

Statement on principal adverse impacts of investment decisions on sustainability factors

Table 1

Financial market participant Mandatum Life Insurance Company Limited (business ID: 0641130-2)

Summary

Mandatum Life Insurance Company Limited (“Mandatum”) considers principal adverse impacts (“PAI”) of its investment decisions on sustainability factors in accordance with Article 4(1) of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”). This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2022. This statement is reviewed annually by 30 June.

At Mandatum, PAIs are taken into account in alignment with the Responsible Investment Policy, which was approved by Mandatum’s board of directors in December 2022. According to the Responsible Investment Policy, Mandatum aims to recognize and mitigate the principal adverse impacts of its investment decisions to the environment, climate, society, employees, respect for human rights, and anti-corruption and anti-bribery (“sustainability factors”). This means that Mandatum has incorporated sustainability into its investment operations, and its investment decisions take into account not only financial aspects, but also sustainability factors, as well as the related risks. The Responsible Investment Policy describes also Mandatum’s commitments to responsible investment, incorporation of a sustainability analysis into the investment processes, exclusion lists, and engagement activities.

In addition, Mandatum Asset Management Ltd’s (“MAM”) Engagement Principles are applied for Mandatum’s investments, as a majority of Mandatum’s assets are managed by MAM. When investing in equities of exchange-listed companies in the European Economic Area, active engagement takes place by participating and voting in general meetings, collaborative engagement and by contacts with the management of investee companies. Similar engagement activities can also be applied when investing in unlisted companies, investment funds, and in debt capital instruments, if applicable.

Mandatum considers nine (9) mandatory “climate and other environment-related” indicators and five (5) mandatory indicators for “social and employee, respect for human rights, anti-corruption and anti-bribery matters” applicable to its investments in investee companies. In relation to investee companies, Mandatum considers also one (1) additional “climate and other environment-related” indicator and one (1) additional indicator for “social and employee, respect for human rights, anti-corruption and anti-bribery matters”. In addition, Mandatum considers two (2) mandatory indicators applicable to investments in sovereigns and supranationals and two (2) indicators applicable to investments in real estate assets.

Mandatum considers the PAIs by monitoring and measuring the PAIs as well as taking actions in relation thereto. The consideration is subject to data availability and quality, which Mandatum continuously aims to improve.

Mandatum’s approach to identifying and prioritization of PAIs as well as Mandatum’s engagement policies, reference to international standards, and the availability of the historical comparison are addressed at the end of the table.

Description of the principal adverse impacts on sustainability factors

Mandatum considers nine (9) mandatory climate and other environment-related indicators and five (5) mandatory indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters applicable to investments in investee companies as well as two (2) mandatory indicators applicable to investments in sovereigns and supranationals and two (2) indicators applicable to investments in real estate assets as set out in Table 1.

In relation to investee companies, Mandatum considers also one (1) additional climate and other environment-related indicator as set out in Table 2 and one (1) additional indicator for social and employee, respect for human rights, anti-corruption and anti-bribery matters as set out in Table 3.

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021¹	Explanation²	Actions taken, and actions planned and targets set for the next reference period
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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	306,308.67 tons of CO2-equivalents	N/A	Scope 1, Scope 2, Scope 3 and total GHG emissions on this statement have been calculated according to the definition (1) in the Annex I to the Commission Delegated Regulation (EU) 2022/1288 (“SFDR RTS”) and in accordance with the	As a signatory of the Montréal Pledge, Mandatum has committed to annually measure and disclose the carbon footprint of its investments. The carbon footprint analysis was done mainly on direct equity and fixed income investments and external funds in Mandatum’s allocation strategies, where the data coverage is
		Scope 2 GHG emissions	60,650.99 tons of CO2-equivalents	N/A		
		Scope 3 GHG emissions	2,864,006.71 tons of CO2-equivalents	N/A		

¹ Information will be reported by 30 June 2024, and continuously on an annual basis.

² Explanation of difference in impact reported will be published by 30 June 2024, and continuously on an annual basis.

