

RI TRANSPARENCY REPORT

2018

Birta lifeyrissjodurinn

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		-	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Private							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	🔒	n/a							✓
OO PR 02	Breakdown of assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	-	n/a							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	🔒	n/a							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public						✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	🔒	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	🔒	n/a	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	🔒	n/a	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	🔒	n/a	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓					✓	
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	-	n/a	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	-	n/a	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	-	n/a	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	🔒	n/a	✓						
LEI 09	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
LEI 10	Aspects of analysis ESG information is integrated into	🔒	n/a	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	-	n/a	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	-	n/a	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	⚡	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	⚡	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	⚡	n/a		✓					
LEA 12	Engagement methods	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	⚡	n/a		✓					
LEA 18	Confirmation of votes	-	n/a		✓					
LEA 19	Securities lending programme	-	n/a		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	✓	Private		✓					
LEA 24	Examples of (proxy) voting activities	-	n/a		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Negative screening - overview and rationale	✓	Public	✓						
FI 06	Examples of ESG factors in screening process	-	n/a	✓						
FI 07	Screening - ensuring criteria are met	✓	Public	✓						
FI 08	Thematic investing - overview	🔒	n/a	✓						
FI 09	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 10	Thematic investing - assessing impact	🔒	n/a	✓						
FI 11	Integration overview	🔒	n/a	✓						
FI 12	Integration - ESG information in investment processes	🔒	n/a	✓						
FI 13	Integration - E,S and G issues reviewed	🔒	n/a	✓						
FI 14	ESG incorporation in passive funds	🔒	n/a	✓						
FI 15	Engagement overview and coverage	✓	Private		✓					
FI 16	Engagement method	✓	Private	✓	✓					
FI 17	Engagement policy disclosure	✓	Private	✓	✓					
FI 18	Financial/ESG performance	✓	Private							✓
FI 19	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01.1	Assurance, verification, or review	✓	Public							✓
CM1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM1 01.5	External assurance	🔒	n/a							✓
CM1 01.6	Assurance or internal audit	🔒	n/a							✓
CM1 01.7	Internal verification	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

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Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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OO 01.1 Select the type that best describes your organisation or the services you provide.

- ☐ Non-corporate pension or superannuation or retirement or provident fund or plan
- ☒ Corporate pension or superannuation or retirement or provident fund or plan
- ☐ Insurance company
- ☐ Foundation
- ☐ Endowment
- ☐ Development finance institution
- ☐ Reserve - sovereign or government controlled fund
- ☐ Family office
- ☐ Other, specify

OO 02	Mandatory	Public	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

Iceland

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ☒ 1
- ☐ 2-5
- ☐ 6-10
- ☐ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

31

OO 03	Mandatory	Public	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☐ Yes
- ☒ No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1	Indicate the year end date for your reporting year.
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31/12/2017

OO 04.2	Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.
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	trillions	billions	millions	thousands	hundreds
Total AUM		3	000	000	000
Currency	USD				
Assets in USD		3	000	000	000

OO 06	Mandatory	Public	Descriptive	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1	Select how you would like to disclose your asset class mix.
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☒ as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	10.1	25.8
Fixed income	56.4	1.9
Private equity	0	5.8
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0

Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

○ as broad ranges

OO 06.2

Publish asset class mix as per attached image [Optional].

Asset class implementation gateway indicators

OO 10

Mandatory

Public

Gateway

General

OO 10.1

Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- ☒ We cast our (proxy) votes directly or via dedicated voting providers
- ☐ We require our external managers to vote on our behalf.
- ☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- ☐ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We require our external managers to engage with companies on ESG factors on our behalf.
- ☒ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

The SSA instruments we invest in are mainly government and municipal bonds. Although we do not actively engage the issuers on ESG matters (namely, the Icelandic government), we fully expect them to address these issues and be mindful of them.

