

DEEP DIVE: TRANSITIONING REAL ESTATE ILMARINEN MUTUAL PENSION INSURANCE COMPANY

Ilmarinen signed the Paris Aligned Asset Owner commitment in 2021. The Board of directors has confirmed an ambitious net zero by 2035 goal for the investment portfolio.

Using the Net Zero Investment Framework as a guide, in 2021 Ilmarinen established two asset class specific roadmaps:

- Finnish real estate
- Direct listed equity roadmaps.

The roadmaps set out interim targets, actions to achieve the targets, and indicators to monitor progress towards the portfolio's net zero 2035 target.

Extensive co-operation throughout the value chain is required to achieve the climate goals. For the real estate roadmap, Ilmarinen interviewed key partners and stakeholders as well as expert organisations in the industry. Ilmarinen has outlined the capabilities and timeframe for reaching the lowest possible emissions and in-use energy consumption. These discussions have opened new doors for co-operation and driven collaboration for a low carbon built environment.

Ilmarinen's real estate climate roadmap takes the building's life cycle into consideration. Increasing both energy and material efficiency and decarbonising the energy and materials used are key factors, as well as circular economy solutions. The aim is to reduce both construction and use phase emissions, as well as adopting construction solutions that are as low carbon and sustainable as possible. Optimising energy efficiency plays a major role; structural energy efficiency and sensible in-use energy consumption go hand in hand with a low carbon economy.

An important step in 2021 was achieving use-phase fossil free energy. For district heat, the net zero carbon target will be reached by the end of 2030 at the latest.

It is possible that the life cycle of buildings will not be fully decarbonised by 2035. Therefore, Ilmarinen will utilise compensation as a last step of the mitigation hierarchy as a complementary solution to achieve a net zero carbon life cycle for buildings.

The principles and targets set out in the roadmap will be implemented through internal guidelines concerning maintenance, design and property development.