		Total GHG emissions	3,230,966.37 tons of CO2-equivalents	N/A	<p>formula (1) set out in the said Annex. To take into account variation in Mandatum's positions, Scope 1, Scope 2 and Scope 3 emissions are calculated quarterly, with the annual value derived from the average of the four quarters as recommended in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022. Total annual GHG emissions is the sum of quarterly Scope 1, Scope 3, and Scope 3 averages.</p> <p>Limitations: the GHG emission calculations only include instruments where all required data points were available. Due to lack of data availability on private investments, data coverages for Scope 1, Scope 2, and Scope 3 emission calculations are 40.57%, 40.57%, and 40.57%, respectively. Mandatum will work on</p>	<p>good (i.e., external funds investing mainly in listed equity/bonds).</p> <p>As estimated and actual emissions data may differ greatly, Mandatum aimed to engage, when applicable, with investee companies to start measuring and reporting their emissions data. Mandatum also aimed to engage with its service providers to ensure data quality and reliability.</p> <p>Regarding specifically private equity investments, Mandatum's engagement actions may include acting as a board member and assisting the investee companies to create or develop their ESG metrics which may include climate KPI's.</p> <p>As a member of the Portfolio Decarbonization Coalition (PDC) network, Mandatum aims to, over time, reduce the emissions financed by the investments. The PDC network aims to reduce the carbon footprint globally, steer assets to companies with lower emissions and develop methods for reducing the carbon footprint of investments.</p>
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					<p>increasing the data coverage in the coming years.</p> <p>Primary source of data for Scope 1, Scope 2, and Scope 3 calculations are estimates provided by third party data providers.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
	2. Carbon footprint	Carbon footprint	274.86 tons of CO2-equivalents per million EUR invested	N/A	<p>Carbon footprint on this statement have been calculated according to the definition (1) in the Annex I to the SFDR RTS and in accordance with the formula (2) set out in the said Annex. To take into account variation in Mandatum's positions, carbon footprint is calculated quarterly, with the annual value derived from the average of the four quarters as recommended in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022.</p>	

					<p>Limitations and sources of data described for GHG emissions apply for carbon footprint calculation as well.³</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>
	3. GHG intensity of investee companies	GHG intensity of investee companies	1,721.58 tons of CO2-equivalents per million EUR of revenue	N/A	GHG intensity of investee companies on this statement has been calculated according to the definition (1) in the Annex I to the SFDR RTS and in accordance with the formula (3) set out in the said Annex. To take into account variation in Mandatum's positions, GHG intensity is calculated quarterly, with the annual value derived from the average of the four quarters as recommended in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022.

³ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 227,46.

					<p>Limitations: the GHG intensity calculations only include instruments where all required data points were available. Due to lack of data availability on private investments, data coverage for GHG intensity calculations is 40.57%. Mandatum will work on increasing the data coverage in the coming years.</p> <p>Primary source of data for GHG intensity calculations has been estimates provided by third party data providers.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	9.61%	N/A	The share of investments in companies active in the fossil fuel sector on this statement has been calculated according to the definition (5) in the Annex I to the SFDR RTS.	Mandatum monitored its direct equity and fixed income investments' exposure to the fossil fuel sector. New investments in the fossil fuels sector were made with prudence and consideration and portfolio exposures were monitored closely.

				<p>The share of investments was calculated by dividing the total current value of investments where the selected indicator (company is active in the fossil fuel sector) is present with the total current value of all investments, excluding investments where indicator data was not available.⁴ To take into account variation in Mandatum's positions, the selected indicator is calculated quarterly, with the annual value derived from the average of the four quarters as recommended in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022. The selected indicator was derived from data provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a</p>	<p>In relation to direct fixed income and equity investments disclosing under art. 8/9, Mandatum did not make new investments in companies that derive over 0% of revenue from mining of coal or whose share of revenue from coal mining subcontracting exceeds 50%, and in addition, Mandatum did not make new investments in companies that derive over 50% of revenue from production or distribution of coal-based energy unless the company had a clear strategy to transition to a more sustainable business model.</p> <p>Further, in relation to direct fixed income and equity investments disclosing under art. 8/9, Mandatum did not make new investments in companies that derive more than 50% of revenue from extraction, production or refining and processing of fossil oil or the production or distribution of fossil oil-based energy, unless the company had a clear strategy to transition to a more sustainable business model.</p>
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⁴ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 7.50%.

