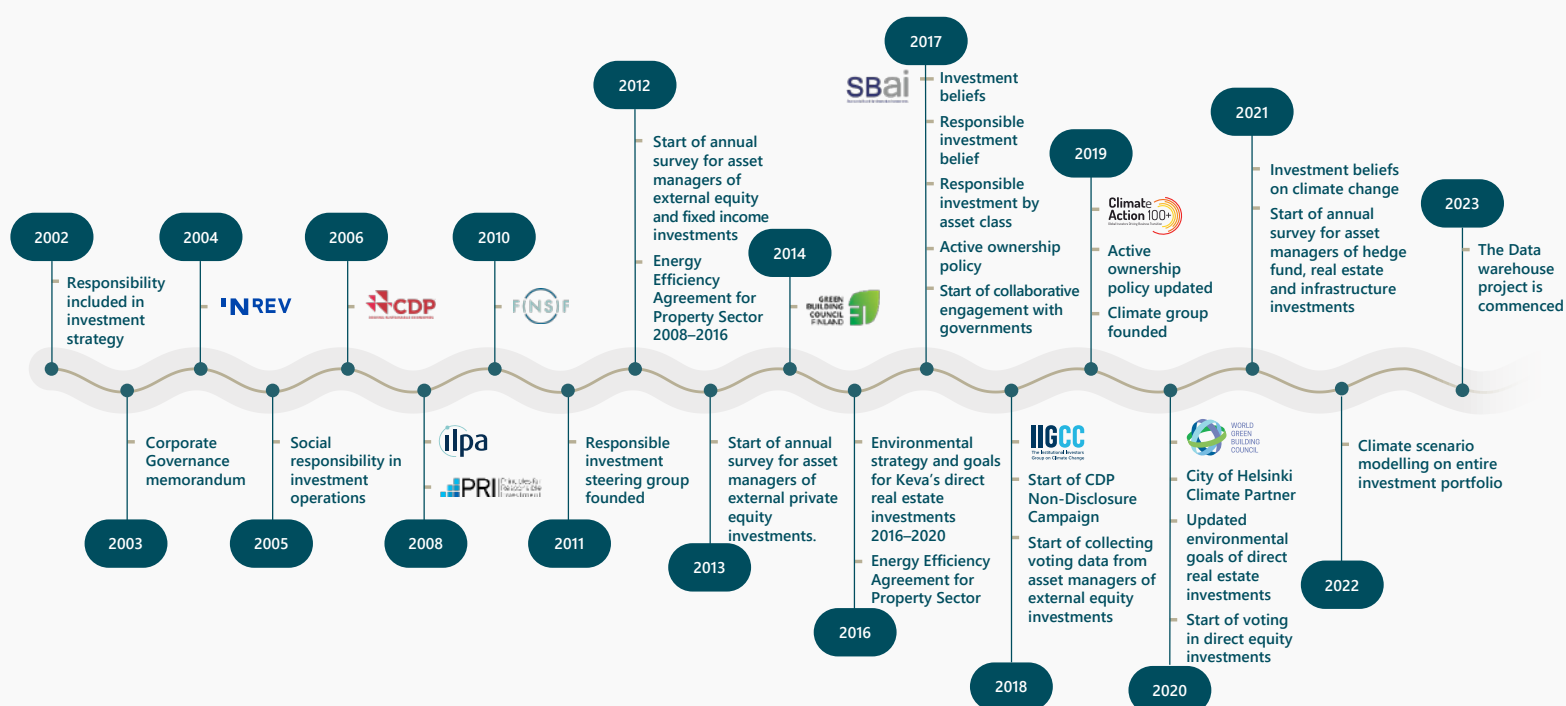
From the point of view of a pension provider's investment operations, the key risk is the long-term deficit risk, i.e. the risk of not achieving sufficient real returns. If this risk materialises, pension contributions will have to be raised. The strategic planning of Keva's investment operations has revealed that the current risk level of the investment portfolio will make it challenging to achieve sufficient real returns in the future to ensure a stable contribution level.

importance of which will become increasingly important in funding pensions going forward.

Investment returns account for around EUR 48 billion of the approximately EUR 66 billion currently in the fund.

In response to this challenge, Keva's Board of Directors decided in June 2023 to increase the risk level of the investment portfolio in pursuit of higher long-term returns. Increasing the risk level will raise the long-term return expectation but on the other hand mean that short-term returns will vary more than earlier.

Progress in responsible investment at Keva



Persistently improving data quality



Head of Responsible Investment
Kirsi Keskitalo

In 2023, we continued to focus particularly on the monitoring of asset managers and the development of data-related initiatives.

ESG data obtained from the global network of asset managers plays a key role in Keva's investment operations. Keva has been collecting data since 2012 and currently does so through around 150 asset management teams for thousands of holdings every year. Therein at the same time lies the investor's challenge: how to correctly interpret environmental, social and governance data when its availability and quality vary depending on asset class, continent, level of development of society, legislation, etc. We strive to ensure data quality and coverage by improving its acquisition – for example through surveys – and interpreting it by leveraging asset managers' expertise in local special features.

Kirsi Keskitalo, Head of Responsible Investment says that the development of responsibility

themes and indicators is monitored in close cooperation with asset managers.

– In 2023, we updated the annual survey on unlisted investments. Since the asset manager often has significant ownership of the investment in private equity, infrastructure and real estate investments, the opportunities to engage with investee companies from the perspective of responsibility are also emphasised, says Kirsi Keskitalo.

Keskitalo says that Keva paid particular attention to this in the survey. Likewise, last year also saw us develop among other things the monitoring of international norms and CO₂ emissions in unlisted investments.

– Since data availability and quality are more challenging in these asset classes than in listed investments, access to information will be built on further.

Recent years have seen attention paid to the usability of ESG data.

– Last year, we launched a data process development project with the aim of enhancing responsible investment data processing and internal reporting.

Keskitalo says that long-term development work will continue in the coming years.

– We will continue to develop data processes and monitoring. Also with regard to the monitoring of asset managers, we aim to further develop our operations by enhancing data collection and to target relevant questions to each asset class, taking into account their special features. Since monitoring asset managers' activities in terms of responsible

investment is very important to us, we are constantly developing it, Keskitalo points out.

– We will continue to work on the application of climate metrics in listed equity and corporate bond investments. We will particularly pay special attention to data quality and the ability of the metric to provide relevant information on the risks and opportunities of climate change. In addition, we aim to build visibility in the emission calculation of unlisted investments, even though these asset classes involve significant challenges related to data availability and quality. The measurement and disclosure of the emissions of investee companies are, of course, continuously increasing, Kirsi Keskitalo says.

Last year, Keskitalo's team also focused on monitoring the progress of the EU Sustainability Reporting Directive (CSRD) and the PCAF climate reporting standard, as well as the biodiversity theme.

Engagement key figures 2023

Keva engages with and bears responsibility for its portfolio holdings using different methods in different asset classes. Last year, Keva and external asset managers voted on a total of around 127,000 proposals in some 9,000 general meetings. A survey of asset managers in equity and fixed income investments shows that there were about 600 separate engagement projects aimed at change. These play an important role when Keva's portfolio holdings aim at long-term value creation from the perspective of both return and security.

The responsible investment team is responsible for the process of excluding controversial weapons. At the end of 2023, 48 equity investments and 61 corporate bond investments were excluded from Keva's investments.

Precision is called for when interpreting the results of climate scenario work



Head of Investment Strategy Tommi Moilanen

Keva's investment assets are distributed around the world, and as a result, Keva bears risks and opportunities related to climate change based on its exposure. Keva's investment beliefs on climate change state that climate change may well be a risk that an investor cannot protect against, even by diversifying or divesting individual holdings.

In order to assess climate risk and manage the risk, Keva uses several different operating methods, one of which is climate scenario analysis. Our aim is to increase understanding of climate change as a phenomenon and its impact on investment portfolio returns and risks. Climate scenario work at Keva is led by Tommi Moilanen, Head of Investment Strategy.

Progress in stages

The scenario work on the climate theme began in 2021 when a climate scenario exercise was

carried out with an external partner for part of the investment assets.

– We first carried out a climate scenario exercise at the level of aggregate investments in 2022 and repeated the exercise in autumn 2023, Tommi Moilanen says.

In the 2023 version of the climate scenario model, the scenarios were expanded and the modelling reviewed four alternative futures. These range from the scenario where warming can be limited to 1.5°C and the world is carbon neutral from 2050 onwards to a scenario where global warming continues without special measures to combat climate change and the climate warms by 4°C.

In practice, the base model has been extended with two external models in climate modelling. At the heart of the expansion is an empirical macroeconomic model that is used to describe entire economies, energy production and consumption, international trade, etc. It also simulates the productivity effects of climate change (chronic physical risk) and the transition effects of different policy choices and technological development (e.g. the cost impact of emission allowances on energy production methods; transition risks).

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). When the data from these two models is combined with the sensitivity data incorporated in the base modelling (e.g. how the equity returns of a certain country depend on changes in its GDP),

we have a clearer picture of the effects of the climate scenario on investment return.

Care in using the results

At the end of 2023, Keva-specific results were introduced for the second time. Before these are used directly, however, the project has continued – and will continue – with a more detailed breakdown of the model. In principle, the results are very intuitive in form; GDP deviations and returns by asset class from the basic trajectory in different climate scenarios.

However, a highly complex modelling process lies behind the seemingly approachable results.

Moilanen describes the results in general by stating that the approach produces an outcome in which climate change seems to have a clearly systemic component that negatively affects economic growth and thus returns.

– However, there are considerable regional and sectoral differences. In addition, drawing direct conclusions about investment assets is complicated, in addition to the complexity mentioned above, by the fact that in many places it is still unclear whether the materialisation of physical risk projected in a particular area, for example, is correctly allocated to our portfolio, he considers.

At the moment, it is felt that in order to utilise the results of the climate scenario model in more detail, they need to be studied in more detail than has been done so far.

Implementation of climate scenario modelling for the first time is described in more detail in the 2022 report, pp. 23–24.

Topical themes led by experts



Senior Advisor for Investments Anette Eriksson

Keva's climate group, which has been operating for a few years now, regularly brings together different experts from investment operations – portfolio management, investment strategy, energy technology and responsible investment. The group is tasked with strengthening climate understanding from the perspective of investing, enhancing internal learning and sharing best practices in the sector.

Headed by Senior Advisor for Investments Anette Eriksson, the group organises, among other things, discussion events at Keva, where various themes are explored under the guidance of external experts. The themes for 2023 were the electricity system and storage, as well as the minerals and materials needed for the energy transition.

– The April event considered, among other things, how ambitious climate targets, faster energy transition and the electrification of society are challenging the entire electricity system. The theme of the November event was

the raw materials and technologies required for the green transition and China's role in these, Anette Eriksson says.

According to Eriksson, the energy transition offers almost an infinite number of interesting themes.

– It is good that we have diverse representation in the group, as this means different viewpoints are included in the discussion.

Organising joint discussion events is often a long project.

– The search for speakers has proved to be more challenging than the topic of the event, but we have also been delighted: Finland has world-class experts whose names may be much better known around the world than in Finland, Eriksson says.

This year's theme is oil and gas, offering an even wider spectrum of topics for discussion than in previous years. Selection of the theme proceeds according to a familiar pattern: we start with a jointly agreed delimitation and everyone proceeds deeper into the theme according to their own special expertise and interest, raising issues that they consider essential to others for discussion. Before long, interesting topics and speakers are ready – the discussion event led by experts has been prepared with the participants in mind.

Listed equities

Keva's listed equity investment programme offers a diversified exposure to the global stock market. At year-end 2023, the portfolio was valued at EUR 26.2 billion, comprising a total of 48 investment strategies and almost

7,000 stocks. A significant part of the portfolio is managed by external investment managers. Shareholders can often have a significant say in how companies are run. The most important ways to implement responsible investing are voting in annual general meetings, targeted conversations with corporate management and ESG analysis integrated into the investment approach.

Direct equity investments

ESG is an integral part of our investment processes, and we use industry-specific assessment criteria and practices to evaluate its implementation in investee companies. Our sources of information include analysis and data provided by ESG service suppliers, securities brokerage firms and the investee companies.

In 2023, we met with 95% of the investee companies in the portfolio. One company was added to the portfolio at the end of the year and it was not possible to arrange a meeting with another company. We will meet with both in 2024. We also attended the capital market days of many of our investee companies and followed up on corporate management through company interim results and seminars.

ESG issues are regularly raised in our meetings and discussions with corporate management. Companies are increasingly aware of investor interest in ESG and are incorporating ESG practices into their operations and reporting more effectively than in the past.

In 2020, we began voting in annual general meetings gradually according to our principles of active ownership. In 2023, we voted in 95% of annual general meetings. This percentage is

presented later in this report aggregated with other voting data.

We apply norms-based screening to companies in our portfolio and to companies under consideration for inclusion. We receive automatic notification if a company is in breach of the UN Global Compact. In 2023, no Global Compact breaches were detected in our direct equity portfolio.

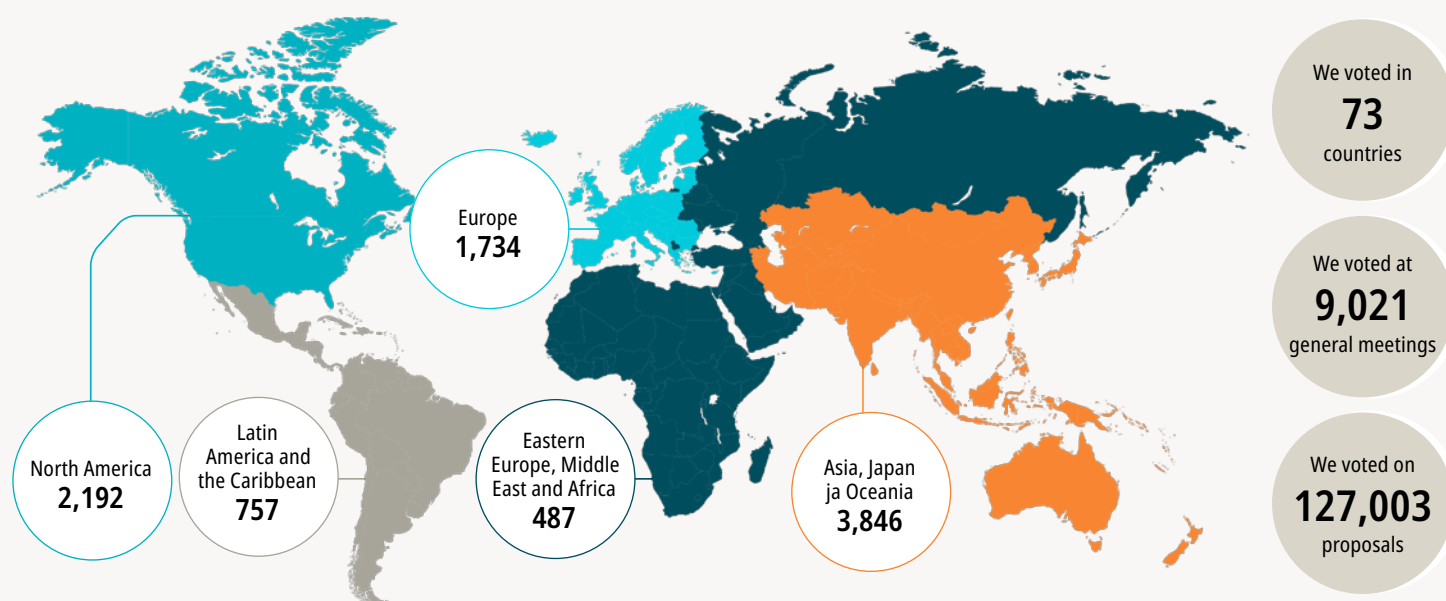
Cooperation with asset managers

Cooperation with our asset managers is based on a long-lasting partnership, trust and transparency. Keva's external investment managers represent different investment styles and regional market expertise. They, however, share a common goal of generating excess returns dependent on independent research focusing on the long-term.