Fixed income Corporate (non-financial) – engagement

- ☒ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- ☐ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☒ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

The Icelandic covered bond market is fairly small, with only three issuers, namely the three Icelandic commercial banks. We feel that this is an important asset class for us to be invested in, and we do not actively engage them on ESG issues, but as before, we fully expect the issuers to be mindful of them and would take actions if their practices were in violations of them.

OO 11

Mandatory

Public

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - SSA

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Fixed income - securitised

- ☒ We address ESG incorporation.
- ☐ We do not do ESG incorporation.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<div>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - SSA	<div>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Private equity	<div>Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

OO 11.4

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Our meetings with investment managers usually includes a presentation on their take on ESG matters and their implementation in the manager's investment philosophy. After an investment has been made with a particular manager they are usually trusted to continue with their mindfulness of these matters, as we have not (yet) developed a monitoring process.

OO 12	Mandatory	Public	Gateway	General
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OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- ☒ Organisational Overview
- ☒ Strategy and Governance

	RI implementation directly or via service providers
	Direct - Listed Equity incorporation
<input checked="" type="checkbox"/>	Listed Equity incorporation
	Direct - Listed Equity active ownership
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
	Direct - Fixed Income
<input checked="" type="checkbox"/>	Fixed income - SSA
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
<input checked="" type="checkbox"/>	Fixed income - Securitised
	RI implementation via external managers
	Indirect - Selection, Appointment and Monitoring of External Managers
<input checked="" type="checkbox"/>	Listed Equities
<input checked="" type="checkbox"/>	Fixed income - SSA
<input checked="" type="checkbox"/>	Private Equity
	Closing module
<input checked="" type="checkbox"/>	Closing module

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Strategy and Governance

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Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

SG 01.1

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

☒ Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

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

SG 01.3

Indicate if the investment policy covers any of the following

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

SG 01.4

Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

The fund's investment principles are a work in progress and have not yet been formally published. In the fund's investment policy though, it is clearly stated that the fund is committed to looking at ESG factors when considering investments.

☐ No

SG 02**Mandatory****Public****Core Assessed****PRI 6**

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

SG 02.1

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

☒ Policy setting out your overall approach

URL/Attachment

☒ URL

URL

<https://birta.is/um-sjodinn/stjorn-og-stefnumotun/#eigendastefna>

☐ Attachment (will be made public)

☐ We do not publicly disclose our investment policy documents

SG 02.2

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

☒ Active ownership approaches

URL/Attachment

☒ URL

URL

<https://birta.is/um-sjodinn/stjorn-og-stefnumotun/#eigendastefna>

☐ Attachment

☐ We do not publicly disclose any investment policy components

SG 02.3

Indicate if your organisation's investment principles, and overall investment strategy is publicly available

☒ Yes

	URL
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<https://birta.is/um-sjodinn/stjorn-og-stefnumotun/#fjarfestingarstefna>

☐ No

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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Conflict of interest/potential conflict of interest are prevented

☐ No

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad-hoc basis
- ☐ It is not set/reviewed

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation

- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other Chief-level staff or head of department, specify
- ☒ Portfolio managers
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ ESG portfolio manager
- ☐ Investment analysts
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ External managers or service providers
- ☐ Investor relations
- ☐ Other role, specify (1)
- ☐ Other role, specify (2)

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Adhering to formal processes

SG 07.3

Indicate the number of dedicated responsible investment staff your organisation has.

