

ENGAGEMENT PRINCIPLES



MANDATUM
ASSET MANAGEMENT

CONTENTS

1. Introduction	3
2. Ownership steering and investment strategy	3
3. Monitoring of investee companies' operations	4
4. Exercising ownership rights in investee companies	4
4.1 Internal staff engagement	5
4.2 Participation and exercising the right to vote in general meetings	5
4.3 Pooled engagement	5
4.4 Significant resolutions to be made in general meetings	6
4.5 Participation and engagement in the nomination process of board members	6
4.6 Changes in capital structure and policy on the distribution of profits	6
4.7 General meeting proposals that promote sustainability	6
4.8 Dialogue with other shareholders and stakeholders	7
5. Engagement in other asset classes	7
6. Conflicts of interest	7

Approved December 2025.

Engagement Principles

1. Introduction

Mandatum Asset Management Ltd.'s (hereinafter MAM) Engagement Principles describe MAM's activities as an asset manager when investing across different asset classes. The Engagement Principles are applicable to all relevant companies of Mandatum Group (Mandatum plc together with its subsidiaries).

The Engagement Principles guide Mandatum Group's personnel and serve as a guide in the day-to-day activities of those participating in investment activities and, more broadly, in the exercise of ownership rights in investment activities. Active engagement can take place for example by participating and voting in general meetings, pooled engagement and by maintaining contact with the management of investee companies.

Sections 2 to 5 of this document outline engagement activities related to investing in equities of exchange-listed companies within the European Economic Area, and these principles can also be applied, where relevant, to other asset classes such as unlisted companies, investment funds, and debt capital instruments. Additionally, Chapter 7 details the unique characteristics of engagement across different asset classes.

In accordance with Chapter 6b, Section 5 of the Act on Investment Services, the asset manager investing client assets in equities of exchange listed companies in the European Economic Area should establish principles of ownership steering in terms of how it will exercise its rights related to such equities. The Engagement Principles contain the statutory principles of ownership steering which are consistently applied in investment activities of Mandatum Group companies and MAM's external portfolio management clients as applicable. MAM publishes an annual disclosure of the implementation of the Engagement Principles to ensure transparency of the engagement activities carried out in relation to investments in exchange-listed companies.

2. Ownership steering and investment strategy

Ownership steering means measures by which equity investors influence the operations of investee companies by engaging with them either directly or through their representatives. Ownership steering refers to measures taken to guide and control the management of investee companies with the aim of achieving the best possible profitability and long-term return for shareholders and to ensure that the legitimate interests of other stakeholders are taken into account. Although ownership steering means engaging with equity investments, these principles can also be complied with, where applicable, in debt capital and fund investments, in which case engagement takes on a broader sense.

As a part of its investment strategy, the goal of MAM's investment activities is to achieve the best possible return on the customers' assets in the long run and in a sustainable manner, meaning that the investment return is pursued at an acceptable risk. MAM's investments are, by nature, long term, and the goal is for the investment objects to have the best possible performance and profit generation in the long run.

MAM has set high expectations for investee companies' governance and responsible business practices. Mandatum Group has published a Responsible Investment Policy, which outlines MAM's approach to responsible investment as well as management and mitigation of sustainability risks and adverse sustainability impacts. MAM believes that, in the long run, the securities of companies and issuers that consider the sustainability risks affecting their business operations as well as the adverse sustainability impacts arising from their operations will perform better, due to their more favourable growth prospects and more predictable cost development

Therefore, by engaging with the governance of investee companies, MAM aims to promote the companies' long-term performance and sustainable business practices.

MAM requires investee companies to comply with local corporate governance codes and international good governance recommendations, taking the operating environment, size and position of the investee company into account. For example, for Finnish listed companies, this means complying with the Securities Market Association's 2020 or more recent Corporate Governance Code. MAM considers it important that investee companies provide clear grounds for any possible deviations from local corporate governance codes. The local corporate governance codes, legislation and local practices that are valid in different countries concerning ownership

steering may conflict with one another, and therefore, the obligations companies comply with may be in conflict with MAM's Engagement Principles. In possible conflict situations, the best approach is to review the overall picture rather than specific differences.

Additional criteria to consider before engaging can be e.g. materiality of the issue, size of the investment, actions already taken by the investee company, and geographical location.

3. Monitoring of investee companies' operations

As a part of its investment strategy, MAM monitors the operations of investee companies in various ways, for instance, by actively following their stock exchange releases. Investee companies must be open and transparent in their operations, in addition to which they must provide information, e.g. on their financial performance, strategy, risk assessment and capital structure. In addition to financial reporting, MAM appreciates that investee companies report on their corporate governance and responsibility principles, as well as on how they are applied and any related goals.