Rigorous vetting 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 2023, our outsourced investment portfolio comprised 42 active strategies and five passive strategies. Some of the passive strategies follow ESG indexes in Europe and emerging markets. We connect with our investment managers on a regular basis and ESG themes are a natural part of these conversations. In 2023, we had more than 90 meetings and calls with existing and potential asset managers. We also participated in climate-themed education organised by an asset manager and Columbia University.

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	336	324	96	6,423	78	14	9
Europe	1,821	1,750	96	45,237	84	15	1
North America	2,242	2,237	100	27,760	62	24	14
Asia	3,996	3,972	99	37,552	81	18	1
Latin America and the Caribbean	754	738	98	10,031	72	26	2
All	9,149	9,021	99	127,003	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.

Almost all external asset managers of Keva have drawn up a company-level responsible investment policy. In addition, more and more asset managers, almost 80%, have specific stewardship codes. More than half of asset managers have an organisation-wide climate change target; investment risks related to climate change, on the other hand, are most generally managed by integrating them into the investment process.

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

Voting in general meetings

In 2023, Keva and its external asset managers voted in more than 9,000 general meetings globally. This represents a participation rate of 99%. Keva voted on around 127,000 proposals, of which 77% were in favour and 18% against. Most of the proposals voted against involved remuneration, especially in the United States. So-called 'say on pay' votes on executive remuneration in retrospect are common in North America, and asset managers often voted against these proposals.

Annual ESG survey and purposeful engagements

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. In 2023, our asset managers were involved in 560 engagements targeting almost 400 companies.

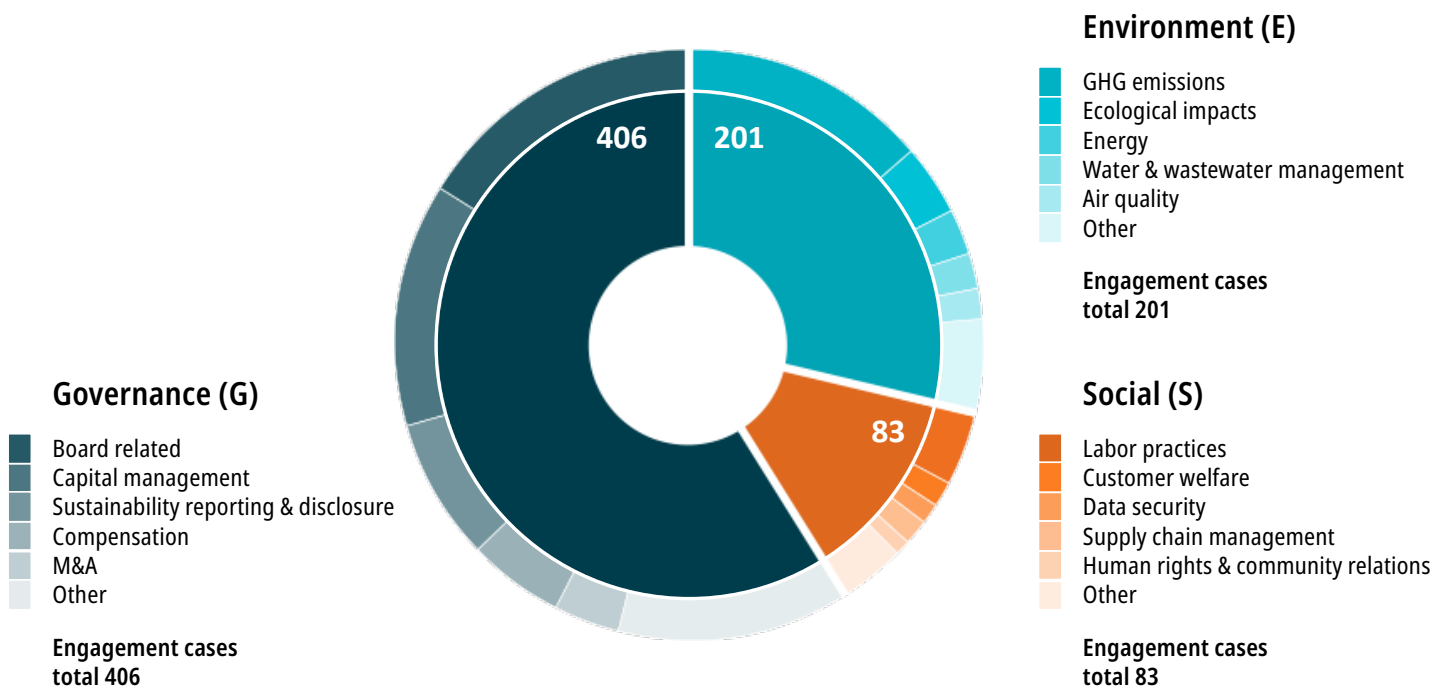
As was the case a year earlier, the key themes raised at the aggregate equity portfolio level were issues concerning the investee company's board of directors, capital allocation, sustainability reporting and disclosure, and greenhouse gas emissions. Whereas most of the engagements related to good governance (G),

the share of social (S) related engagements increased compared to the previous year.

The results are based on Keva's annual ESG survey for internal and external strategies, which were part of Keva's investment portfolio at the end of 2023. The figures apply to reported engagements. The survey focus was particularly in engagement projects committed to bringing about positive change.

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, in emerging

Main themes of engagement in equity investments 2023



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.

Direct discussions with companies is by far the most popular engagement method.

markets, the United States and in the global sustainability portfolio the key theme was greenhouse gas emissions, whereas in Japan the focus was on capital allocation.

Whereas engagement projects generally last for less than a year, the number of engagements lasting from one to three years has increased since last year. Direct communication with investee companies was by far the most popular type of engagement with top management or in-house experts, such as responsibility and investor relations personnel, from the investee company often being on the opposite side of the table. Nor is conversation with board members a rarity.

A large number of our engagement projects are still ongoing, indicating the long-term

nature of engagement. Just under a third of engagements reached their goals and only a small number failed. Whereas engagement and voting are typically the responsibility of the investment teams, some larger asset managers share the work with a specialised ESG team.

Climate change and carbon intensity

We are committed to developing the analysis of climate change, tools, indicators, and understanding of the opportunities and risks of climate change for our investments. Around half of Keva's equity managers report in line with the Task Force on Climate-Related Financial Disclosures (TCFD). Likewise, almost half of them have set climate targets. Climate change metrics are used in many ways.

We currently use Weighted Average Carbon Intensity (WACI) as the carbon metric. The calculations take into account the company's own emissions and the emissions from purchased energy (Scope 1 and 2 emissions). The metric describes the portfolio's exposure to carbon-intensive investments using information from the latest financial statements, but provides no information about future developments. It can be said that WACI provides a rough measurement of the risk posed to the

CASE

Our asset manager, who invests in European companies, met with the CEO and CFO of a pest control company to discuss the importance of employee reward and job satisfaction to reaching the company's goals.

The company is expanding its operations significantly through acquisition, and in the asset manager's view, a well-functioning and consistent remuneration system plays a critical role in the success of the acquisition. The company is committed to

a sufficiently long pilot period in harmonising remuneration policy. Our asset manager will monitor the success of this and prepare their own analysis to present to the company.

CASE

The asset manager of our sustainability portfolio started discussions with a US-based medical technology company about aiming for zero emissions already in 2021. Since then, the company has taken concrete steps towards a net-zero emis-

sions target: it has committed to reaching carbon neutrality by 2030 and to working towards a zero-emissions path.

Most recently, the company has announced clear science-based targets to reduce Scope 1 and 2 emissions by 42% and Scope 3 emissions by 52% compared

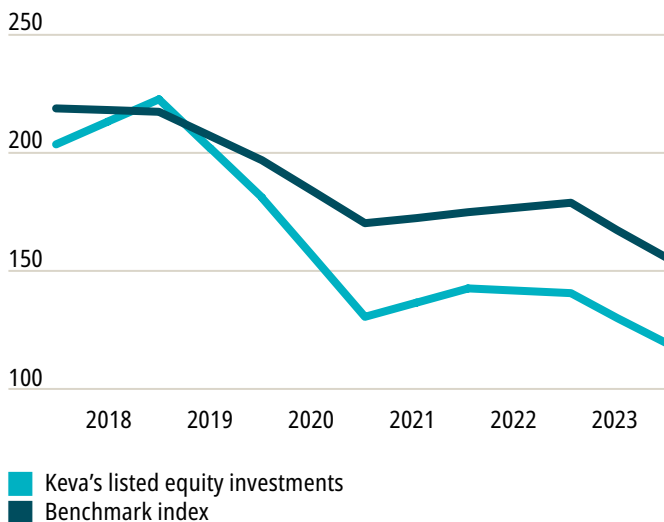
to 2021 levels. Discussions with the company have revealed that these targets are likely to be reached before 2030. At the moment, the asset manager is focusing its engagement efforts on the zero emissions commitment.

portfolio at a particular point in time by carbon pricing and other regulatory risks.

In 2018–2023, the portfolio-weighted carbon intensity of all of our listed equity investments decreased by 41% and at year-end 2023 was 23% lower than the benchmark index.

The strategy change in our direct equity investments has had a significant effect on this development over the past six years of monitoring and reduced investments in resource-intensive sectors in the portfolio. Additionally, the development has been affected by the decrease in the weighted carbon intensity

Development of the portfolio-weighted carbon intensity in Keva's listed equity investments 2018–2023 compared to the benchmark index



tCO₂/revenue MUSD, scope 1+2

Carbon intensity of listed equity investments:

During the monitoring period (2018–2023), the portfolio-weighted carbon intensity of all our listed equity investments decreased by 41% and at year-end 2023 was 23% lower than the benchmark index.

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

The formula for calculating weighted carbon intensity is:

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

MSCI data is used to calculate the carbon footprint of listed equity investments. The calculation is based on EUR 26,215 million in investment assets, with 97% data coverage. Of the data, 81% is reported by the investee companies themselves. In addition to the direct emissions of investments, it is also important to consider the indirect emissions (Scope 3) of subcontractors and products. However, there are still major challenges in the reporting of this data. Keva is monitoring the development of Scope 3 data.

CASE

Our asset manager investing in emerging markets continued discussions with a Brazilian clothing retail chain in line with its engagement plan to monitor the company's progress towards the targets set. After internal discussions, the company decided to follow the asset manager's recommendation to respond to a CDP enquiry

about water use, due to the significance of water consumption and the limited information published so far.

As part of its new sustainability strategy, the company pledged to reduce water consumption by 2030. It also carried out a study on the risks and opportunities of water shortages, which has played a critical role in the

implementation of improvement measures. At the second meeting of the year, the company also informed our asset manager of its intention to set a concrete target for reducing water consumption. The target will be published in the next sustainability report, and the measures will also extend to the supply chain.

of the portfolio, especially in high-emission sectors. In recent years, the lower carbon intensity than the Keva portfolio benchmark index has been the result of both sector allocation and company selections within sectors.

When examining the development of the portfolio's carbon intensity over time, it is important to consider how changes in country and sector weightings, share prices and the coverage of companies' reporting cause variation in measurement intervals. For example, in 2023, the decrease in carbon intensity was not so much due to a decrease in emissions from investee companies, but rather an increase in the market values of companies in the low-emission IT sector and, on the other hand, an increase in the turnover of companies in high-emission sectors. These characteristics mean that the development of the portfolio's carbon intensity should be monitored over the long term.

When measuring climate impacts, we strive to take into account calculation and reporting standards such as TCFD and PCAF (Partnership for Carbon Accounting Financials).

The frequency and quality of greenhouse gas emissions reporting varies from one company to another. Emission data is usually reported in annual reports at the beginning of the next financial year. When analysing emissions data for 2023, the most up-to-date figures come from companies' annual reports for 2022 published during 2023, and 56% of emissions in this calculation are based on this data. However, 41% is based on companies' emissions data for 2021. Portfolio-level carbon intensity calculations combine companies' historical emissions data with investment assets at year-end 2023 and this may affect the footprint figures at the portfolio level.

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 plays a critical role in value creation. 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.

We primarily make capital commitments in closed-end private equity funds that involve a long-term investor commitment. Keva's private

CASE

As part of our private equity investments there is a globally operating company from Austria who is seeking solutions to reduce carbon dioxide emissions through product innovations and the circular economy. The company recognises that its fuel-flexible and hydrogen-ready gas engines and compression solutions play an important role in providing energy solutions that can help its customers to facilitate the transition to a low-carbon economy. The company aims to leverage technology, innovative design, analytics and digital solutions to facilitate this transition.

The company's goal is to reuse more than 90% of the materials it uses by 2030. The company is also increasingly integrating ESG priorities into its requirements and relationships with material suppliers. Since 2018, the company has had sustain-

ability guidelines for procurement, which allows the company to identify areas of higher risk and conduct in-depth, on-site inspections. Higher risk areas are identified using the Corruption Perceptions Index (CPI). Any direct material supplier operating in a country with at least 50 points will undergo a thorough on-site audit before starting its deliveries. This specific ESG audit is carried out every three years and includes 75 questions on the following topics: environment, health and safety, labour, information security and intellectual property rights.

Since 2019, the company has also included the Ten Principles of the UN Global Compact in its supplier criteria. These principles concern human rights, labour, the environment and anti-corruption. A potential supplier must commit to these by contract or be a member

of the UN Global Compact in order to become a supplier of the company. The company also provides training material on sustainability-related guidelines.

The company has continuously increased governance mechanisms for sustainability issues. It established a circular economy working group, whose members include heads of technology, product development and procurement. Promoting more environmentally friendly practices across the company's value chain requires efforts in component design, procurement and in cooperation with suppliers. The company ensures sustainability issues in its supply chain by arranging meetings and sustainability workshops with its network of subcontractors and, for example, measures waste production at every stage of the value chain in order to reduce waste volumes.

The development of responsibility issues is a natural part of the development and value creation process of a company.

equity portfolio is diversified by investment strategy, industry, geography and vintage. At year-end 2023, the portfolio was valued at EUR 10.1 billion, and there were 51 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, and promotes conversation around responsible investment.