Number

0

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

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

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
 - ☐ Moderate
 - ☐ Advanced
 - ☐ Asian Corporate Governance Association
 - ☐ Australian Council of Superannuation Investors
 - ☐ AFIC – La Commission ESG
 - ☐ BVCA – Responsible Investment Advisory Board
 - ☐ CDP Climate Change
 - ☐ CDP Forests
 - ☐ CDP Water
 - ☐ CFA Institute Centre for Financial Market Integrity
 - ☐ Code for Responsible Investment in SA (CRISA)
 - ☐ Code for Responsible Finance in the 21st Century
 - ☐ Council of Institutional Investors (CII)
 - ☐ Eumedion
 - ☐ Extractive Industries Transparency Initiative (EITI)
 - ☐ ESG Research Australia
 - ☐ EVCA – Responsible Investment Roundtable
 - ☐ Global Investors Governance Network (GIGN)
 - ☐ Global Impact Investing Network (GIIN)
 - ☐ Global Real Estate Sustainability Benchmark (GRESB)
 - ☐ Green Bond Principles
 - ☐ Institutional Investors Group on Climate Change (IIGCC)
 - ☐ Interfaith Center on Corporate Responsibility (ICCR)
 - ☐ International Corporate Governance Network (ICGN)
 - ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
 - ☐ International Integrated Reporting Council (IIRC)
 - ☐ Investor Network on Climate Risk (INCR)/CERES
 - ☐ Local Authority Pension Fund Forum
 - ☐ Principles for Sustainable Insurance
 - ☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
 - ☐ Responsible Finance Principles in Inclusive Finance
 - ☐ Shareholder Association for Research and Education (Share)
 - ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
 - ☐ United Nations Global Compact
 - ☒ Other collaborative organisation/initiative, specify
- Founding members of IcelandSIF**

	Your organisation's role in the initiative during the reporting year (see definitions)
--	--

- ☐ Basic
☐ Moderate
☒ Advanced

	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
--	--

Birta is one of the founding members of Iceland SIF, an investment forum established to promote awareness and debate about the methods of sustainable and responsible investment. Furthermore, one of Birta's employees sits in the board of the organization.

- ☐ Other collaborative organisation/initiative, specify
☐ Other collaborative organisation/initiative, specify
☐ Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
-------	-----------	--------	---------------	-------

SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
---------	--

- ☒ Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
---------	--

- ☐ Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
☐ Provided financial support for academic or industry research on responsible investment
☐ Provided input and/or collaborated with academia on RI related work
☐ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
☐ Spoke publicly at events and conferences to promote responsible investment
☐ Wrote and published in-house research papers on responsible investment
☐ Encouraged the adoption of the PRI
☐ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
☐ Wrote and published articles on responsible investment in the media
☐ A member of PRI advisory committees/ working groups, specify
☒ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

	Description
--	-------------

Founding members of Iceland SIF

Frequency of contribution

- ☐ Quarterly or more frequently
- ☐ Biannually
- ☐ Annually
- ☐ Less frequently than annually
- ☒ Ad hoc
- ☐ Other
- ☐ Other, specify
- ☐ No

Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

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

SG 12.1

Indicate whether your organisation uses investment consultants.

- ☐ Yes, we use investment consultants
- ☒ No, we do not use investment consultants.

SG 12.5

Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers

- ☐ Including responsible investment as a standard agenda item at performance review meetings
- ☒ Discussing whether the fiduciary manager has acted in accordance with your organisation's overall investment beliefs/ strategy/ policy on responsible investment and ESG factors
- ☐ Reviewing the fiduciary manager's PRI Transparency or Assessment reports
- ☐ Reviewing the fiduciary manager's responsible investment reporting (excluding PRI generated reports)
- ☐ Reviewing ESG characteristics/factors used by the fiduciary manager in portfolio construction
- ☐ Reviewing the fiduciary manager's incorporation approaches of ESG through-out asset classes
- ☐ Reviewing the impact of ESG factors on financial performance
- ☐ Encouraging your fiduciary managers to consider joining responsible investment initiatives/organisations or participate in educational or collaborative projects with other investors
- ☐ Including responsible investment criteria as a formal component of overall manager performance evaluation
- ☐ Reviewing the fiduciary manager's ESG incorporation in external managers' selection, appointment, monitoring
- ☐ Reviewing how ESG materiality is defined by the fiduciary manager
- ☐ Other general aspects of your monitoring; specify
- ☐ We do not consider responsible investment in the monitoring processes for fiduciary managers.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
-------	-----------	--------	-------------	-------