				<p>more representative portfolio wide value. The data coverage for the selected indicator was 78.02% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	<p>In relation to direct fixed income and equity investments disclosing under art. 8/9, in 2023 Mandatum will not make investments in companies that derive over 5% of revenue from mining of coal or whose share of revenue from coal mining subcontracting or distribution of coal exceeds 40%. Investments will not be made in companies whose share of revenues from coal-based energy production exceeds 40%, unless the company has a clear strategy to transition to a more sustainable business model.</p> <p>Further, in relation to direct fixed income and equity investments disclosing under art. 8/9, investments will not be made in companies that derive more than 45% of revenue from exploration, extraction, production or refining and processing of fossil oil or the production of fossil oil-based energy, unless the company has a clear strategy to transition to a more sustainable business model.</p> <p>Investments in transitioning companies in the coal and oil sector are not allowed for products disclosing under art. 9.</p>
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	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0.44%	N/A	<p>The share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources has been calculated according to definition (6) and (7) in the Annex I to the SFDR RTS.</p> <p>The share of non-renewable energy consumption and non-renewable energy production was calculated by dividing the total non-renewable energy consumption and non-renewable energy production with the total sum of energy consumption and energy production. The data on energy consumption was provided by two different third-party data providers.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a</p>	<p>Mandatium gathered the data of share of non-renewable energy consumption and production to gain understanding of the principal adverse impacts of the investee countries.</p> <p>Mandatium aims to monitor the data and decide on further actions based on that.</p>
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					<p>more representative portfolio wide value. The data coverage for the selected indicator was 73.42% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<p>Agriculture, forestry and fishing: 0.042</p> <p>Mining and quarrying: 0.108</p> <p>Manufacturing: 0.032</p> <p>Electricity, gas, steam and air conditioning supply: 0.050</p> <p>Water supply; sewerage,</p>	N/A	<p>The energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector on Mandatum's PAI statement was calculated by dividing investee companies' total energy consumption per high impact climate sector with the total revenue in millions of euros for each of the high climate impact sectors.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative</p>	<p>Mandatum gathered the data of energy consumption intensity per high impact climate sector to gain understanding of the principal adverse impacts of the investee countries.</p> <p>Mandatum aims to monitor the data and decide on further actions based on that.</p>

			<p>waste management and remediation activities: 0.097</p> <p>Construction: 0.081</p> <p>Wholesale and retail trade; repair of motor vehicles and motorcycles: 0.017</p> <p>Transportation and storage: 0.009</p> <p>Real estate activities: 0.077</p>		<p>portfolio wide value. The data coverage for the selected indicator was 55.23% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or	0.99%	N/A	The share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee	Mandatum screened its direct equity and fixed income investments for possible breaches (including verified, past and suspected involvement) against international norms and standards, including those related to

		<p>near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas</p>		<p>companies negatively affect those areas on this statement has been calculated according to definitions (18) and (19) in the Annex I to the SFDR RTS.</p> <p>The share of investments was calculated as described in the explanation of PAI number 4 (exposure to companies active in the fossil fuel sector). The selected indicator is “company has sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas”. The selected indicator was derived from data provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative</p>	<p>the environment and the incidents’ effect on biodiversity. If a breach was detected Mandatum aimed to, e.g., engage with the company directly or via collaborative engagement or divest the investment, depending on the severity of the incident and how the company had responded to it. The evaluation was done on a case by case basis.</p> <p>In private equity investments where Mandatum has more influence, e.g. through board membership, biodiversity issues were taken into account as part of the company’s operational planning, e.g. when considering the location of the company’s sites.</p> <p>In private debt and European real estate fund-type investments, Mandatum conducted at the due diligence stage and annually an ESG questionnaire for external managers, asking them about biodiversity considerations. This allows monitoring of how biodiversity is taken into account in the investment process.</p>
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					<p>portfolio wide value.⁵ The data coverage for the selected indicator was 78.02% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.003	N/A	<p>Tonnes of emissions to water generated by investee companies per million EUR invested on this statement has been calculated according to definitions (18) and (19) in the Annex I to the SFDR RTS and in accordance with the formula provided on page 10 of the Q&A on the SFDR Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288) dated on 17 November 2022.</p> <p>The data on each company's emissions to water was</p>	<p>Mandatum screened its direct equity and fixed income investments for possible breaches (including verified, past and suspected involvement) against international norms and standards, including those related to the environment and the incidents' effect on water quality. If a breach was detected Mandatum aimed to, e.g., engage with the company directly or via collaborative engagement or divest the investment, depending on the severity of the incident and how the company had responded to it. The evaluation was done on a case by case basis.</p>