In 2023, Keva held seats on the advisory committees of 90 funds and aims to hold a seat on the advisory committee in the largest fund investments. In the past year, we attended 128 advisory committee meetings, in which asset managers presented ESG development projects and discussed the integration of ESG issues 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.

CASE

The Dutch company is a global specialty chemicals and raw material distribution solutions company that helps its customers to transition to a low-carbon energy economy through its innovative products.

One of the solutions produced by the company is bio-butanol, which is produced through a fermentation process from sustainable biomass. This process produces high-quality bio-butanol, which produces up

to 85% less carbon emissions than alternative, oil-based sources. Bio-butanol is used in coatings, adhesives and inks, or can be used as a solvent and intermediate in the manufacture of chemical products. It can also be used in the manufacture of high-performance biofuels.

The company also offers two other solutions: bio-acetone and bioethanol. These offer more environmentally friendly alternatives to products such as paints, coatings, adhesives,

inks, cosmetics, personal care products, household and industrial cleaners, pharmaceuticals, research chemicals and other specialty products.

The company's bio-based solutions have a very low carbon footprint, offering the company's customers a more sustainable alternative to fossil-based raw materials, and they have the potential to change the dependence of many industries on petrochemicals.

CASE

The real estate services company provides energy management solutions for properties in North America. As real estate accounts for approximately 35% of energy consumption and greenhouse gas emissions in North America, the company has a unique opportunity to influence change as a key player in the value chain.*

The company's service initially focused on improving the efficiency of bill payments for properties. For a typical property

management company, invoice management can be complex and challenging. A property management company can own 400 properties, each of which has hundreds of meters, which in turn means hundreds of bills.

When processing its customers' billing information related to energy, water and waste, the company found itself in a perfect position to assist customers in their efforts to manage their net-zero, greenhouse gas and other targets. The company expanded its services into sustainability

solutions and acquired ESG data management solutions to help customers manage energy consumption, emissions and costs. The company's services enable customers to analyse and report on resource consumption, helping them make informed decisions to promote sustainability.

**Based on 2022 climate-related reports from global groups including McKinsey, S&P Global, the World Economic Forum, the United Nations Environment Finance Initiative, and others.*

Other forms of engagement include regular meetings with asset managers. In 2023, these meetings focused predominantly on ESG issues such as environmental concerns, employee wellbeing, diversity and equality. The meetings also examined how investee companies and asset managers take into account environmental and sustainability issues. In the past year, Keva arranged about 70 meetings with asset managers.

Keva's largest private equity asset managers responded to an ESG survey updated in 2023 to chart asset managers' responsibility practices. The results of the survey showed that all private

equity funds that responded to the survey have principles for responsible investment. In addition, more than 80% of our asset managers are signatories to the UN Principles for Responsible Investment (PRI). Most of the funds measure the CO2 emissions of their investments and almost half report climate risks in line with the TCFD.

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.

Investments in real estate funds

The 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 2023, the portfolio was valued at around EUR 1.3 billion and consisted of investments in around 600 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 asset managers focus on the energy and water consumption of the properties along with safety. As part of their commitment to responsible investment, asset managers also focus on carbon footprint monitoring, the environmental classification of the buildings and construction projects (BREEAM and LEED), and Global Real Estate Sustainability Benchmark GRESB reporting at the fund level. ESG aspects have been integrated into the investment analysis.

Keva's investments in real estate funds are primarily in closed-end funds, where the investor commits for multiple years. During the life of the fund, limited partner advisory committees are the most important means of engagement. The advisory committees are typically composed of the biggest fund investors and meet between two and four times a year. The advisory committee engages both with the property investments and asset manager, and promotes the general discussion of ESG issues.

Last year, Keva had a seat in the advisory committee of 35 funds and attended around 60 committee meetings. Other forms of engagement include regular meetings with

Taking into account ESG perspectives is integrated into investment analysis.

asset managers at which ESG aspects are also covered. Keva had 50 such meetings in 2023.

In 2023, Keva's real estate investment fund managers took part in our updated ESG survey, which surveyed their responsible investment practices. The results of the survey showed that all real estate funds have responsible investment practices. In addition, more than 90% of our asset managers are also signatories to the UN Principles for Responsible Investment (PRI). Almost all funds measure the CO2 emissions of their investments and almost half report on climate risks in line with the TCFD.

Keva is a member of the European Association for Investors in Non-Listed Real Estate Vehicles (INREV), which is Europe's leading platform for sharing knowledge in the non-listed real estate sector. INREV is committed to improving transparency, professionalism and accountability across the sector.

Infrastructure investments

Infrastructure refers to structures and facilities that enable the effective functioning of society and include 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.

CASE

The company is the UK's largest energy-from-waste company. The company converts recyclable waste from residential and industrial sources into heat and partly renewable baseload power for the UK electricity grid. The company has an annual waste treatment capacity of more than 2.3 million tonnes and a total combined power generation capacity of 247 MW, enough to cover the needs of more than 500,000 UK households.

The company's operations save a total of approximately 500,000 tonnes of CO₂e per year in the UK's waste management and power generation sector (equivalent to 1.4% of emissions from

the waste sector). The emission reduction is 280 kg CO₂e per tonne of treated waste compared to sending waste to landfill.

The company's annual carbon dioxide emissions are approximately 1 million tonnes CO₂e, mainly due to emissions from incinerated waste. By 2033, the company aims to address these emissions from its own operations through carbon capture and storage and potentially become carbon negative in the future.

It is important for the company that its business does not harm the environment and it has commissioned biodiversity assessments at all its sites. These

assessments confirmed that there are valuable ecosystems and structures in and around the company's sites that they need to protect. The ecological and biodiversity improvement plans resulting from these assessments include:

- *Annual habitat condition assessments conducted by independent ecologists*
- *Daily checks on habitat condition*
- *External noise monitoring surveys in the vicinity of installations*
- *Service contracts with landscaping companies to ensure land use management.*

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 2023, our infrastructure portfolio was valued at EUR 1.9 billion, with investments in 110 companies.

Infrastructure funds are primarily closed-end funds, where the investor commits for multiple

years. During the life of the fund, limited partner advisory committees are the most important means of engagement. Advisory committees are typically composed of the biggest fund investors and meet between two and four times a year. Advisory committees engage both with the property investments and asset manager, and promote the general discussion of ESG issues. Last year, Keva had a seat in the advisory committee of 11 funds and attended 22 committee meetings. Other forms of engagement includes meetings several times a year with asset managers at which ESG aspects were also raised.

An ESG survey carried out by Keva in 2023 showed that all Keva's infrastructure funds have responsible investment practices. In addition, a large share of our asset managers are also signatories to the UN Principles for Responsible Investment (PRI).

The survey responses show that all funds measure the CO2 emissions of their investments and also report on climate risks in line with the TCFD.

Corporate bonds

In 2023, our direct corporate bond portfolio was valued at EUR 2.8 billion. Our investments in corporate bonds are focused on the lower-risk, higher-rated spectrum. These investments cover bonds that are issued by companies and financial institutions in the European market. At year-end 2023, the portfolio held bonds from 100 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 principal sources of information include analysis and data provided by ESG service suppliers, securities brokerage firms and the investee companies. ESG issues are today a natural part of any investor presentation and publication. When we meet with companies, we discuss ESG aspects with the company's management almost without exception. Most meetings are arranged in conjunction with new bond issues. Companies also meet with investors outside of bond issues in order to keep investors informed about potential future bond issues. During 2023, we met with around 70 companies.

Recent years have seen "green bonds" gain popularity in the corporate bond market. An



external accreditation body has defined the uses of financing obtained with green bonds to ensure environmental compliance. Green loans are already a significant part of the market and, consequently, also a part of Keva's direct corporate bond portfolio.

Recent years have also seen an increase in the popularity of "social bonds", which are used to finance projects with a positive societal impact. We invest in green bonds or social bonds only if the company as a whole meets our investment criteria. Issuers of these bonds are subject to the same stringent investment criteria as we use for any other company. At year-end 2023, our investments in green and social bonds totalled EUR 450 million.

We apply norms-based UN Global Compact screening to companies in our portfolio and to ones under consideration for inclusion. We are notified of any breaches automatically. No breaches of the UN Global Compact were

Asset managers are required to share Keva's investment beliefs.

detected in our direct corporate bond investments at year-end 2023. There was one breach detected in the portfolio in 2022 and this was found to have been resolved in 2023. However, the investment was divested from our portfolio during 2023.

Corporate bonds in our externally managed portfolio

Corporate bonds in our externally managed portfolio are focused on the lower-rated spectrum bonds. The corporate bond portfolio is managed exclusively by external asset managers, who are selected for our portfolio through rigorous vetting. They are required to share and act according to the same investment beliefs as Keva. Cooperation with external asset managers is based on long-term partnership, trust and transparency.

At year-end 2023, our high yield corporate bond exposure was managed by 17 external asset managers through 19 different investment strategies. These assets totalled around EUR 6 billion and our portfolio held around 1,200 individual companies. The portfolio focuses on European and US companies, although the source of their revenue streams is often global. A small part of the portfolio is invested in corporate bonds in developing countries.

With debt financing, asset managers engage with portfolio companies in ways other than voting. Effective engagement is not always determined by investor size alone as leverage can also be relative or situational. This may be the case, for example, when the company is under financial stress, or when a company is smaller in size and therefore subject to less market attention.

For years, we have been monitoring the goal-oriented engagement processes, which our external asset managers have initiated with portfolio companies.

Regular monitoring identifies the underlying causes, objectives, method, duration and success of engagement. The monitoring process was developed during 2023 to also include engagement with companies that were ultimately not selected for the portfolio. In addition, the timing of engagement in the bond's lifecycle was added to the monitoring process, i.e. whether engagement takes place when funding is granted, during the loan term or at the end of the loan term, when the majority of companies usually apply for refunding.

During the year, there were 57 goal-oriented engagement processes underway. This figure excludes usual information acquisition and company analysis related to everyday portfolio management. Most engagement during the year was carried out directly, without intermediaries or other investors. During the year, these engagements resulted in positions being sold, increased or maintained.

Greenhouse gas emissions (environment), human rights (social) and capital allocation (governance) were highlighted under the main

themes. In terms of numbers, most engagement efforts during the year were directed at governance and these had the highest success rate in relative terms.

Some of the engagement processes are more diffuse, but the combination of environmental responsibility and business model resilience was seen in several cases during the year. In these cases, the engagement processes involve changes at the very strategic level of the business, so that the company can remain competitive in the green transition or retain its permit to operate in a changing regulatory environment.

Examples of such engagements during the year included the transformation of a waste treatment company from a mere recycler to an energy-from-waste operator, the expansion of the energy company's operations into the field

of carbon capture and storage (CCS), and the transformation of a commercial bank's business model into one driven by sustainable finance.

In addition to monitoring engagement processes, we also monitor the implementation of international norms in our externally managed investment portfolio at regular intervals.

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 2023, the market value of our real estate portfolio was around EUR 3.4 billion. Keva's direct real estate investments consist of around 130 properties with a net lettable surface area of around 917,000 m² at year-end 2023. The properties are concentrated in the

CASE

The Kulma-Sarvis business park in Hatanpää, Tampere was one of the largest environmental investments made in Keva's investment property portfolio in 2023.

The project included building a geoenergy field at the property for the seasonal storage of waste heat and utilisation of ground-source heat. In addition, heat recovery units were increased and improved in the property, fans were replaced and an automated system enabling energy-

efficient control was updated.

The measures seek to achieve energy savings of more than 90% in district heat consumption, which will contribute to reducing greenhouse gas emissions from heating and in turn promote the realisation of the climate targets of the City of Tampere and Keva's real estate portfolio.

Keva makes use of energy management in monitoring and developing energy efficiency: an external expert is fully responsible for the property's energy

management. When we actively monitor properties, we can select the best measures to maintain and improve their energy efficiency.

The energy and water consumption of almost all properties owned by Keva is monitored in real time, allowing deviations to be quickly detected and corrected. Most of the business properties have remote monitoring of building automation, which makes it possible to adjust the energy consumption of the properties as needed.

Helsinki Metropolitan Area and in other growth centres in Finland. In terms of value, the portfolio consists of business premises (39%), offices (25%), residential (22%), hotels (9%) and other properties (5%).

Keva's responsible real estate investment policy takes into account economic criteria as well as the environmental and societal impact 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 our direct real estate investments still equalled one two thousandth of Finland's total greenhouse gas emissions in 2018. We aim to halve the carbon dioxide emissions caused by the energy use of these properties by 2025 and to achieve carbon neutrality by 2030. Our carbon neutrality target will be implemented in accordance with the contents of the Green Building Council's (GBC) Net Zero Carbon Buildings Commitment signed in 2020.

The goal of carbon neutrality in energy use requires a large number of practical measures. Our action programme has three main priorities:

- to improve the energy efficiency of our properties by 20% by 2030
- to increase the share of renewable energy produced on site at the properties to 10% of the total energy consumption by 2030)
- active measures to promote low-carbon emissions of energy purchased externally.

In 2023, Keva implemented around 40 individual energy-use enhancement or renewable



energy production measures, which achieved calculated yet measured energy savings of more than 2.2%. Most of the energy savings in 2023 were achieved through renewable energy production and recycling systems: the year saw the completion of 6 heat pump systems and 3 solar power plants. Together, these accounted for more than 75% of the 4,600 MWh/year energy saving measures in 2023, with the remaining savings of around 1,000 MWh/year being achieved through traditional energy saving measures (approx. 30).

In 2019-2023, active measures have improved the energy efficiency of our properties by more than 15,600 MWh/year or by roughly 8%. The share of our own property-specific energy production in final consumption is rising to 2.4%. Whereas there is still a long way to go to reach the interim targets for 2025 (12% energy savings and 4% renewable self-production), the required investments are already known and planned.

Energy efficiency measures were also reflected in the energy consumption verified through consumption monitoring. All in all, weather-adjusted energy consumption decreased considerably in Keva's property stock, by 13% compared to a year ago. Since 2.2 percentage points worth of active energy saving measures were identified, the large reduction in energy consumption also reflects other changes. Keva participated in the Down a Degree campaign in the winter of 2022-2023 with its property stock and this has a significant impact.

The full impact of the changes in control method and indoor temperature cannot be fully calculated and included in the list of active (and permanent) energy saving measures. This is a major explanatory factor for the difference between calculated and measured energy savings. Another major explanatory factor is also related to the energy crisis during the winter of 2022-2023, when individual tenants with high electricity consumption switched to their own electricity procurement. This consumption of electrical energy (approx. 4 percentage points) was removed from Keva's reporting. Water consumption in comparable properties decreased only slightly, by less than 1%, reflecting the behavioural change after the coronavirus period, i.e. the return to offices.