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

SG 13.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
---------	--

- ☐ We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- ☐ We execute scenario analysis which includes factors representing the investment impacts of future social trends
- ☐ We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- ☐ We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- ☐ We execute other scenario analysis, specify
- ☒ We do not execute such scenario analysis and/or modelling

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6
-------	-----------	--------	---------------	-------

SG 19.1	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
---------	---

	Fixed income
--	--------------

	Do you disclose?
--	------------------

- ☒ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☐ We disclose to the public

	Listed equity - Engagement
--	----------------------------

	Do you disclose?
--	------------------

- ☒ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☐ We disclose to the public

	Listed equity – (Proxy) Voting
--	--------------------------------

Do you disclose?

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☒ We disclose to clients/beneficiaries only.
- ☐ We disclose to the public

Disclosure to clients/beneficiaries

Disclosure to clients/beneficiaries

- ☒ Explain all voting decisions
- ☐ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided

Frequency

- ☐ Quarterly
- ☐ Biannually
- ☒ Annually
- ☐ Less frequently than annually
- ☐ Ad hoc/when requested

Listed equity - Incorporation

Do you disclose?

- ☒ We do not proactively disclose it to the public and/or clients/beneficiaries
- ☐ We disclose to clients/beneficiaries only.
- ☐ We disclose it publicly

Selection, Appointment and Monitoring

Do you disclose?

- ☒ We do not disclose to either clients/beneficiaries or the public.
- ☐ We disclose to clients/beneficiaries only.
- ☐ We disclose to the public

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Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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Listed Equity and Fixed Income Strategies

SAM 01	Mandatory	Public	Gateway	PRI 1
---------------	------------------	---------------	----------------	--------------

SAM 01.1 Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity	FI - SSA			
Screening	<input type="checkbox"/>	<input type="checkbox"/>			
Thematic	<input type="checkbox"/>	<input type="checkbox"/>			
Integration	<input type="checkbox"/>	<input type="checkbox"/>			
None of the above	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

Passive investment strategies

Passive investment strategies	Listed Equity				
Screening	<input type="checkbox"/>				
Thematic	<input type="checkbox"/>				
Integration	<input type="checkbox"/>				
None of the above	<input checked="" type="checkbox"/>				

Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
---------------	------------------	---------------	----------------------	--------------

SAM 02.1 Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE	FI - SSA				Private equity		
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		
ESG incorporation requirements	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
ESG reporting requirements	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Other	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
No RI information covered in the RFPs	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		

SAM 02.2

Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

	LE	FI - SSA				Private equity		
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Assess the quality of investment policy and its reference to ESG	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Assess the investment approach and how ESG objectives are implemented in the investment process	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review the manager's firm-level vs. product-level approach to RI	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Assess the ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Other	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		

ESG people/oversight

	LE	FI - SSA				Private equity		
Assess ESG expertise of investment teams	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review the oversight and responsibilities of ESG implementation	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review how is ESG implementation enforced /ensured	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Other	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		

Process/portfolio construction/investment valuation

	LE	FI - SSA				Private equity		
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review and agree the use of ESG data in the investment decision making process	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review and agree the impact of ESG analysis on investment decisions	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review and agree manager's ESG risk framework	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review how ESG materiality is evaluated by the manager	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review process for defining and communicating on ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Review and agree ESG reporting frequency and detail	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		

SAM 02.3

Indicate the selection process and its ESG/RI components

- ☐ Review ESG/RI responses to RfP, RfI, DDQ etc.
- ☐ Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- ☒ Review publicly available information on ESG/RI
- ☐ Review assurance process on ESG/RI data and processes
- ☐ Review PRI Transparency Reports
- ☐ Request and discuss PRI Assessment Reports
- ☐ Meetings with the potential shortlisted managers covering ESG/RI themes
- ☐ Site visits to potential managers offices
- ☐ Other, specify