⁵ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 0.77%.

					<p>provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative portfolio wide value.⁶ The data coverage for the selected indicator was 39.73% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a	0.684	N/A	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested on this statement has been calculated according to definitions (14), (15) and (16) in the Annex I to the SFDR RTS and in accordance with the formula provided on page	Mandatum screened its direct equity and fixed income investments for possible breaches (including verified, past and suspected involvement) against international norms and standards, including those related to the environment. If a breach was detected Mandatum aimed to e.g., engage with the company directly or via collaborative engagement or divest the investment, depending on the

⁶ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 0.001.

		weighted average			<p>10 of the Q&A on the SFDR RTS dated on 17 November 2022.</p> <p>The data on each company's hazardous and radioactive waste was provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative portfolio-wide value.⁷ The data coverage for the selected indicator was 39.73% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	severity of the incident and how the company had responded to it. The evaluation was done on a case by case basis.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
	10. Violations of	Share of investments in	3.01%	N/A	The share of investments in investee companies that	Mandatum screened its direct equity and fixed income investments for

⁷ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 0.272.

<p>Social employee matters</p>	<p>and UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</p>	<p>investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>			<p>have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises on Mandatum’s PAI statement has been calculated according to the definition (22) in the Annex I to the SFDR RTS.</p> <p>The share of investments was calculated as described in the explanation of PAI number 4 (exposure to companies active in the fossil fuel sector). The selected indicator is “investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises”. The selected indicator was derived from data provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative</p>	<p>possible breaches (including verified, past and suspected involvement) against the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.</p> <p>If abuses or breaches related to these standards were observed in an investee company, Mandatum aimed to investigate the incident and take measures on a case-by-case basis. Depending on the severity, nature, and extent of the breach, portfolio management measures consisted of direct dialogue with the investee company’s executive management, an engagement action or, as a last resort, divestment if the investee company did not respond to the engagement efforts and did not take measures to prevent the abuse or breach within a reasonable time frame.</p> <p>In private debt and European real estate fund-type investments disclosing under the art. 8, Mandatum considers and monitors data on involvement in breaches of the UN Global Compact/OECD guidelines or similar.</p>
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					<p>portfolio wide value.⁸ The data coverage for the selected indicator was 78.02% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
	<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address</p>	<p>67.56%</p>	<p>N/A</p>	<p>The share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises on this statement has been calculated according to the definition (22) in the Annex I to the SFDR RTS.</p>	<p>Mandatum monitored the good governance of its (direct) investee companies and aimed to engage with the companies if there was reason to suspect a lack of good governance processes/compliance mechanisms.</p> <p>In private debt and European real estate fund-types investments, investor-specific agreements were made to ensure that the managers follow the UN Global Compact principles or similar in their investment operations.</p>

⁸ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 2.35%.

		violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			<p>The share of investments was calculated as described in the explanation of PAI number 4 (exposure to companies active in the fossil fuel sector). The selected indicator is “investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises”. The selected indicator was derived from data provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative portfolio wide value.⁹ The data coverage for the</p>	
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⁹ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 52.76%.