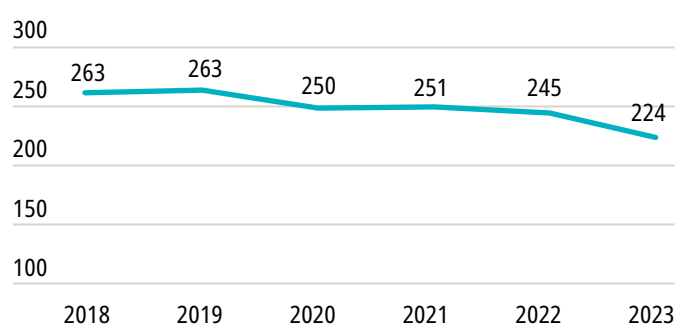
The measured changes in energy and water consumption in 2023 reflect very broadly the active changes in energy use, the energy saving measures of the Down a Degree campaign and changes in individual tenants' electricity procurement.

In line with international reporting guidelines, our real estate investments monitor carbon dioxide emissions based on measured – not

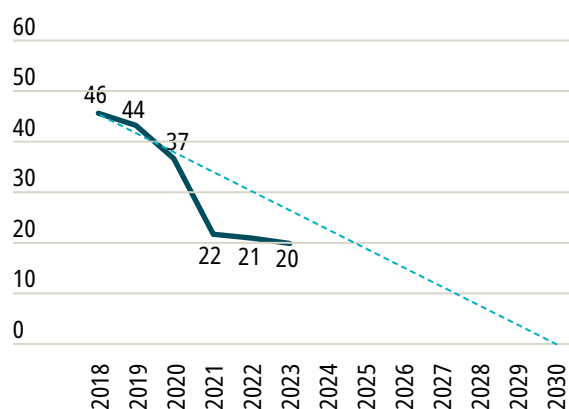
weather-adjusted – energy consumption. Comparable carbon dioxide emissions caused by the energy use of investment properties decreased by 8% compared to a year earlier.

The monitored specific emissions continued to decrease in line with our emission trajectory (image). Specific emissions ($\text{kgCO}_2\text{e}/\text{m}^2$) decreased in the business premises portfolio and increased in the residential portfolio.

Trend in energy use and CO₂ emissions in internal real estate investments 2018–2023. The indicators have been presented as numerical characteristics relative to the net floor area of the investment properties.



■ Energy consumption per net floor area, kWh/floor m², year



■ Carbon dioxide emissions per net floor area, kgCO₂e/m², year

Residential properties are affected by the increased emission intensity of district heat production. Although district heat use saw a sharp decrease, the increase in specific emissions from district heat production in Finland (as a result of the energy crisis) led to higher total emissions in the use of heat energy. In business premises, emissions also decreased in absolute terms, partly because the energy savings measures in the Down a Degree campaign were easier to implement by controlling the ventilation and conditions of the premises. We will continue to reduce the purchase volumes of district heat by investments in heat pumps using our 100% renewable electrical energy.

Carbon dioxide emissions have already decreased by more than 55% compared to the beginning of our environmental programme, i.e. the reference year 2018. In addition to the energy saving and property-specific energy production measures detailed above, the significant reductions in carbon dioxide emissions are due in particular to the purchase of renewable electricity.

Hedge fund investments

Hedge fund investments are predominantly used for diversification of the portfolio and absolute returns. Different asset classes and instruments are used to make investments. Engagement is determined by asset class, e.g. for listed equities the funds can vote in 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 2023, the portfolio consisted of 35 fund investments managed

by 19 asset managers. At year-end 2023, the portfolio was valued at EUR 4.5 billion. We use an independent service provider's classification for our hedge fund investments. The classification also takes into account ESG factors. Based on an ESG survey carried out by Keva in 2023, almost all Keva's hedge funds have principles for responsible investments. In addition, more than 70% of our hedge fund asset managers are signatories to the UN Principles for Responsible Investment (PRI).

We try to promote responsibility in hedge funds. Key forms of engagement include regular meetings with asset managers and advisory committee seats, both of which enable us to engage with managers on a wide range of responsibility issues. In 2023, Keva had a seat on the advisory committee of 22 funds and attended 34 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 best practices. 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.

Collaboration engagement

Membership in different investor networks provides Keva with information about responsible investment. Engagement with companies and governments in collaboration with other investors is also more effective than working alone. Collaboration objectives include the promotion of transparency, the mitigation of climate change and the advocacy of long-term thinking among investors and companies.

CDP

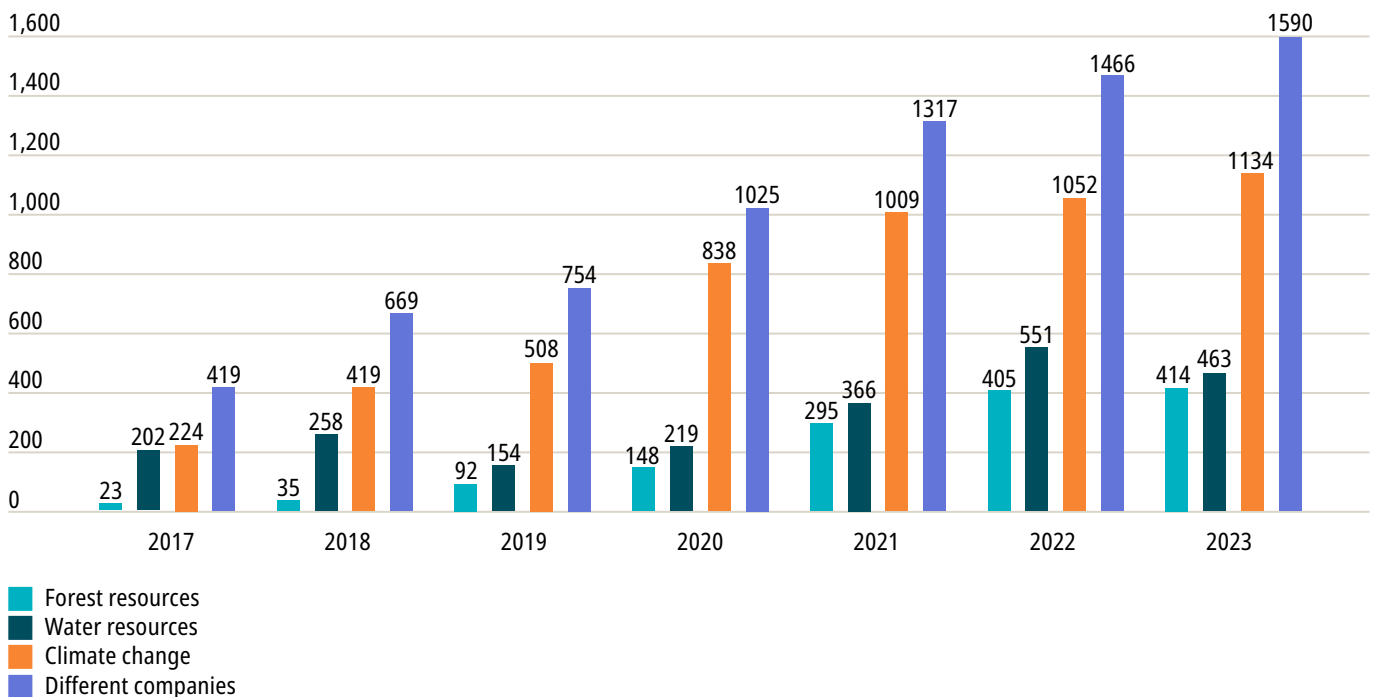
CDP is a global non-profit organisation that focuses on reporting environmental data and increasing company disclosure about the impact of businesses on climate change, water usage and the use of forest resources on behalf of investors. The CDP reporting platform offers investors comparable environmental data disclosed by companies that report to CDP. Reporting on environmental impacts promotes the companies' own understanding of business risks and opportunities while helping investors to better understand the investee companies. In 2023, more than 23,000 companies, representing around 66% of the world's stock

market, reported their environmental impacts to CDP. Keva has been a signatory to CDP since 2006 (the climate change initiative since 2006, the water resources initiative since 2011 and the forest resources initiative since 2014) and uses CDP's environmental impact data to assess responsibility of investee companies. In 2023, 77% of the companies in Keva's equity portfolio and 31% in the corporate bond portfolio reported their environmental impacts to CDP.

CDP Non-Disclosure Campaign 2023

As in earlier years, Keva took part in [the CDP's Non-Disclosure Campaign](#) in 2023. As a signatory to CDP's Non-Disclosure Campaign,

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



Highlights in the 2023 campaign:

- 10% more investors and 8% more targeted companies involved than in 2022.
- Of the 1,590 companies receiving a request, 317 began reporting to CDP (221 climate change, 58 forest resources and 66 water resources).
- Companies are 2.2 times more likely to report to CDP than without a request from investors to report, more than 6.8 times more likely in respect of forest resources.

Keva along with other co-signatories calls for improved disclosure from companies.

A total of 288 investors representing investment assets totalling USD 29,000 billion were involved in CDP in 2023. A total of 1,590 companies were requested to provide disclosure reporting.

Since this year, the signatories to the project were unable to choose the target companies for inclusion in the reporting request, Keva was involved in the whole campaign. Companies inside and outside Keva's portfolio were included.

Climate Action 100+

Keva continued to support [the Climate Action 100+](#) project. In 2023, the project included a total of 700 investors, responsible for more than USD 68,000 billion in assets under management. The project targeted 170 companies globally which play an important role in achieving the goal set by the Paris Agreement. In the early stages of the campaign, only five companies had a zero-emissions target for 2050, and now 77% of the target companies have already set a net-zero target.

The campaign, originally planned to last five years, was followed by the launch of a second phase to last until 2030 in June. In the second phase, the aim is for companies to put into practice their transition plans to mitigate climate change.

In the initiative, the target companies' climate targets are compared using the Net Zero Company Benchmark, which was updated during the year. Minor changes were also made to the list of focus companies in order to engage with the most significant emitters. A

new net zero standard was published for the oil and gas and mining sectors.

IIGCC

[IIGCC](#) is Europe's largest consortium of investors against climate change and develops, among other things, long-term risk management, operating policies and investment practices for mitigating climate change. IIGCC's community of more than 400 investors is responsible for around USD 65,000 billion in assets under management. As a member of IIGCC, Keva seeks to engage with companies and regulators to reach climate goals.

Engagement with the investor community and membership of organisations

[UN Principles of Responsible Investment, PRI](#)

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

[Finland's Sustainable Investment Forum, Finsif](#)

- 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 as well as in the communications network expert group.

[ILPA \(Institutional Limited Partners Association\)](#)

- member since 2008.

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

- member since 2004.

SBai, (Standards Board for Alternative Investments)

- member since 2017.

Keva's public pledges for responsible investment

UN Principles for Responsible Investment, PRI

Property and Building Sector Energy Efficiency Agreement 2017-2025

Climate Partners, a collaboration network between the City of Helsinki and businesses

World Green Building Council's (GBC) Net Zero Carbon Buildings Commitment

RAKLI's Green homes initiative

Governance of responsible investment at Keva

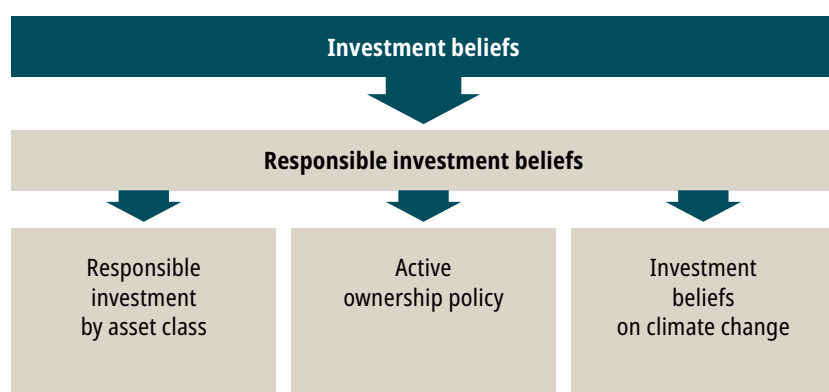
Keva's Board of Directors decides Keva's long-term responsible investment policy, which is determined by key steering documents: Investment beliefs and Responsible investment beliefs.

The Board of Directors is notified of the development of responsible investment strategy and processes twice a year.

The steering group for responsible investment oversees the development of responsible investment practices at Keva. The steering group includes members from each of Keva's investment units. The Head of Responsible Investment chairs the steering group for responsible investment.

The group makes development proposals to investment units and to the Chief Investment Officer, disseminates information internally, is responsible for Keva's annual PRI reporting and prepares and presents questions relating to responsible investing to the Chief Investment Officer for decisions.

Keva's steering documents for investment policy



We operate sustainably and transparently

Our goal is a shared understanding of the right way to act

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 2023, Keva was not aware of any specific and material problems in compliance with the Code of Conduct or other procedural guidelines, and

We take
responsibility for
the environment
and society



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

Stakeholder dialogue strengthens confidence on page 56.

Risk management, independent supervision of investment risks and contingency planning

Risk management is part of Keva's everyday management and supervisory work. The aim of risk management work is to develop operations and processes and to support the achievement of Keva's goals so that the rights of the insured and pension recipients can be 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 2023 was related to the implementation of an application acquired to support risk management. Functionalities have also been added to the new application, e.g. for compliance. In addition, it aims to link

data protection and security processes more closely than before to other risk management activities.

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 the 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 will also be sent to Keva's supervisors for information.

Strategic and operational risks identified

The biggest strategic risk at Keva is considered as being the adequacy of long-term pension funding. This is why Keva's Board of Directors decided in June 2023 to gradually increase the risk level of the investment portfolio and through this measure contribute to securing

the funding of future pensions. Read more about the matter on page 5 above.

One of the key operational risks is related to cybersecurity. Attention was also paid to factors threatening ICT technology and operational reliability.

A responsible way of working and goals also includes the continuous development of operations. This is why risk management support was used in 2023 to identify, among other things, risks related to personnel abilities and sufficient skills, as well as the associated management methods.

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 2023, work continued on a comprehensive study of associated compliance risks. 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, the 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.

In 2023, Keva participated in e.g. the FATO exercise organised by the National Emergency Supply Organisation. The exercise generated valuable information on the functionality of contingency plans and development needs.

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.

The greatest strategy risk is the long-term adequacy of funding.

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 approved in 2023.

During 2023, the Compliance Officer conducted annual function-specific focus area reviews. These were reported to the Risk Management Group and the Audit and Risk Management Committee of the Board of Directors. 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 software.

Cooperation between Keva and the oversight authorities, the Ministry of Finance and Finan-

cial Supervisory Authority, continued with regular unofficial meetings at which parties were present. The Compliance Officer worked in Keva's responsibility group, which prepared the responsibility principles. A quarterly quality control of pension decision operations was conducted.

The Compliance Officer assesses the regulatory compliance of Keva's investment operations. He participated in regulatory monitoring and organisation, maintenance and development of Keva's compliance principles and processes for investment operations.

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 four were carried out in 2023. In addition to the company's own audit and observation activities, continuous monitoring of investment operations was carried out by assessing the data produced by the independent monitoring of investment risk team describing compliance with investment limits.