SAM 02.4

When selecting external managers does your organisation set any of the following:

	LE	FI - SSA				Private equity		
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
ESG score	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		

Outputs and outcomes

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
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SAM 09.1

Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

- ☐ Add Example 1
- ☐ Add Example 2
- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5
- ☒ We are not able to provide examples

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Reported Information

Public version

Direct - Listed Equity Incorporation

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ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Core Assessed	PRI 1
--------	-----------	--------	---------------	-------

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

LEI 01.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)
----------	--

ESG incorporation strategy (select all that apply)

☒ Screening alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied	<div> <div></div> <div>%</div> </div> <div>100</div>
---	--

- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☐ Screening and integration strategies
- ☐ Thematic and integration strategies
- ☐ Screening and thematic strategies
- ☐ All three strategies combined
- ☐ We do not apply incorporation strategies

	Total actively managed listed equities
--	--

100%

LEI 01.2	Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.
----------	---

Lack of resources

(A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
--------	-----------	--------	-------------	-------

LEI 04.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- ☒ Negative/exclusionary screening

Screened by

- ☐ Product
- ☐ Activity
- ☐ Sector
- ☐ Country/geographic region
- ☒ Environmental and social practices and performance
- ☒ Corporate governance

Description

The internally managed active listed equities consists of domestic listed equities. The fund is fairly well connected and in tune with the Icelandic market, so we are constantly on the lookout for potential ESG violations and react to them accordingly, on an ad-hoc basis.

- ☐ Positive/best-in-class screening
- ☐ Norms-based screening

LEI 04.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

na.

LEI 05**Mandatory****Public****Core Assessed****PRI 1****LEI 05.1**

Indicate which processes your organisation uses to ensure screening is based on robust analysis.

- ☐ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☐ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☐ Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- ☐ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☐ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Review and evaluation of external research providers
- ☐ Other, specify
- ☒ None of the above

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Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

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

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

☒ Yes

LEA 01.2

Attach or provide a URL to your engagement policy.

☐ Attachment provided:

☒ URL provided:

URL

<https://birta.is/um-sjodinn/stjorn-og-stefnumotun/#eigendastefna>

LEA 01.3

Indicate what your engagement policy covers:

- ☐ Conflicts of interest
- ☐ Insider information
- ☐ Alignment with national stewardship code requirements
- ☐ Due diligence and monitoring process
- ☐ Prioritisation of engagements
- ☐ Transparency of engagement activities
- ☒ Environmental factors
- ☒ Social factors
- ☒ Governance factors
- ☐ Other, describe
- ☐ None of the above

LEA 01.4

Provide a brief overview of your organization's approach to engagement

The fund attends the shareholder meetings of the listed Icelandic companies.

☐ No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
--------	-----------	--------	---------	-----------

LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.
----------	--

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers <div> Please specify why your organisation does not engage via service providers. Because we use internal staff and collaborative engagements. </div>

Process

Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

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

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
----------	---

- ☐ Yes
☒ No

LEA 04	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

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

LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- ☐ Yes
- ☒ We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2 Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.

- ☒ Yes
- ☒ Yes, in all cases
- ☐ Yes, in the majority of cases
- ☐ Yes, in the minority of cases
- ☐ We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3 Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- ☐ Define timelines for your objectives
- ☒ Tracking and/or monitoring progress against defined objectives
- ☐ Tracking and or monitoring progress of actions taken when original objectives are not met
- ☐ Revisit and, if necessary, revise objectives on continuous basis
- ☐ Other, please specify
- ☐ We do not monitor and evaluate progress of engagement activities carried out by internal staff

Process for engagements conducted via collaborations

LEA 05	Mandatory	Public	Core Assessed	PRI 2
---------------	------------------	---------------	----------------------	--------------

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

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

- ☐ Yes
- ☒ No

LEA 05.3 Additional information [Optional]

Not yet, the IcelandSIF was only founded in november 2017, so much of the forum's work has been conducted in 2018.