					<p>selected indicator was 78.02% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	14.34	N/A	<p>The average unadjusted gender pay gap of investee companies on this statement has been calculated according to the definition (23) in the Annex I to the SFDR RTS by taking an average of the unadjusted gender pay gaps of all invested companies.</p> <p>The unadjusted gender pay gap data for all companies is provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative portfolio wide value. The data coverage for the</p>	In private equity investments, the consideration of unadjusted pay gap was included in the due diligence process. If discrepancies were found, the private equity team aimed to engage directly with the company and strived to correct them.

					<p>unadjusted gender pay gap was 78.02% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	19.18	N/A	<p>The average ratio of female to male board members in investee companies, expressed as a percentage of all board members on this statement has been calculated according to the definition (24) in the Annex I to the SFDR RTS by taking an average ratio of female to male board members in investee companies.</p> <p>The female to male board member data for all companies is provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were</p>	<p>In private equity investments, the private equity team, in general, has one Board (and observer) seat. Through the board membership, the private equity team aimed to increase the board gender diversity of investee companies.</p>

					<p>disregarded to achieve a more representative portfolio wide value. The data coverage for the unadjusted gender pay gap was 78.02% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	N/A	<p>The share of investments in investee companies involved in the manufacture or selling of controversial weapons on this statement has been calculated as described in the explanation of PAI number 4 (exposure to companies active in the fossil fuel sector).</p> <p>The selected indicator is “investee companies involved in the manufacture or selling of controversial weapons”. The selected indicator was derived from</p>	<p>Controversial weapons are e.g. biological, chemical, nuclear and cluster weapons. Investments were made in a few companies that derive revenue from manufacturing, subcontracting or distribution of controversial weapons.</p> <p>In direct equity and fixed income SFDR article 8 and 9 products, there is zero tolerance for investments in companies that derive revenue from controversial weapons.</p> <p>In other than SFDR article 8 or 9 investments and which make direct investments, exposure to controversial weapons poses higher sustainability</p>

					<p>data provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative portfolio wide value.¹⁰ The data coverage for the selected indicator was 78.02% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	<p>risks and investments in this sector are evaluated on a case-by-case basis and require the CIO's approval.</p> <p>During 2022, there was no exposure to controversial weapons in Mandatum's direct equity and fixed income investments. The small exposure of 0.000634% to controversial weapons in Mandatum's investments came through fund investments, where the external fund manager has made the investment decision.</p>
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator	Metric	Impact 2022	Impact 2021¹¹	Explanation¹²	Actions taken, and actions planned and targets set for the next reference period	

¹⁰ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 0.0004930%.

¹¹ Information will be reported by 30 June 2024, and continuously on an annual basis.

¹² Explanation of difference in impact reported will be published by 30 June 2023, and continuously on an annual basis.

Environmental	1. GHG intensity	GHG intensity of investee countries	2.82 tons of CO2-equivalents per million EUR of Gross Domestic Product	N/A	<p>Overall GHG intensity of investee countries on this statement has been calculated in accordance with the formula (4) set out in the Annex I to the SFDR RTS. However due to the lack of data, regarding countries' Scope 1, 2 and 3 GHG emissions for the year 2022, an estimate for Scope 1 emissions, based on 2021 emission data, was used as the numerator for the GHG intensity calculation. Similarly for the GDP values an estimate was used based on 2021 GDP values provided by the World Bank.</p> <p>The GHG intensity for Mandatum's sovereign holdings was calculated as the sum of each position's intensity factor, which was calculated by multiplying each underlying country's GHG intensity with the respective portfolio shares of each position. To take into account variation in</p>	<p>Mandatum gathered GHG intensity data to gain understanding of the principal adverse impacts of the investee countries.</p> <p>Mandatum aims to monitor the data.</p>
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					<p>Mandatum’s positions, the attributed emissions are calculated quarterly, with the annual value derived from the average of the four quarters.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
Social	2. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where	N/A	N/A	<p>Following a careful assessment, Mandatum has stated that there is no binary data available in relation to investee countries subject to social violations. However, Mandatum actively monitors the data availability.</p>	<p>Mandatum aims to develop its methodologies to gather data in relation to investee countries subject to social violations.</p> <p>Mandatum will assess methods to mitigate social violations.</p>

		applicable, national law				
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2022	Impact 2021¹³	Explanation¹⁴	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	1. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	N/A	<p>The share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels has been calculated as a proportion of total real estate assets according to the guidance provided in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022</p> <p>Mandatum has included only direct real estate investments in the calculation of this indicator but will aim to increase the data coverage into indirect real estate investments in the future.</p>	In direct real estate investments, Mandatum does not have exposure to fossil fuel. In real estate investment products where investments are made through an external fund manager, article 8 products follow the sensitive sector exclusions described in Mandatum's Responsible Investment Policy (as applicable at the time of respective investments).