The Investment Compliance Officer acts as the chair of the Investment Compliance Group. He participated in competitive tendering for the legal expert service for investments and the sanctions monitoring service.

One report received via the ethics channel

One report was received via Keva's ethics channel, an internal whistleblowing channel, in 2023. The ethics group investigated and processed the report and gave its response to the anonymous whistleblower through the reporting channel.

Continuous development of data protection and data security

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

In 2023, data protection impact assessments were carried out on different information systems alongside the clouding project. Guidelines and document templates were drawn up, for example, in matters related to work ability decisions and in connection with scientific and statistical research. The privacy notices published on Keva's website, for example on the new customer panel activities, were updated.

A network monitoring tool was introduced to improve data security detection capability. The attack interfaces of the external network were mapped and the vulnerabilities of our suppliers' public services were checked.

Statistics are compiled of data protection triggers and events

Personal data breaches are divided into data protection triggers (an event with a risk of a data breach) and data protection incidents (a data breach has occurred, i.e. an irregularity in the processing of personal data has occurred).

During 2023, there were 14 data protection triggers and 13 data protection incidents. Seven incidents were reported to the Office of

the Data Protection Ombudsman. These data protection incidents were mostly the result of individual human processing errors.

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

Assessment of data protection incidents and data security level

Both Keva's data protection partner and Keva's own experts monitor data protection incidents. Around 570 protection incidents are detected every month. Of these, an average of six per month emerge for closer examination.

An external consultant and Microsoft Secure Score were used to measure the security posture. Based on the assessments and recommendations, Keva carried out measures to improve the data security level.

Customers can inspect their personal data

Registered employee customers have the right to inspect their data in Keva. There were five such requests in 2023. 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 to >](#)

Keva's Data protection officer oversees the processing of personal data in the pension system. Random control may be directed at

14 data protection triggers
13 data protection incidents

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.

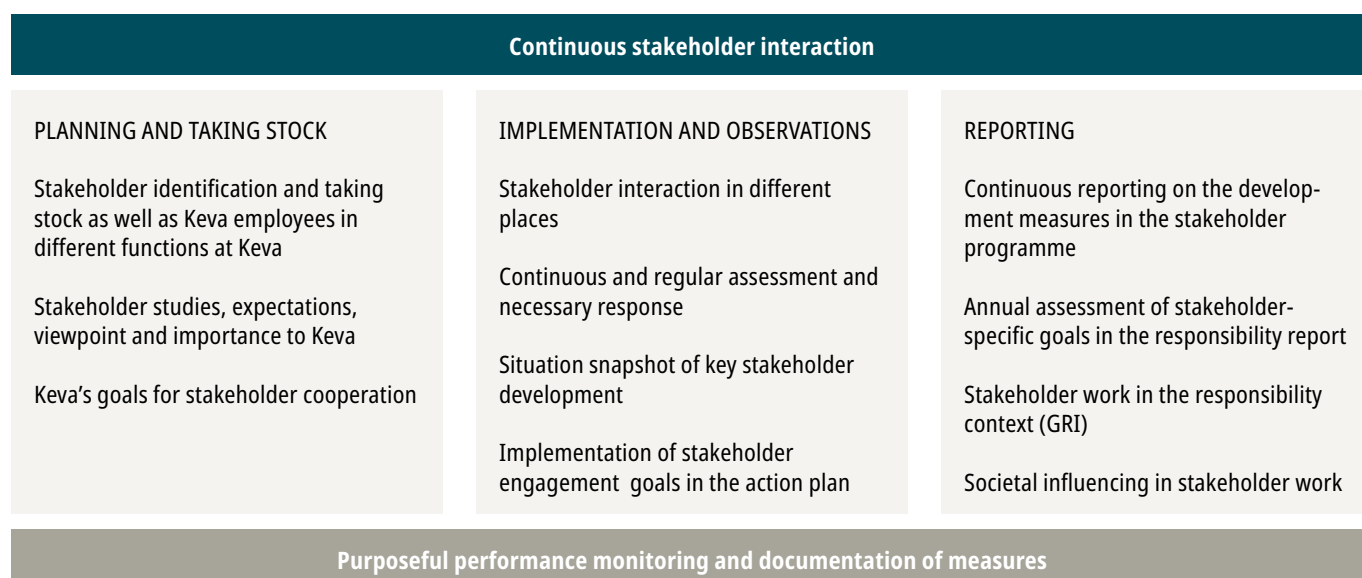
Stakeholder dialogue strengthens confidence

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 work with stakeholders is determined by the Stakeholder Programme, where Keva's operations have been examined starting with each stakeholder's wishes and expectations. The Stakeholder Programme is drawn up as a three-year, goal-oriented guideline. The programme is constantly updated to ensure that the information on each stakeholder is up to date.

Keva's stakeholder work process

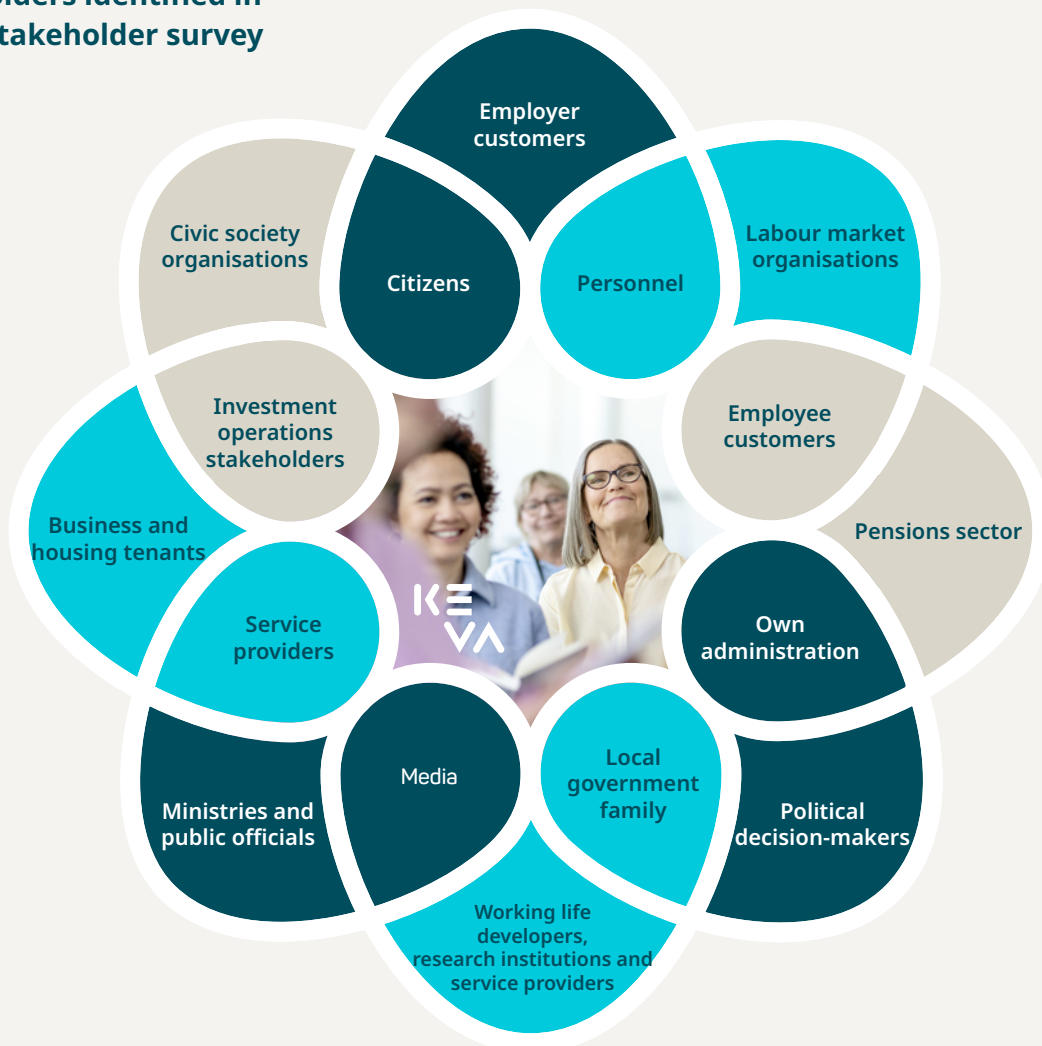


Keva's key stakeholders and their expectations of Keva's operations

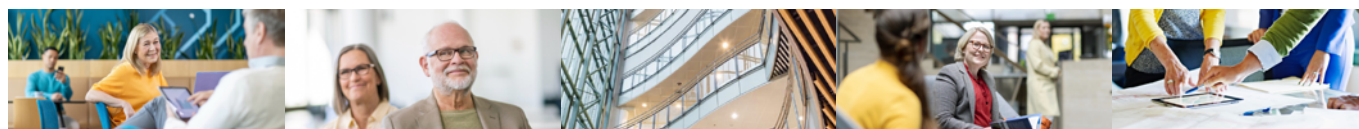
Keva has identified various stakeholders affecting Keva's operations. Keva has reviewed stakeholder expectations and wishes, and considered how expectations and wishes can best be met in working with stakeholders.

The Stakeholder Programme 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 in appendix to this report.

Stakeholders identified in Keva's stakeholder survey



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 well-being 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
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Keva is considered to be a stable investor 	<ul style="list-style-type: none"> Increased openness and information and advertising Openness and transparent operations
Keva's actions	Keva's actions	Keva's actions	Keva's actions
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 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 customers, i.e. employers, 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 is measured weekly through the pulsometer and annually through employee surveys.

Every few years, Keva has commissioned a separate stakeholder and reputation survey. The survey has established the expectations and wishes of Keva's key stakeholders and perceptions of Keva's reputation, communication and responsibility. An extensive strategy and responsibility survey for all stakeholders was completed in 2022. The survey helped to outline various future expectations for Keva's new strategy period and surveyed perceptions of Keva's existing responsibility goals and what Keva's work with responsibility should take account of going forward.

Stakeholders expect Keva to focus on its core tasks of earnings-related pension provision, investing pension assets and reducing the risk of incapacity for work. Stakeholders also expect dialogue and cooperation.

Keva's stakeholder surveys in 2023

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. Image and expectations also asked.	Two-year intervals
Employee survey (Promenade Insight)	Keva's personnel	Autumn 2023, personnel included in Keva's responsibility and strategy survey and in the 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 responsibility work.	Annually
Customer survey, employer customers	Keva's employer customers	Autumn 2023 and additionally top management 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.	Annually
Employee customer service (own surveys)	Keva's employee customers	Autumn 2023, included in strategy and responsibility survey 2022	To establish the expectations and views of Keva's employee customers of Keva's services.	Continuous feedback, quarterly analyses
Stakeholder and reputation survey (Aula Research)	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	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 and responsibility work.	At least every other year (next at the beginning of 2025)
Keva's municipal decision-maker barometer (Pohjoisranta BCW)	Municipal councillors	Autumn 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 surveys)	Keva's residential tenants	Autumn 2023	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 BCW)	Citizens' pension awareness	Autumn 2023	To establish the views of citizens of pension awareness and matters related to retirees. Image and expectations also asked. Reported regionally.	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. Team members are part of Keva's senior management, and the team meets

Keva's monitoring of regulations and decision-maker communications in 2023

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	Covid 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 Covid work ability project. The project has received Government/EU funding for 2023-2026.	Keva has started implementation of the project and is prepared to finance half of the resources required by the work ability project.	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.	Ministry of Finance Juha Majanen, Susanna Huovinen, Riitta Aejemaelus, Juha Sarkio
Work 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 the development of rehabilitation, informal care and family care in particular, 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.	
Amendments to the Act on Keva	Wellbeing services counties have been created in Finland following the health and social services reform. These wellbeing services counties will become Keva member organisations, which is why the provisions concerning Keva's administration will be amended.	The change in administrative structure and the representation of the wellbeing services counties in Keva's governance will clarify the current situation. In terms of implementation, a review of the validity of the membership organisation clause of universities of applied sciences will provide additional time for supplementary pension rights.	Keva has initially discussed the amendment with Ministry of Finance officials and has taken part in consultations on the matter held by the Ministry of Finance. The bill has been prepared in the Ministry of Finance and has been on a round for comments. Keva has spoken about the bill to the ministry and to Parliament's Administration Committee and has been consulted in Parliament. Parliament passed the act in the first half of 2023.	Ministry of Finance Jani Pitkaniemi, Marja Iso-mäki, Minister Sirpa Paatero, Minna Salminen, Lauri Finer.

An example of Keva's key monitoring of regulations and decision-maker communication issues. Continues in appendix.

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 2023. The stakeholder team dealt with 63 key regulatory issues affecting Keva's operations and operating environment, of which 24 were EU regulation matters.

The most important regulatory matters for Keva were the launch of wellbeing services county operations and the project funding awarded by the Ministry of Finance for Keva's Sustainable working life project.

Keva prepared expert material for political parties and general election candidates on labour shortages and the importance of work ability management. Keva's views were well represented among decision-makers in the general election and in the policies of the country's Government Programme after the election.

Keva's view and expertise are heard by ministries and parliamentary committees, among

others. In 2023, Keva provided three opinions to ministries and parliamentary committees. Keva published all key decision-maker communication issues in which it has been active. The list can be found in appendix to this report.

Stakeholder meetings and networking

Keva has many various stakeholder meetings and Keva employees actively participated in stakeholder events. For example, Keva's stakeholder expert team alone participated in 143 (2022:131) stakeholder events in 2023.

Keva Day, Keva's biggest customer and stakeholder event was held on 9 March 2023. The event attracted a record public attendance of almost 1,200 to the Tennispalatsi cultural and recreational centre in Helsinki. The Keva Day theme was A sustainable working life, and experts' talks on wellbeing at work and work ability management were heard.

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.

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.

Keva's views were heard by a number of ministries and media journalists, among others.

Requests for information and opinions

The mass media contact Keva because of various requests for information. During 2023, Keva received 12 requests for information from the

mass media with many requests concerning the adjustment pension and allowance of members of parliament. Five requests were received from the authorities.