LEA 06	Mandatory	Public	Core Assessed	PRI 2
---------------	------------------	---------------	----------------------	--------------

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

LEA 06.1

Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- ☐ Yes
- ☒ We do not define specific objectives for engagement activities carried out collaboratively.

LEA 06.2

Indicate if you monitor the actions companies take during and following your collaborative engagements.

- ☐ Yes
- ☒ We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3

Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- ☐ Define timelines for your objectives
- ☐ Tracking and/or monitoring progress against defined objectives
- ☐ Tracking and or monitoring progress of actions taken when original objectives are not met
- ☐ Revisit and, if necessary, revise objectives on continuous basis
- ☐ Other, please specify
- ☒ We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 06.4

Additional information. [Optional]

Not yet, the IcelandSIF was only founded in november 2017, so much of the forum's work has been conducted in 2018.

General processes for all three groups of engagers

LEA 09

Voluntary

Public

Additional Assessed

PRI 1,2

LEA 09.1

Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input checked="" type="radio"/> No

LEA 09.2 Additional information. [Optional]

Not yet, the IcelandSIF was only founded in november 2017, so much of the forum's work has been conducted in 2018.

LEA 10	Mandatory	Public	Gateway	PRI 2
---------------	------------------	---------------	----------------	--------------

LEA 10.1 Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> We do not track
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input checked="" type="radio"/> We do not track and cannot estimate our engagements

LEA 10.2 Additional information. [OPTIONAL]

Not yet, the IcelandSIF was only founded in november 2017, so much of the forum's work has been conducted in 2018.

(Proxy) voting and shareholder resolutions

Overview

LEA 15	Mandatory	Public	Core Assessed	PRI 1,2,3
---------------	------------------	---------------	----------------------	------------------

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

LEA 15.1

Indicate whether your organisation has a formal voting policy.

☒ Yes**LEA 15.2**

Indicate what your voting policy covers:

- ☒ Conflicts of interest
- ☐ Share blocking
- ☐ Securities lending process
- ☐ Prioritisation of voting activities
- ☐ Decision making processes
- ☒ Environmental factors
- ☒ Social factors
- ☒ Governance factors
- ☐ Filing/co-filing resolutions
- ☐ Extraordinary meetings
- ☐ Regional voting practices
- ☐ Transparency of proxy voting activities
- ☐ Company dialogue pre/post vote
- ☐ Other, describe
- ☐ None of the above

LEA 15.3

Attach or provide a URL to your voting policy. [Optional]

URL

<https://birta.is/um-sjodinn/stjorn-og-stefnumotun/#eigendastefna>☐ No**Process****LEA 16****Mandatory****Public****Descriptive****PRI 2****LEA 16.1**

Indicate how you typically make your (proxy) voting decisions.

Approach

☒ We use our own research or voting team and make voting decisions without the use of service providers.

	Based on
--	----------

- ☒ our own voting policy
- ☐ our clients' requests or policy
- ☐ other, explain

- ☐ We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.
- ☐ We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ☐ We hire service provider(s) that make voting decisions on our behalf.

LEA 16.2	Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).
----------	---

na

LEA 20	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 20.1	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting
----------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
 - ☐ Votes for selected markets
 - ☒ Votes relating to certain ESG issues
 - ☐ Votes for significant shareholdings
 - ☐ Votes for companies we are engaging with
 - ☐ On request by clients
 - ☐ Other
- ☐ Neither we nor our service provider raise concerns with companies ahead of voting

LEA 20.2

Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases.
- ☐ Votes in selected markets
 - ☒ Votes on certain issues
 - ☐ Votes for significant shareholdings
 - ☐ Votes for companies we are engaging with
 - ☐ On request by clients
 - ☐ On request by companies
 - ☐ Other
- ☐ We do not communicate the rationale to companies
- ☐ Not applicable because we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 21**Mandatory****Public****Core Assessed****PRI 2****LEA 21.1**