¹³ Information will be reported by 30 June 2024, and continuously on an annual basis.

¹⁴ Explanation of difference in impact reported will be published by 30 June 2023, and continuously on an annual basis.

					Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.	
Energy efficiency	2. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	100%	N/A	<p>The share of investments in energy-inefficient real estate assets has been calculated in accordance with the formula (5) in the Annex I to the SFDR RTS.</p> <p>Mandatum has included only direct real estate investments in the calculation of this indicator but will aim to increase the data coverage into indirect real estate investments in the future. The coverage for this indicator was 46% of the direct real estate portfolio (based on GAV).</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	<p>Mandatum aimed to decrease the emissions in the real estate it manages, which simultaneously creates savings in consumption and increases the value of the properties. Sustainability programmes and targets are defined on a portfolio basis, and they can include, e.g. energy efficiency and carbon neutrality goals.</p> <p>One of Mandatum's direct real estate portfolios is committed to being carbon neutral by 2030. All real estate portfolios are covered by renewable, green electricity, and are gradually transitioning to renewable forms of heating. Investments that improve energy efficiency are carried out in the portfolios and energy consumption is monitored on a monthly basis.</p> <p>Direct real estate portfolios are part of the Energy Efficiency Agreement which sets specific energy efficiency targets for portfolios by 2025.</p>
Other indicators for principal adverse impacts on sustainability factors						

Table 2

Additional climate and other environment-related indicators

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2022	Impact 2021 ¹⁵	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies						
Water, waste and material emissions	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	0.47%	N/A	The share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006 on this statement was calculated as described in the explanation of PAI number 4 (exposure to companies active in the fossil fuel sector). The selected indicator is “company has activities which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006”. The selected	Mandatum gathered the data to gain understanding of the principal adverse impacts of the investee countries. Mandatum aims to monitor the data.

¹⁵ Information will be reported by 30 June 2024, and continuously on an annual basis.

					<p>indicator was derived from data provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative portfolio wide value.¹⁶ The data coverage for the selected indicator was 78.02% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
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Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability impact	Adverse impact on	Metric	Impact 2022	Impact 2021¹⁷	Explanation	Actions taken, and actions planned and targets set for the next reference period
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¹⁶ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 0.37%.

¹⁷ Information will be reported by 30 June 2024, and continuously on an annual basis.

	sustainability factors (qualitative or quantitative)					
Indicators applicable to investments in investee companies						
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	61.18%	N/A	<p>The share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption on this statement was calculated as described in the explanation of PAI number 4 (exposure to companies active in the fossil fuel sector). The selected indicator is “entity without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption”. The selected indicator was derived from data provided by a third-party data provider.</p> <p>Due to limited data availability, investments without available data were disregarded to achieve a more representative</p>	<p>Mandatum participated in collaborative engagement activities in relation to anti-corruption and anti-bribery.</p> <p>In addition, in indirect investments, Mandatum proposed exclusion provisions to external managers in relation to corruption.</p> <p>Mandatum also gathered the data of share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption.</p>

					<p>portfolio wide value.¹⁸ The data coverage for the selected indicator was 78.02% of the total current value of all investments.</p> <p>Mandatum will analyse the difference between impact years in its next statement which is due by 30 June 2024.</p>	
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Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Mandatum’s Responsible Investment Policy is reviewed, updated and approved annually. The latest policy was approved by Mandatum’s and MAM’s Board of Directors in December 2022.