Key meetings of the CEO, deputy CEOs and communication director in 2023

- With parliamentary groups 0
- With ministers and state secretaries 4
- With media journalists 13

Opinions in 2023

Request for an opinion: Guidelines of the Ministry of Social Affairs and Health on the development of the task structures and operating models for the division of duties of health and social services personnel

Request for an opinion: Cost-effectiveness model for digital security

Request for an opinion: Interim report of the Social Security Committee

Requests for information in 2023

Request for information on Keva's investments, Al Jazeera English

Request for information on the appeal and retention power of professions in the care sector, Helsingin Sanomat

Request for information on public sector retirement, MTV News

Request for information relating to hate speech material, Työterveyslääkäri magazine

Request for information relating to wellbeing at work in the health and social services sector, MustRead

Request for information on the reasons for retirement due to disability in healthcare and social welfare professionals, Tehy magazine

Request for information relating to Keva's investment operations, With Intelligence

Request for information relating to the staff shortage in occupational groups in the health and social services sector, MTV News

Request for information on the employment of the elderly/pensioners in Finland, Le Parisien

Request for information on the procurement of Keva's asset management services, McKinsey & Company

Request for information relating to the search for a pension manager and payment services specialist, Salla Lassila

Request for information on adjustment allowance recipients, February 2023, Ilta-Sanomat

Request for information on adjustment allowance recipients, Utisuomalainen

Request for information on the pensions of members of parliament, HSS Media Ab

Keva's memberships in 2023

CDP Worldwide
European Association of Public Sector Pension Institutions
International Coaching Federation
EGN SUOMI
European Mentoring and Coaching Council
European Association for Investors in Non-Listed Real Estate Vehicles
Finnish 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
Noon Arkki
PRI Association
Royal Institution of Chartered Surveyors
Actuarial Society of Finland
Finnish Pension Alliance TELA
TIEKE Finnish Information Development Society
Veronmaksajien keskusliitto

Keva's visibility in media publicity increased

Keva's overall publicity increased compared to the previous year and returned to the high level seen a couple of years ago. In particular, there was a brisk increase in news coverage based on Keva's news.

The amount of publicity in high-reach national media increased significantly. Keva's releases also received significant publicity in the regional media and were reflected in high publicity peaks.

The themes that received the most attention were related to work ability, working life and employment. Most of the publicity on these

topics was high-attention publicity, i.e. Keva played a key role in the article and Keva's representative was quoted in the news. In addition to the publication of results, the increase in the risk level of Keva's investment portfolio was particularly visible in public.

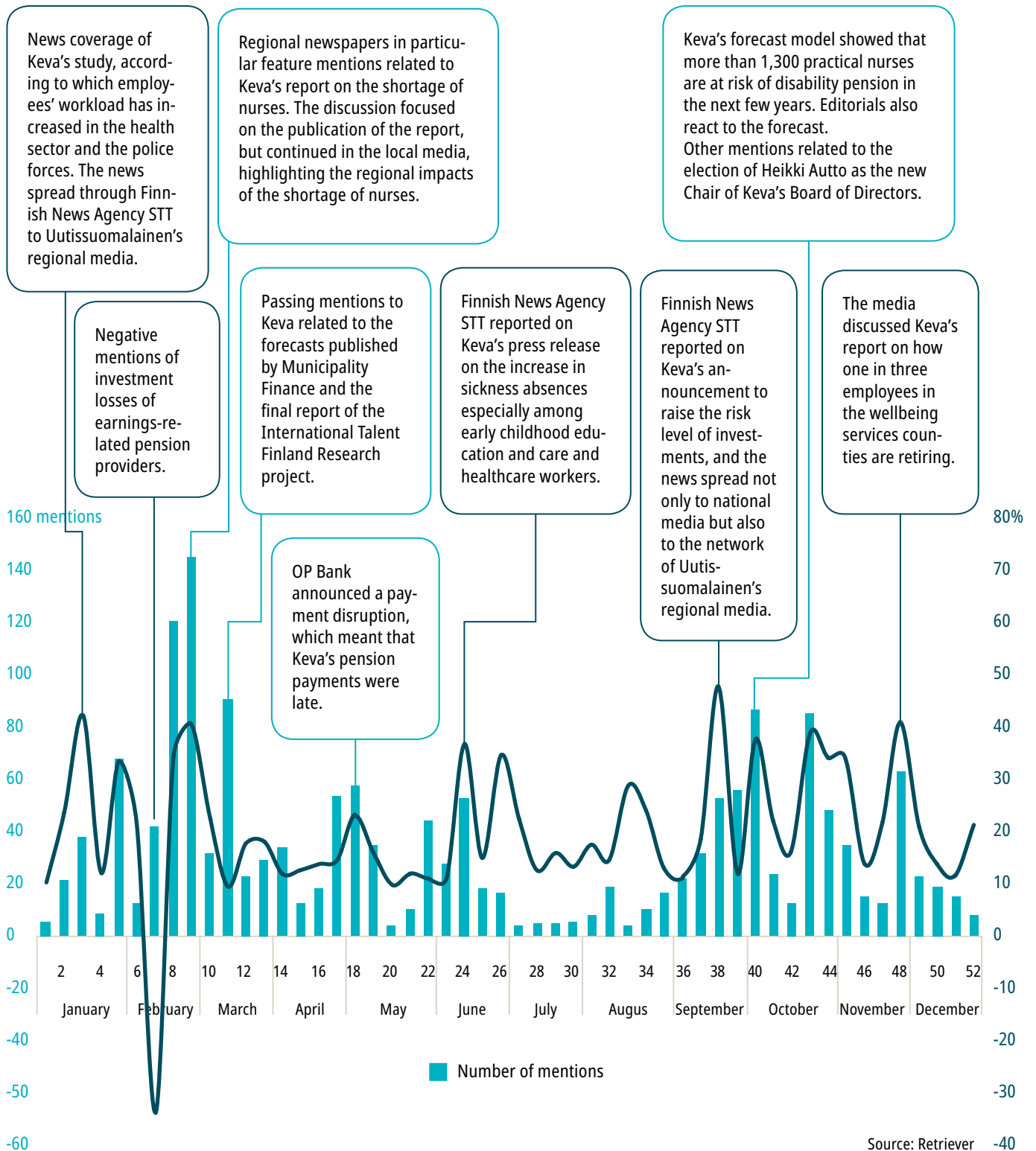
Keva's forecasts on the retirement of public sector personnel and municipalities' need for labour also received wide media attention and discussion of the topics also continued in editorials and column inches.

Keva's expertise in its own subject areas is also reflected in the fact that, in addition to senior management, a fairly large number of Keva representatives speak publicly about Keva's news.

Publicity trend 2023

	Number of mentions	Publicity tone (pos/neutr %)	Amount of news based on press releases
2023	1,713	97	941
2022	1,297	97	587
2021	1,855	99	1,113

Keva's communications were visible as publicity peaks during the year



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.

Since 2023, Keva has employed a procurement specialist, who develops centralised procurement planning, processes and scheduling.

In 2023, a process was developed for the start of procurement, the aim of which is that procurements will begin in a specified format and that procurements will be made in a goal-oriented manner. As part of the start of the procurement process, the unit preparing the procurement must consider the responsibility aspects of procurement.

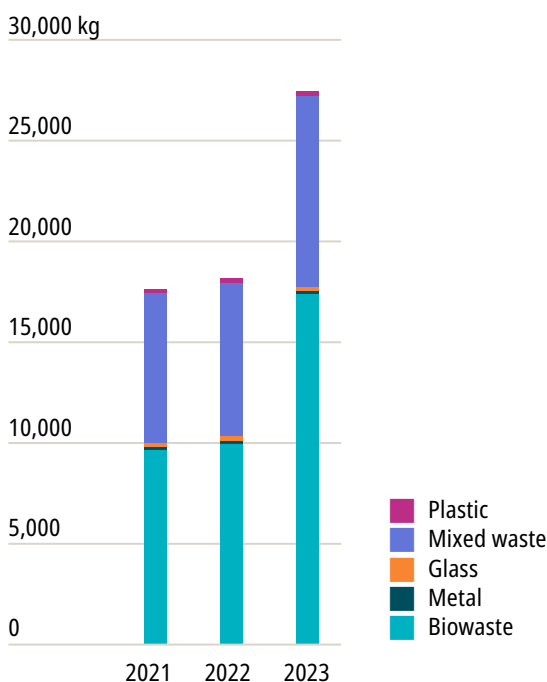
Keva completed 20 procurements in 2023. The estimated value of these exceeded EUR 60,000 over the calculated four-year period. In quantitative terms, 70% of the procurements are professional services. In these procurements, the minimum criteria for suitability considered the social aspects of tenderers' responsibility.

The consideration of responsibility issues in Keva's procurements will be developed during 2024.

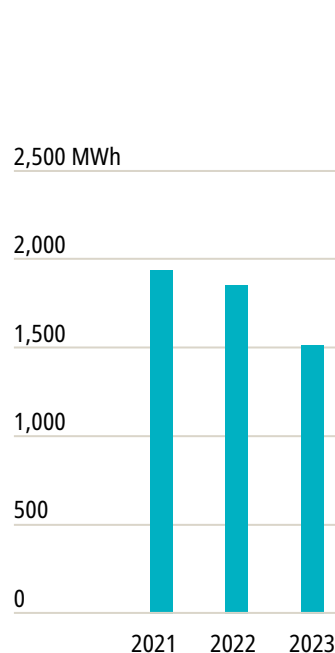
Environmental impacts of the Keva building

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

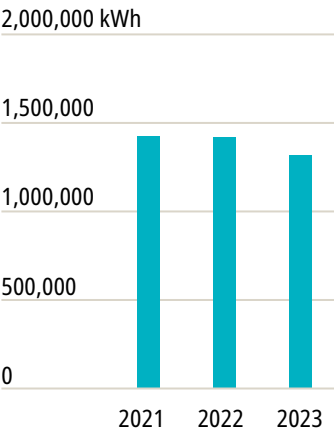
Waste at the Keva building 2021–2023



District heat consumption at the Keva building 2021–2023



**Electricity consumption
at the Keva building 2021–2023**



The fluctuations in the number of employees related to the transition to hybrid working levelled off compared to 2022, and the occupancy rate of the building has stabilised. Apart from the summer holiday season, an average of 140–150 people worked in the Keva building every day.

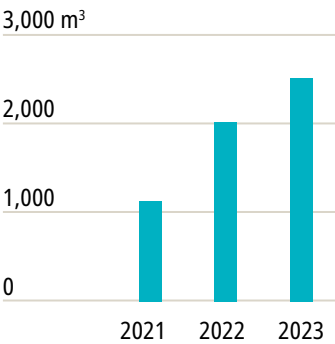
The solar power plant installed on the roof of the Keva building in October 2021 generated 39,560 kWh of electricity during 2023. This was around 3% of the electricity used by Keva.

Green Office creates everyday eco-deeds

The Keva building joined the WWF's Green Office network in 2017. Since then, waste sorting and amounts, commuting, and energy and paper consumption, among other things, have been addressed in the office building.

WWF Green Office has promoted internal discussion at Keva and encouraged everyday eco-deeds. Impacting the work environment is a concrete way for many Keva employees to

**Water consumption
at the Keva building 2021–2023**



think about and promote sustainability in the workplace.

Green Office agreed with WWF goals and results for 2023

The most important goal in 2023 was the renewal on the Green Office certification. 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.

Energy saving

There were savings in electricity and district heat compared to 2022. Tightening energy efficiency targets and reducing the building's carbon footprint are areas that require action, and this work continues.

A more stable building occupancy rate and large events hosted in the building contributed to the slight increase in water consumption compared to 2022.

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 facilities,
- 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.

Development of sorting

In 2023, the higher occupation rate of the Keva building was reflected in slightly increased waste volumes. The biggest increase was seen in the amount of biowaste, which is easy to tackle, for example, by always putting an appropriate amount of food on the plate.

Work on developing waste management will continue in 2024.

Commuting

In September 2023, Keva and HSL conducted a commuting survey for the personnel. This highlighted "smart commuting" in a positive way and Keva employees provided good practical development ideas.

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 employ-

ers, employees and entrepreneurs. When pensions and benefits are paid in due course, they are taxable income for their recipients.

In 2023, Keva paid EUR 12.5 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 2.9 billion was withheld on these payments. Taxes and social security costs from Keva's own operations totalled around EUR 43 million (2022: EUR 41 million).

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 in 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 income.

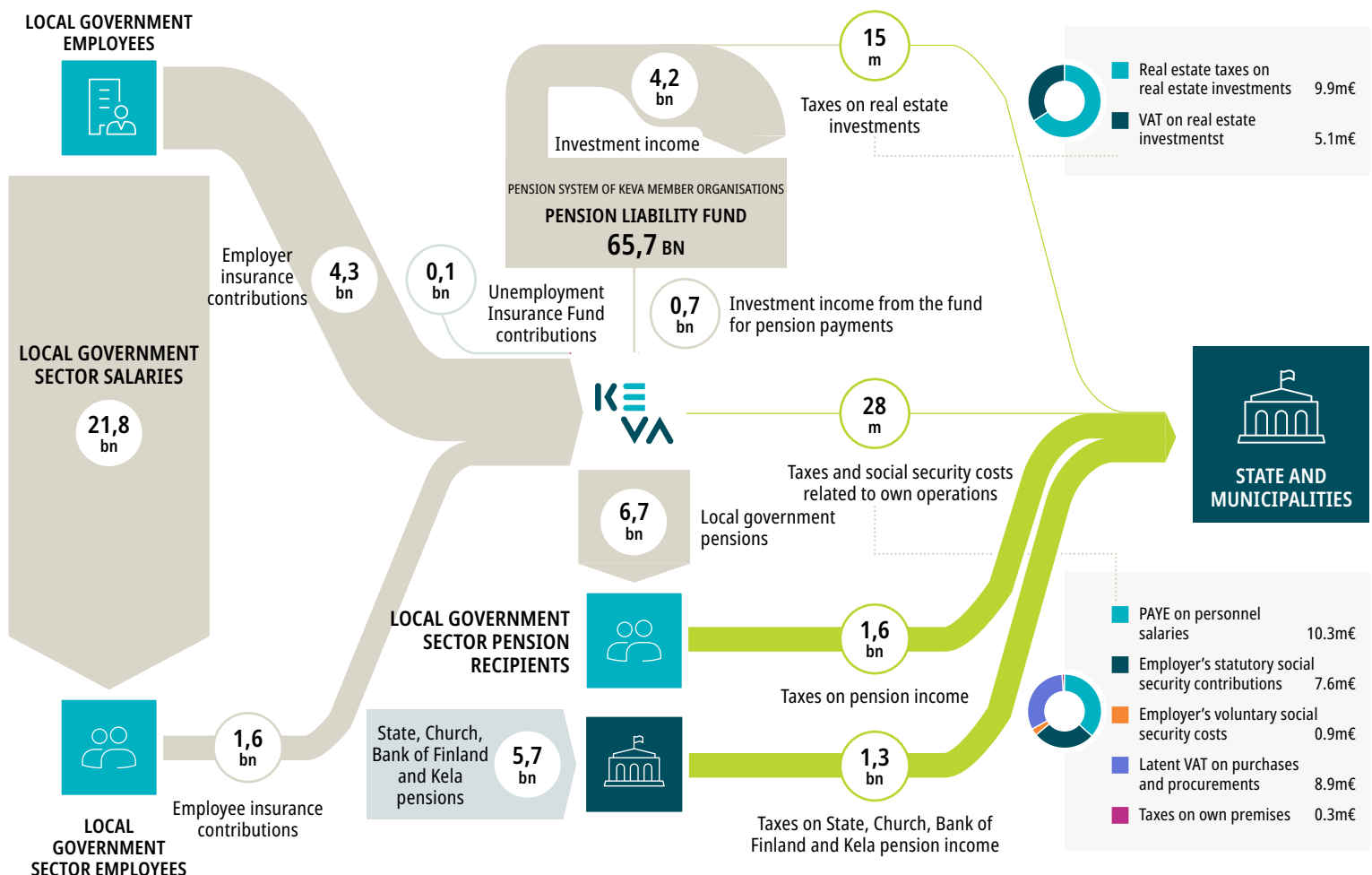
Earnings-related pension providers invest a significant share, Keva around 87%, of their investment assets outside of Finland. Foreign investments are planned in accordance with international law and as tax efficiently as possible so that the beneficiaries of the local government pension system receive the best possible return on them.