For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- ☐ We do track or collect this information
- ☒ We do not track or collect this information

LEA 22**Mandatory****Public****Additional Assessed****PRI 2****LEA 22.1**

Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- ☐ Yes, we track this information
- ☒ No, we do not track this information

Birta lifeyrissjodurinn

Reported Information

Public version

Direct - Fixed Income













PRI disclaimer

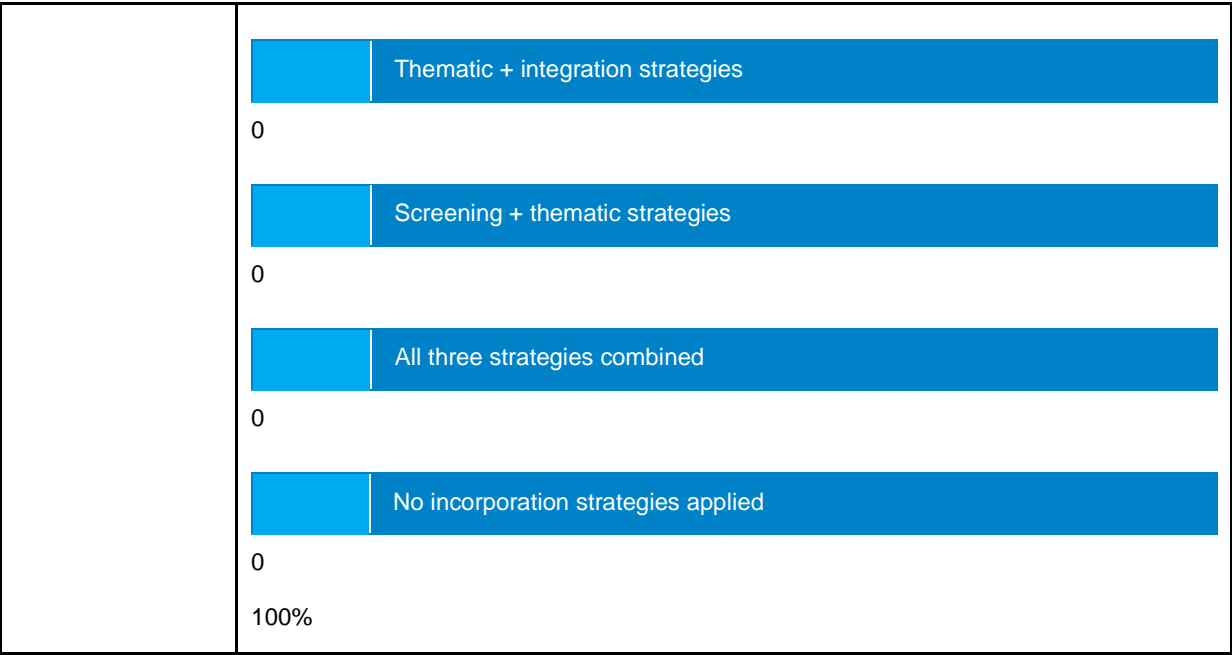
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ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	 Screening alone	0
	 Thematic alone	0
	 Integration alone	0
	 Screening + integration strategies	0
	 Thematic + integration strategies	0
	 Screening + thematic strategies	0
	 All three strategies combined	0
	 No incorporation strategies applied	100 100%
Corporate (non-financial)	 Screening alone	100
	 Thematic alone	0
	 Integration alone	0
	 Screening + integration strategies	0



Securitised		Screening alone	100
		Thematic alone	0
		Integration alone	0
		Screening + integration strategies	0
		Thematic + integration strategies	0
		Screening + thematic strategies	0
		All three strategies combined	0
		No incorporation strategies applied	0
			100%

FI 01.2

Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Mainly screening due to lack for resources and domestic fixed income options.