Mandatum aims to recognize and mitigate the adverse impacts of its investment operations to the environment, climate, society, employees, respect for human rights, and anti- corruption and anti-bribery (hereinafter sustainability factors). Therefore, Mandatum has incorporated sustainability into its investment operations, and the company’s investment decisions take into account not only financial aspects, but also sustainability factors, as well as the related risks (hereinafter sustainability risks).

Mandatum’s and MAM’s personnel are bound by its Responsible Investment Policy. The policy is intended as a guide for portfolio managers and for those participating in investment operations to take sustainability risks and factors into account in their day-to-day activities. The policy outlines the minimum level of measures taken to mitigate sustainability risks and adverse sustainability impacts. Stricter rules and engagement procedures can be applied to certain products or portfolios.

Mandatum’s asset manager MAM has a dedicated ESG team whose primary responsibility is to support investment functions on matters related to responsible investment. The team also monitors adherence to the Responsible Investment Policy and assists portfolio management when required. In addition, MAM has appointed a Senior ESG Manager, who has overall responsibility for coordinating responsible investment across Mandatum group.

All investment professionals are required to account for sustainability factors when selecting and monitoring investment objects. Portfolio managers and analysts are in the best position to understand the sustainability aspects of investee companies and business partners they are monitoring and to engage in a

¹⁸ If all investments were included in the calculation, i.e. also including investments without available data for the indicator in question, the reported number would be 47.77%.

dialogue with management to influence matters. As part of their investment market monitoring, portfolio managers and analysts also look at how sustainability issues are incorporated in investor information and investment product offerings.

Mandatum will conduct a double materiality assessment according to the Corporate Sustainability Reporting Directive (EU) 2022/2464 (“CSRD”) in H2/2023. The assessment will include also principal adverse impacts to further specify the methodologies to select the indicators and how those methodologies take into account the probability of occurrence and the severity of those principal adverse impacts, including their potentially irremediable character. In addition, any associated margin of error within the methodologies will be assessed.

Mandatum has identified sensitive areas of business that are monitored both through external service providers and through company analysis. The sensitive areas are breaches of international norms and standards, non-compliance with requirements under sanctions laws as well as sensitive industries. All direct fixed income and equity investments are monitored, and their sustainability risks are assessed based on these sensitive areas of business. In addition, indirect investments with the focus on products with ESG characteristics are also monitored.

In selecting and monitoring investment products managed by external funds, asset managers and co-operation partners, the sustainability analysis focuses on the co-operation partner’s investment process, resources and reporting, and the ESG information is collected from public sources and received from external managers. For private debt and European real estate fund-type products, ESG information is mainly collected by conducting yearly ESG questionnaires for managers. Through the ESG questionnaires Mandatum monitors, for example, whether the fund’s portfolio companies have been involved in any breaches of the UN Global Compact or OECD Guidelines for Multinational Enterprises. In addition, Mandatum seeks to agree with each manager that they will comply with international standards and norms, such as the UN Global Compact or similar in their investment activities. For fund-type real estate investments, the following, among other things, are assessed: the extent to which the portfolio manager’s investment process takes into account the properties’ energy efficiency, waste management, environmental load, and the responsibility of the process for managing the tenant portfolio, as well as the extent to which active property management is seen as a value-adding factor in the investment process. Mandatum also assesses does the manager consider and report principal adverse impacts.

Mandatum relies on data received from investee companies, public sources, and third-party data providers. As described in the explanation columns in Tables 1, 2, and 3 related to specific indicators, the data coverage in PAI indicator calculations varies between the indicators with data availability being 39.73% at lowest and 78.02% at highest. Majority of the third-party data is based on estimates, for example, approximately 53% of the available Scope 1 emission data is estimated.

Engagement policies

Mandatum’s assets are managed by MAM, whose Engagement Principles are applied for Mandatum’s investments. MAM’s Engagement Principles describe its activities as an asset manager when investing in equities of exchange-listed companies in the European Economic Area. Active engagement can take place by participating and voting in general meetings, collaborative engagement, and by maintaining contact with the management of target companies.

Where applicable, these Engagement Principles were also be applied when investing in unlisted companies, investment funds and in debt capital instruments.