Investment operations are based on the premise that taxes are not paid unnecessarily,

twice or excessively on investments made outside of Finland.

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

Tax footprint (euro)



We are an innovative, responsible and healthy work community

Basic information about Keva employees

Number of employees on 31 December 2023 was 502 (2022: 492), of which 22 were temporary.

Full-time equivalent person years in 2023 was 475.7 (2022: 468.1).

Women accounted for 65.4% of Keva employees. The average age of the personnel was 49.2 years.

A total of 18 permanent employees left Keva and 19 permanent employees were hired.

A total of 30 temporary employees, some of which were summer employees, were hired during the year.

A total of 1,969 days were spent on personnel training, which equated to 3.9 fte/person. The statistical amount of training days has increased (2022: 1,379 full-time equivalent days and 2.8 fte/person).

We are
an innovative
and healthy
work community



Strategic goals guide human resource management

The annual targets derived from the strategy guide human resource management and the development of supervisory work. For 2023, the targets focused especially on improving the employee experience and safeguarding wellbeing. The objectives also underscored securing skills and supporting learning.

We strengthened the work community

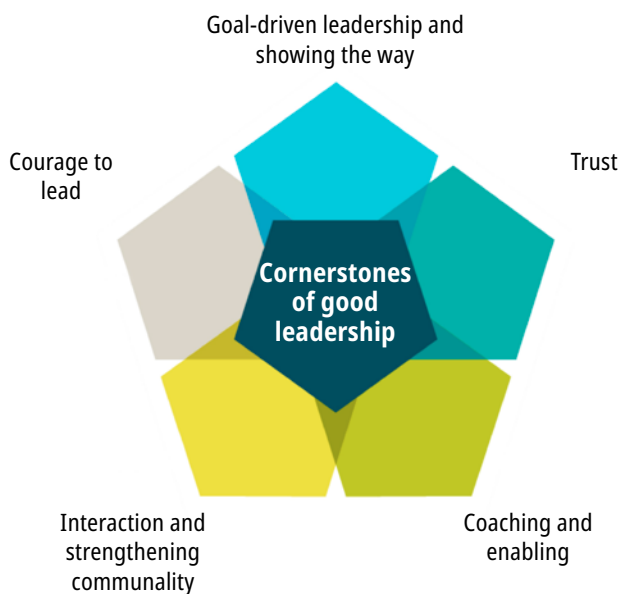
In 2022, extensive supervisor training was organised based on the previously defined cornerstones of good leadership.

In 2023, similar training for other employees was launched. The Succeed in the changing

working life coaching was based on the cornerstones of good expert work jointly defined in 2022. Their main content is to strengthen the employee's own participation as a developer and member of the work community. The coaching was attended by 49 experts from different parts of Keva in two different groups. Group coaching sessions will continue in 2024. In addition, inspirational speeches were given to all Keva employees on each of the four cornerstones of good expert work.

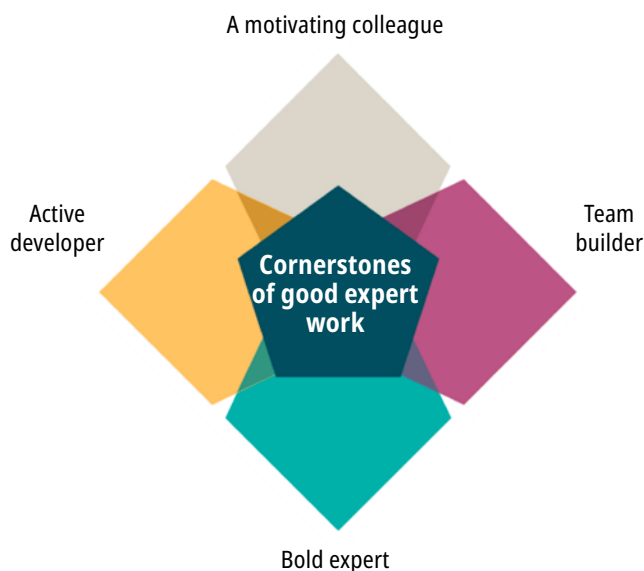
Keva's goal as an employer is to intervene in problem situations through transparent and understandable processes with consistent operating methods.

The beginning of 2023 saw the introduction of an enhanced performance management process, describing how to address work issues and how supervisors should act.



Coaching based on the cornerstones of good expert work strengthens employee engagement as a developer and member of the work community.

In the process of dealing with inappropriate treatment, a transparent procedure was created for reporting experienced and observed inappropriate behaviour safely and respecting the rights of the parties. In situations that occurred in the work community, the agreed procedures were followed. These were arranged into coaching for supervisors and discussed together with the personnel. The occupational safety and health representative played a strong role in creating the process for dealing with inappropriate treatment.



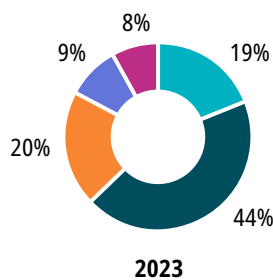
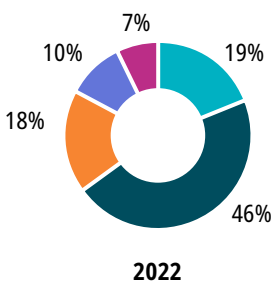
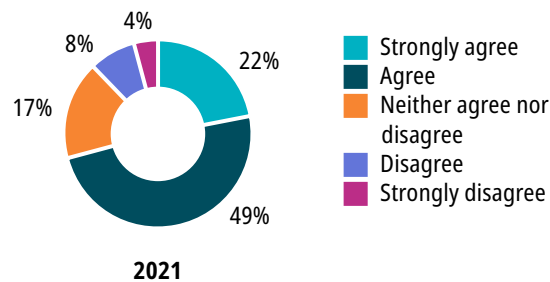
Employee experience and the success of supervisory work are measured

At the beginning of 2023, the first results of an employee survey conducted using the new Promenade Insight survey were received. Based on the results, units and teams will identify areas for development and draw up development plans.

Keva used the Kevaviilis pulse survey throughout the year. The average for those with good vibes was 63%, which was slightly lower than in

According to the Kevafiilis pulsometer

"I have good vibes today to do my job"



2022 and much lower than in 2021 (2022: 65% and 2021: 71%). The number of respondents remained high, with an average of 207 in 2023 (2022: 201 and 2021: 203).

Kevafiilis has long been in use, which is why a different type of survey was piloted. It was decided to introduce the new survey in 2024. The new Pulssi survey will provide more detailed information at the team level and improve the possibilities for action.

Indicators were developed for supervisors, which would be based not only on surveys but also on data collected from personnel and supervisors. A trial version of the indicators was introduced for performance appraisals, where the supervisor's own supervisor can discuss with them how, according to the indicators, successful supervisory work has been. A target was also set for the performance-based bonus scheme for the success of supervisory work in 2024.

Smooth cooperation with the new payroll service provider

Keva's payroll service was transferred to Monetra Pohjois-Savo Oy in May 2023. The in-house service has proven to be smooth and affordable, and there have been no issues with or since setting up the service.

Competence foresight improves the ability to change

In 2023, the Employer and Work Capacity function and pension operations implemented competence foresight processes to identify strategic changes in operations and related current strengths, new competence needs and competences that are being phased out. In addition, plans were made as to how learning needs would be met concretely through competence development in the near future.

Competence foresight aims to strengthen the ability to change and develop operations in order to ensure future successes.

Good care is taken of the work ability of Keva employees

Occupational healthcare partnership with Terveystalo has become established and is at a good level.

Work continued on developing strategic work ability management. The beginning of 2023 saw the introduction of a comprehensive approach to work ability support was introduced, replacing the previous active support model based on sickness absence monitoring. The twice-yearly review of work ability management by Keva's Management Group has become established.

During the year, Keva employees were sick for an average of 5.3 working days. Employee sickness absenteeism continued to remain lower than average compared to the time prior to 2020. However, sickness rose compared to the previous year, because absences caused by infections, for example, rose with the normalisation of mobility following the years of the corona pandemic.

The personnel's health rate has stabilised after exceptionally high rates seen during the years of the corona pandemic, with around 44% of the personnel not absent at all due to illness during 2023.

Keva aims to increase measures to support work ability. The care debt caused by the coronavirus pandemic and other health challenges resulted in a slight increase in the total costs of occupational healthcare compared to 2022. Paying off the care debt and queues in public sector healthcare led to higher-than-expected costs of occupational healthcare. Because of this, it was not possible to increase

the share of costs of activities that proactively support work ability in accordance with the goals.

Absences for mental health reasons returned to an upward trajectory. In the previous year, the growth in the number of mental health-related sickness absences had stopped.

The Regional State Administrative Agency carried out an occupational safety and health audit at Keva, which targeted three teams. The audit recommended improving assessment of the risks of psychosocial stress.

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.

Sickness absences

	2021	2022	2023
Number of persons	497	492	502
Sick days as working days per person	6.3	6.6	5.3

Accidents and disability pensions

	2021	2022	2023
Workplace accidents	1	0	0
Commuting accidents	1	1	7
Workplace and commuting accidents resulting in sickness absences	7	0	5
New started disability pensions			
Full disability pensions	0	1	2
Partial disability pensions	2	3	1

The personnel's health rate remained high, with around 44% of the personnel not absent at all due to illness during 2023.

Diversity discussion intensified and pay equality improved

The Equality and non-discrimination plan for 2023–2024 highlighted the importance of diversity. Keva again took part in Pride month. In cooperation with the Social Insurance Institution of Finland Kela, the church and parishes, as well as the Helsinki Pride community, the first Pride seminar for the public sector was organised in June.

In recruiting, efforts were made to provide employment opportunities also for people who have the most difficulty in finding employment. A diversity clause was added to Keva's job advertisements to increase the number of applicants from different backgrounds. In

addition, there are plans to experiment with anonymous recruitment.

In practice, there is no gap in median pay between genders when the differences are examined by demand level. In some demand levels, the difference is in favour of women and in others in favour of men. Examined by job category, women's median pay was 99.9% of men's median pay.

An examination of Keva as a whole shows that men's median monthly salary was EUR 5,632 and women's EUR 4,459. The difference is due to the fact that there are clearly more women than men in the lower job demand levels and the gender distribution in the higher demand levels is slightly male-dominated.

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

Job grade	2021 %	2022 %	2023 %	2023 No. of employees
10	97.4	98.8	98.8	4
11	109.5	109.9	110.4	5
12	89.6	103.7	102.6	25
13	98.7	98.0	98.8	112
14	97.2	96.9	96.1	44
15	99.9	98.4	100.0	91
16	102.1	101.2	98.5	88
17	96.0	98.9	100.2	50
18	89.4	90.2	94.2	12
19	105.0	105.2	106.0	23
20	89.3	87.9	93.1	12
Average relative gap	97.6	99.0	99.9	Total 466

GRI content

GRI index	Indicator	Location in the report	More information
102 GENERAL DISCLOSURES			
2-1	Organisational details	Our responsible mission p. 8–13	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. 8–13 Annual report 2023 Financial statements 2023	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 2023, 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 the responsibility report
2-6	Activities, value chain and other business relationships	Our responsible mission p. 8–13 Annual Report 2023	
2-7	Personnel	We are an innovative, responsible and healthy work community p. 72–76	
2-9	Governance structure and composition	Annual Report 2023 p. 34–36	
2-10	Nomination and selection of the highest governance body	Annual Report 2023 p. 34–36	
2-11	Chair of the highest governance body	Annual Report 2023 p. 34–36	
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report 2023 p. 34–36	Board of Directors' Risk Management Committee
2-16	Communication of critical concerns	Annual Report 2023, p. 34–36 and 41–45	Audit and Risk Management Committee
2-19	Remuneration policy	We are an innovative, responsible and healthy work community p. 72–76	All Keva's employees are included in the performance bonus scheme
2-22	Statement on sustainable development strategy	CEO's review p. 3–7	
2-23	Policy commitments	Commitments of Keva's investment operations p. 50 Engagement in the sector and memberships p. 47–50 Green Office targets for 2023 agreed with WWF and results p. 68–70	

GRI index	Indicator	Location in the report	More information
2-25	Process to remediate negative impacts	Risk management and contingency planning p. 52–53 Stakeholder dialogue strengthens confidence p. 56–65	
2-26	Mechanisms for seeking advice and raising concerns	We operate sustainably and transparently p. 51–71	Ethics whistleblowing channel p. 56
2-28	Membership associations	Keva's memberships in 2023 p. 65	
2-29	Approach to stakeholder engagement	Stakeholder dialogue strengthens confidence p. 56–65	
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 reviews p. 3–7 Our responsible mission p. 8–13	
201-1	Direct economic value generated and distributed	Our responsible mission p. 8–13 Annual Report 2023 Financial Statements 2023	
203-2	Significant indirect economic impacts and their scope	Influencing retirement due to incapacity for work p. 16–18	
207-1	Approach to tax	Tax footprint p. 70–71	
302-1-c-e	Energy consumption within the organisation	Environmental impacts of the Keva building p. 68–70	
302-4	Reduction of energy consumption	Real estate and infrastructure investments p. 40–47 Environmental impacts of the Keva building p. 68–70	
303-5	Water consumption	Environmental impacts of the Keva building p. 68–70	
401-1	New employee hires and employee turnover	We are an innovative, responsible and healthy work community p. 72–76	
403-3	Occupational health and safety management system	We are an innovative, responsible and healthy work community p. 72–76	
403-9	Work-related injuries	We are an innovative, responsible and healthy work community p. 72–76	

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. 72–76	
404-3	Percentage of employees receiving regular performance and career development reviews	We are an innovative, responsible and healthy work community p. 72–76	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. 72–76	
415-1	Political contributions	Anti-corruption and anti-bribery measures p. 51	Keva made no political contributions in 2023
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Continuous development of data protection and data security p. 55–56	
KEVA'S OWN INDICATORS			
	Total processing time of applications	Annual Report 2023 p. 49	
	Percentage of disability pension applications rejected in the public and private sector	Annual Report 2023 p. 49	
	Keva's service level	Service level 2021–2023 p. 15	
	Complaints concerning Keva's decisions	Annual Report 2023 p. 49	
	Effectiveness of rehabilitation	Vocational rehabilitation supports coping at work p. 16–18	
	Supporting work ability management	Development of services and cooperation with employer customers p. 18–20	
	Digitalisation of services	Digitalisation speeds up services p. 15–16	
	Customer satisfaction and readiness to recommend Keva	Customer experience of employee and employer customers and readiness to recommend p. 21	
	Keva's return on investments	Annual Report 2023 p. 27–30 Financial Statements 2023	
	Focus and process of responsible investing	Responsibility for investments p. 25–50	
	Cost efficiency	We aim for cost efficiency p. 20	
	Keva's tax footprint	Tax footprint p. 70–71	

Appendix

Keva's monitoring of regulations and decision-maker communications in 2023

Continued from 63.