FI 01.3

Additional information [Optional].

Regarding SSA fixed income, we invest heavily in Icelandic Government bonds and don't exactly screen the Icelandic government on ESG issues, although we fully assume that the government behaves in ways that are in accordance with ESG issues.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- ☐ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☐ Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- ☐ Internal audits of ESG research are undertaken in a systematic way
- ☐ ESG analysis is benchmarked for quality against other providers
- ☐ Other, specify
- ☒ None of the above

FI 03.2	Describe how your ESG information or analysis is shared among your investment team.
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- ☐ ESG information is held within a centralised database and is accessible to all investment staff
- ☐ ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- ☐ Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- ☐ Records capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☒ None of the above

FI 03.3	Additional information. [Optional]
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Due to lack of resources, manpower and the fact that formal ESG issues are relatively new to the Icelandic investment environment, we do not do "systematic research" on issuers, but we fully assume that they incorporate ESG issues in their operations. Should we find out that that was not the case, we react accordingly on an ad-hoc basis.

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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Select all that apply

			Corporate (non-financial)	Securitised
Negative/exclusionary screening			<input checked="" type="checkbox"/>	<input type="checkbox"/>
Positive/best-in-class screening			<input type="checkbox"/>	<input type="checkbox"/>
Norms-based screening			<input checked="" type="checkbox"/>	<input type="checkbox"/>

FI 04.2

Describe your approach to screening for internally managed active fixed income

Due to lack of resources, manpower and the fact that formal ESG issues are relatively new to the Icelandic investment environment, we do not do "systematic research" on issuers, but we fully assume that they incorporate ESG issues in their operations. Should we find out that that was not the case, we react accordingly on an ad-hoc basis.

FI 05

Mandatory

Public

Descriptive

PRI 1

Corporate (non-financial)

Corporate (non-fin)

- ☒ For legal reasons
- ☒ For non-legal reasons

FI 05.2

Describe your approach to ESG-based negative screening of issuers from your investable universe.

We mainly stay in tune with the domestic news. Due to lack of resources, manpower and the fact that formal ESG issues are relatively new to the Icelandic investment environment, we do not do "systematic research" on issuers, but we fully assume that they incorporate ESG issues in their operations. Should we find out that that was not the case, we react accordingly on an ad-hoc basis.

FI 07

Mandatory

Public

Core Assessed

PRI 1

FI 07.1

Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
Negative/exclusionary screening?	<input type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> None of the above
Norms-based screening	<input type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> None of the above

FI 07.2
Additional information. [Optional]

We mainly stay in tune with the domestic news. Due to lack of resources, manpower and the fact that formal ESG issues are relatively new to the Icelandic investment environment, we do not do "systematic research" on issuers, but we fully assume that they incorporate ESG issues in their operations. Should we find out that that was not the case, we react accordingly on an ad-hoc basis.

Birta lifeyrissjodurinn

Reported Information

Public version

Assurance

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Assurance				
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CM1 01.1	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:
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- ☐ Third party assurance over selected responses from this year's PRI Transparency Report
- ☐ Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- ☐ Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- ☐ Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year)
- ☐ Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
- ☒ Other, specify
Coworkers (fund managers)
- ☐ None of the above

CM1 01.2 & 01.8	Mandatory	Public	Descriptive	
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CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
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- ☐ Whole PRI Transparency Report will be assured
- ☐ Selected data will be assured
- ☒ We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Public	Descriptive	General
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CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report
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- ☐ Whole PRI Transparency Report was assured last year
- ☐ Selected data was assured in last year's PRI Transparency Report
- ☒ We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10-12	Mandatory	Public	Descriptive	General
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CM1 01.4

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- ☐ We adhere to an RI certification or labelling scheme
- ☐ We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ☐ ESG audit of holdings
- ☒ Other, specify
As mentioned before, Birta Pension Fund is a member of Iceland SIF.
- ☐ None of the above