The Engagement Principles does not explicitly consider adverse impacts or how the Engagement Principles will be adapted where there is no reduction of the principal adverse impacts over more than one period reported on. However, Mandatum aims to have the consideration of adverse impacts as well as the adaption mechanism included in the Engagement Principles in 2023.

References to international standards

Mandatum has identified sensitive areas of business that are monitored both through external service providers and through company analysis. The sensitive areas are breaches of international norms and standards, non-compliance with requirements under sanctions laws as well as sensitive industries. All direct equity and fixed income investments are monitored, and their sustainability risks are assessed based on these sensitive areas of business. Mandatum screens its investments' alignment with international norms and standards primarily through ISS ESG, Sustainalytics, Refinitiv and The Upright Project subject to data availability and quality. Investment products investing mainly in unlisted loans of private companies such as Mandatum's loan strategies, the data coverage by Sustainalytics and ISS ESG is estimated to be on the low side. The Upright Project and Refinitiv are used to complement these data gaps.

As the norm-based research (ISS ESG), ESG Risk Ratings (Sustainalytics) and adverse media screening (Refinitiv) are based on publicly available data, the data itself is not forward-looking, but is used as a tool to analyze how the investee companies are managing the risks arising from their business sectors, whether they have continuous lack of policies/processes to ensure alignment with international standards and how well they're prepared for future requirements (e.g., national climate goals).

Norm-based screening: The investments are monitored based on international norms and standards laid down in international conventions, such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework, and the Paris Agreement on Climate Change. If abuses or breaches related to these standards and conventions are observed in an investee company, the incident is investigated, and measures are taken on a case-by-case basis. Depending on the severity, nature, and extent of the breach, portfolio management measures may consist of direct dialogue with the investee company's executive management, an engagement action or, as a last resort, divestment if the investee company does not respond to the engagement efforts and does not take measures to prevent the abuse or breach within a reasonable time frame. Specifically regarding the Paris Agreement on Climate Change, Mandatum monitors companies that lobby against climate action and have not been able to reduce their emissions. Mandatum's portfolio did not include these types of companies in the reference period.

Sanction screening: Mandatum is committed to compliance with relevant sanctions laws in the jurisdictions in which it operates. Regarding investments, Mandatum has implemented screening procedures for both new and existing investments. To ensure compliance with the requirements under sanctions laws, Mandatum screens its investment portfolio and investment counterparties against applicable sanctions lists, both before making an investment and on an ongoing basis. Mandatum does not invest in companies or sovereign bonds which are subject to these types of sanctions.

Sensitive industries screening: Certain industries are considered to carry more sustainability risks and cause adverse sustainability impacts than others. Such risks include, for example, reputational risk, climate risks, and regulatory risks. Investments in industry sectors identified as sensitive are monitored regularly to identify potential sustainability risks and quantify them.

Industries identified as sensitive include the manufacture or production of the following products or services, as well as the subcontracting, logistics or distribution of the manufacture or production of those products: adult entertainment, tobacco, gambling, military equipment, controversial weapons, and fossil fuels. In addition to industry specific monitoring, Mandatum follows legally required exclusions (e.g., those required by domestic/international law, bans, treaties, or embargoes).

Mandatum has analysed forward looking climate scenarios as part of its own risk and solvency assessment (“ORSA”). A climate risk scenario analysis was commissioned from a third-party service provider, namely Ortec Finance. For the analysis, a third-party service provider was provided with the asset class and geographical allocations of Mandatum’s asset portfolio. The climate risk scenario analysis assessed climate risk in three different scenarios over the period 2022–2060: orderly transition, disorderly transition, and failed transition. The analysis included only the with-profit asset portfolio (as of 31 December 2021) i.e., excluded unit-link portfolio. In addition, separate forward-looking climate scenarios are performed for certain assets (mainly SFDR article 8 & 9 products that make direct equity and fixed income investments, where the coverage is at an adequate level as well as Mandatum’s with profit portfolio’s direct equity and fixed income investments), which looks at the portfolios’ alignment to different climate budgets and the Paris Agreement. The data provider used is ISS ESG.

Historical comparison

A historical comparison of the period reported on with the previous period reported on will be made as of 2024.