Matters	Background	Impact assessment on Keva's operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/officials contact
Automatic decision-making	The Parliamentary Ombudsman drew attention to the automated decision-making by the tax authority. A review of legislation on the matter has been initiated.	Keva is following the discussion on the matter and has assessed its own practices against this background. Keva considers it important that the legal situation is clarified with regard to implementation.	Keva has participated in the regulatory development work by commenting on draft versions through stakeholder work in the pensions sector. Keva has also given an official statement on the matter. The act was submitted to Parliament in September and Keva was consulted in the Administration Committee. The Act was passed in February 2023 and entered into force on 1 May. Keva has been invited to the automatic decision-making sub-committee of the Ministry of Finance's Information Management Board.	-
TE Services 2024, transfer of central government employment services to the municipalities	The plan is to transfer responsibility for arranging employment services from central government to the municipalities in 2024.	The plan is to transfer responsibility for arranging employment services from central government to the municipalities in 2024.	Keva has followed the preparation of the matter and participated in events organised by ministries for the municipalities. Keva issued a statement on the matter in 2022. Parliament adopted the act in spring 2023. The municipalities must agree on the formation of co-operation areas and notify the Ministry of Economic Affairs and Employment by the end of October 2023. The responsibility for arranging services will be transferred to the municipalities on 1 January 2025.	-
Act on leaving disability pensions dormant 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.	From the point of view of implementation, it is desirable to continue the existing Act. In addition to the temporary Act, experts have identified factors that could improve and make implementation of the Act faster and better for the customer.	The temporary act was approved by Parliament - in the run-up to Christmas in 2022. Keva's proposals have been discussed among earnings-related pension actors. The matter has been discussed in the EPO group for the pension sector, the pension negotiation group of the Finnish Centre for Pensions and in informal discussions with the Finnish Centre for Pensions. The matter has also been discussed with representatives of the Finnish Pension Alliance TELA, the Ministry of Social Affairs and Health officials and the State Secretary of the Minister of Social Security.	-

Matters	Background	Impact assessment on Keva's operations	Proactive information, follow-up, consultations and communication with rapporteurs	Politician/officials contact
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. The matter is also being studied by the working group and its subgroups. The intention is that the working group will submit a proposal on the needs for legislative reform.	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.	Keva has discussed the matter with the assistants to the Minister of Justice and provided the Minister with material on the application of the Act on the Openness of Government Activities in Keva. The matter has also been discussed in the Finnish Pension Alliance TELA's administration and with labour market organisations and a representative of the Ministry of Justice working group on the matter, the Finnish Centre for Pensions. In November 2022, Keva participated in the discussion on the earnings-related pension day. The matter has been discussed in 2023 within TELA and the Finnish Centre for Pensions. Keva has issued an opinion on the matter.	Ministry of Justice Jade Malmi, Hanna Seppä
Finnish Transparency Register	It has been proposed that a transparency register be established in Finland to improve the transparency of lobbying	Transparency register legislation excludes public institutions such as Keva. Keva has already reported the matters included in the transparency register and communications in the responsibility report in previous years.	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.	-
Reform of the personal identity code and development of digital ID	Regulatory reform seeks to enable a change of personal identity code more broadly than now in situations where personal identity codes have fallen into the hands of third parties.	Keva has studied the impacts of the reform on its own operations, and the reform will have an impact on the use of pension registers and information systems.	Keva has discussed the need to develop the Act with representatives of pension sector interest groups. Keva has commented on both issues. The bill lapsed in February 2023.	-
Amendment of the Church Act	The proposal is a comprehensive codification of legislation concerning the Church. Among other things, the proposal lays down provisions on the costs of the Church Pension Fund and the church's pension provision implemented by Keva.	In terms of the implementation of the Keva Act, the reforms will improve and clarify the current situation.	Keva was asked for (and provided on 24 January 2023) an opinion to Parliament's Administration Committee. The amendment of the Church Act was passed by Parliament in March and entered into force on 1 July 2023.	-

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Guidelines of the Ministry of Social Affairs and Health on the development of the task structures of health and social services personnel	Due to the shortage of labour in the health and social services sector, the Ministry of Social Affairs and Health is preparing guidelines for examining the task structures of employees in the sector at workplaces.	From the point of view of Keva's statutory duty of work ability risk management, the guidelines improve the situation from the current one, although some clarifications could still be justified before the final version.	Keva has pointed out that the proposal should take work ability issues and retirement into account in more detail. Among other things, Keva is able to produce a situational snapshot of the work ability, retirement and costs of health and social services personnel. Keva is happy to be involved in implementing the measures in the report to attract and retain people in the healthcare sector within the scope of its statutory duties. An opinion was given in March 2023.	-
Minor revisions to earnings-related pension legislation.	The proposal includes changes that promote the use of electronic pension records. An amendment is proposed to the Local Government Pensions Act to postpone by one month the deadline for issuing decrees on retirement age limits from autumn 2026. In addition, the proposal introduces changes of a technical nature.	From the point of view of implementation, the changes proposed in the draft Government proposal are justified. Not all changes directly affect Keva.	An opinion was given in August 2023. Parliament passed the Act on late 2023.	-
Changing EU fiscal rules	The Commission proposes tighter controls on EU fiscal rules. In the future, e.g. spending limits for general government finances must be prepared in cooperation with the Commission and subject to Commission review and evaluation.	From the point of view of implementing legislation, the greater flexibility contained in the proposal makes sense. Adjustments should also have a longer time span. It is necessary to take into account exceptional factors (e.g. pandemic or war).	Keva has been consulted in Parliament's Finance Committee.	-
Linear calculation of disability pension	The Programme of Prime Minister Petteri Orpo's Government includes the implementation of a linear model combining disability pension and gainful employment..	In Keva's view, a more practical solution for implementation is the development of the Act on leaving disability pensions dormant and enabling working.	Keva prepared a letter to the Ministry of Social Affairs and Health on the proposed improvements to the Act on leaving dormant and discussed the matter and the challenges related to the implementation of the linear model with the Finnish Centre for Pensions and the State Secretary of the Minister of Social Security.	-
Disability risk management regulations for pension insurance companies	Pension insurance companies are interested in making Keva's habit of managing disability risks a statutory duty and, consequently, better legal certainty in the processing of related data.	Keva considers it good for the entire industry that regulations that increase legal certainty are reviewed and, if necessary, developed.	Keva has followed the discussion on the matter. Keva has reviewed practices related to disability risk management and reported statutory disability risk management measures and practices to the authorities.	-

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Wellbeing services counties reform and reforms of local government finance	During the past year, several different changes have been made to the financial regulation of the wellbeing services counties and 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 on whether there is for instance a need 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.	-
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 officials from the Ministry of the Environment, real estate experts from earnings-related pension companies, Finnish Property Owners Rakli and the assistant to the Minister for European Affairs.	-
Amendments to the in-house regulation in the Public Procurement and Concession Contracts	In 2023, the idea of amending the regulation concerning in-house companies (companies owned and controlled by the state, municipality or joint municipal authority) in the Act on Public Procurement and Concession Contracts has been discussed. 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. The staff of the Minister of Local and Regional Government.	Ministry of Finance Anna-Kaisa Ikonen, Special Adviser Maija Niskala
Development of investment regulation of pension insurance companies' 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.	Separate from 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 Budget 2024	Keva's Sustainable Working Life project receives funding from the Budget under the budget item of the Ministry of Finance.	The Budget decision enables the implementation of a major development project related to work ability risk.	Keva has actively applied for funding from the Budget and reported on the use of project funds for the current year to the Ministry.	-

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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.	Keva has been asked about the possibility of possible changes.	-
Development of the Incomes Register	Keva has discussed with the Incomes Register and the Ministry of Finance the possibility of obtaining a clarification to the Incomes Register Act that would enable the direct provision to Keva of data submitted by employers to the Incomes Register.	Clarification of the legislation would clarify and make implementation of the Act more flexible.	Keva has been asked about the possibility of possible changes.	-
Changes to EU fiscal rules	The European Commission has proposed changes to the EU's fiscal policy.	Keva has studied the proposals. The proposals will have an impact on Keva's operating environment and possibly on the financial outlook of its member organisations.	Keva has been consulted in Parliament's Finance Committee.	-
Legislative amendments to supplementary pension, trusts 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 trusts 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 legislative amendments through the Finnish Pension Alliance TELA and from public sources.	-
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 Jukka Mattila

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CSRD	The EU is preparing regulations on corporate sustainability reporting and has now adopted CSRD reporting regulations, and work on transposing the regulations into national legislation is underway in Finland.	The scope of application of the Act does not apply to Keva. Pension insurance companies, foundations and funds are within the scope of application. Keva monitors the application practices in the field. Keva has launched its own assessment of the measures required for voluntary sustainability reporting.	Keva has followed the preparation of the matter, and officials have been contacted about the matter in order to clarify the scope of the regulation. The official in charge of the Ministry of Economic Affairs and Employment has had an information session in Keva on the application of the future regulation and the current situation.	Ministry of Economic Affairs and Employment Timo Kaisanlahti
Ensuring minimum levels of taxation for multinational groups	The EU envisages additional regulation of the taxation of multinational groups to ensure minimum regulation.	Pension funds are excluded from the scope of the regulation.	Preparation of the matter has been followed.	-
EU actions to prevent money laundering	There are many different regulations in the EU aimed at preventing money laundering in the EU. Financial supervisory authorities have also issued EU-wide guidance on this issue.	The regulations have an impact on Keva's operational activities.	Keva has actively monitored the matter and taken into account, for example, the instructions issued by supervisory authorities on money laundering.	-
Study of the exercise of public powers	The Ministry of Social Affairs and Health has appointed a working group to look into legal issues related to the outsourcing of the functions of pension funds and pension funds engaged in statutory pension insurance.	The study has no direct impact on Keva's operations. There are industry-related impacts, which is why the preparation of the matter is being followed.	The matter and the progress of the work have been heard through the Finnish Pension Alliance TELA's various bodies and public sources.	-
Changes in the competence requirements for the administration of pension insurance companies	The Ministry of Social Affairs and Health is preparing changes to the competence requirements for the administrations of earnings-related pension companies. The Financial Supervisory Authority (FIN-FSA) has submitted a legislative proposal on the matter to the Ministry.	The study has no direct impact on Keva's operations. There are industry-related impacts, which is why the preparation of the matter is being followed.	The matter has been discussed in the Finnish Pension Alliance TELA's various bodies and has also been raised in various forums with representatives of labour market organisations.	-

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Consideration of bankruptcy joint and several liability of pension insurance companies	The Finnish Pension Alliance TELA has discussed and prepared a study on the development of bankruptcy joint and several liability of pension insurance companies.	The study has no direct impact on Keva's operations. There are industry-related impacts, which is why the preparation of the matter is being followed.	The matter has been raised in Finnish Pension Alliance TELA's various bodies.	-
Earnings-related pension insurance company – changes to the contribution class model for disability pension contributions	The Finnish Pension Alliance TELA's calculation sub-committee has prepared changes to the Tyel contribution class model, and the Ministry of Social Affairs and Health has confirmed the changes.	Keva has studied the changes and is considering whether it needs to take the above-mentioned provisions into account in the bases for Keva's disability pension contribution.	Inquiries on the matter have been made within the Finnish Pension Alliance TELA and labour market actors. Keva is following the preparations and the related discussion.	-
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 31.1.2025, after which the working group's proposals will be compiled into a government proposal.	At the moment, there are 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 discussed 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 Siika-aho, Minna Lehmuskero, Jaana Rissanen, Outi Aalto, Eva Aalto
NIS 2 Directive	It is proposed that the NIS2 Directive (EU-wide cybersecurity legislation) be implemented by laying down the required obligations centrally in the new Act on Cybersecurity Risk Management. With regard to the public sector, the obligations would also be laid down in the Act on Information Management in Public Administration.	Keva has prepared for the changes required by the directive. The legislation has implications for operational activities.	Keva has been asked for an opinion on the matter. No opinion was considered necessary. In practice, the content of the provisions of the Information Management Act comes from the Directive, so there is no real room for manoeuvre.	-
Changes in housing allowance	The Government has submitted an Act to Parliament that weakens the level of general housing allowance and the conditions for receiving it.	The Act may affect the income of citizens who are tenants of Keva.	The matter has been followed. No opinions have been given.	-

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Supplement to the calculations of central government transfers to local government	The Ministry of Finance has published more detailed calculations of central government transfers to local government for 2024. The latest calculations proposed a cut of almost 20% in central government contributions to municipalities.	The matter is of great importance to Keva member organisations, and in the long term it may affect the development of the sum of wages and salaries on which Keva's pension contributions are based.	An economist analysis has been carried out and monitored with the help of public sources.	-
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 Pylkänen
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.	The matter has been followed through 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 the time being, the matter is likely to proceed as normal development work by the authorities.	-
Increases in Financial Supervisory Authority fees	The Act on the Supervision Fees of the Financial Supervisory Authority is being amended and the balance of payments between different payment groups will be changed.	Keva is preparing for any changes brought about by the legislative amendment.	Preparation of the matter has been followed with the help of public sources.	-
Increase in the appropriation for athletes' pensions	In supplementing the budget proposal for 2024, the Government proposed an appropriation increase of €30,000 for the additional pension for athletes. Decisions on athlete pensions are made by the Ministry of Education and Culture, and payment is managed by Keva.	Keva is preparing for the ensuing change. The impact on implementation will be minor.	Preparation of the matter has been followed with the help of public sources.	-

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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 gave an opinion on the matter in early 2024.	-
EU anti-money laundering measures and sanctions regulations	<p>The EU has a wide range of regulations aimed at preventing money laundering within the Union. Financial supervisors have also issued EU-wide guidance on this issue. In addition, the European Parliament has been active in the matter.</p> <p>In addition, the Financial Supervisory Authority (FIN-FSA) has issued extensive regulations or guidelines on measures arising from international economic sanctions.</p>	<p>Keva has actively monitored the matter and taken into account, for example, the instructions issued by supervisors on money laundering.</p> <p>Keva is not included in the scope of application of the Financial Supervisory Authority's (FIN-FSA) sanctions regulations and guidelines. Despite this, Keva has reviewed the content of the regulations and guidelines and the regulation of international economic sanctions, and considered how compliance with sanctions regulations should be taken into account.</p>	Preparation of the matter has been followed with the help of public sources.	-
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 has been followed with the help of public sources.	-

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