Besides monitoring companies' statutory reporting, MAM may participate in the companies' investor events and general meetings, especially with respect to companies in which MAM represents a major shareholder. MAM may also meet with the management of the companies. The purpose of the meetings is to discuss matters that are important in terms of the investee company's success, for instance the company's goals, possible challenges or sustainability in business operations.

4. Exercising ownership rights in investee companies

Mandatum integrates sustainability into engagement activities with investee companies. Engagement is selective, based on criteria such as materiality, investment size, and geographical location, and aims to avoid conflicts of interest. Portfolio managers engage directly with company executives through meetings and visits, both proactively and reactively, and voting at AGMs is used as a tool for shareholder influence, with decisions guided by the ESG team and the CIO when necessary. Voting occurs either in person or by proxy, depending on location. Mandatum also collaborates with other investors through pooled engagement to address significant issues reactively, monitoring progress and escalating or reducing investments if engagement fails. As a UN PRI signatory, Mandatum reports annually on responsible investment practices, discloses the carbon footprint of investment products, and communicates sustainability efforts to clients within data and confidentiality limits.

Scope of influence	Approach	Asset classes
Limited influence 1. Direct minority investments	Focus on reactive engagement <ul style="list-style-type: none"> • Queries related to controversies • Taking part in pooled engagement • Dialogue with investee company management in selected products 	<ul style="list-style-type: none"> • Direct equity and fixed income • Allocation solutions (own products)
2. Indirect minority investments via external asset managers	Focus on the manager's investment process and practices <ul style="list-style-type: none"> • ESG requirements within side letters • ESG questionnaires 	<ul style="list-style-type: none"> • Indirect private equity • Indirect private debt • Indirect real estate • Allocation solutions (indirect)
Influence Investments where Mandatum has significant ownership and where Mandatum engages in direct cooperation with the operative management and/or sits in the board of directors	<ul style="list-style-type: none"> • Direct dialogue with the investee companies • Influence through BoD role • ESG workshops • ESG questionnaires 	<ul style="list-style-type: none"> • Direct private equity
Decision authority Investments where Mandatum has majority ownership or operative control	<ul style="list-style-type: none"> • ESG-related management and investments in RE assets • Cooperation with property managers • Cooperation with tenants 	<ul style="list-style-type: none"> • Direct real estate

Table 1. Approach to stewardship on investee companies and assets, based on the scope of influence.

4.1 Internal staff engagement

The most natural way to influence a company's operating methods is to engage in a direct dialogue with the company's executive management using e.g. in-person and virtual meetings, roadshows and visits to operations. Portfolio managers should do this regularly with representatives of companies which MAM has invested in. Internal staff engagement is used both in a proactive and reactive manner.

4.2 Participation and exercising the right to vote in general meetings

MAM participates in the annual general meetings (AGM) and extraordinary general meetings of companies in which it represents a major shareholder or in which participation is otherwise appropriate, e.g. due to a topic that is on the agenda.

The focus of participation and exercising the right to vote in general meetings is on Finnish holdings, as MAM has significant holdings in Finnish companies under its management and thus engagement activities are likely more successful. MAM can either authorise an employee of Mandatum Group or another representative to participate in a general meeting and exercise the right to vote or use an external service provider, to whom MAM gives voting instructions on exercising the right to vote.

If proposals submitted to the general meeting by an investee company's board of directors deviate from MAM's Engagement Principles or Principles of Responsible Investment, MAM may initiate discussions with the company before the general meeting in order to reconcile the opinions. If a discussion is not possible or it does not lead to a mutual understanding, MAM may exercise ownership rights in a potential voting situation. MAM strives to ensure that the investee company knows the grounds for MAM's voting behaviour in cases where MAM does not support the board's proposal.

If necessary, MAM may, make proposals that promote good governance and sustainability, especially proposals aiming at improving the company's capability to address and mitigate the effects of climate change or other adverse impacts on sustainability factors to the business operations, as well as support similar proposals by other shareholders and take part in preparing such proposals.

Voting at AGM is also a tool for shareholders to express their views and can be used in conjunction with other engagement activities. Portfolio managers are in charge of voting at companies' AGMs. The portfolio managers keep records of the AGMs they have attended and the votes they have cast at the meetings.

Voting decisions are made by MAM's portfolio managers assisted by the ESG team and approved by the CIO, if necessary, given the nature of the voting decision.

4.3 Pooled engagement

MAM engages through pooled engagement with other investors, if it is believed that it can be an effective means of achieving a desired change in the investee company. Pooled engagement is used mainly in a reactive manner to address issues that may have already occurred.

Engagement processes may take years depending on the severity of the case. Engagement progress and outcomes are monitored internally and through the service provider as long as the engagement is ongoing.

In unsuccessful engagements the escalation strategy depends on the size and type of investment. If the investee company is unresponsive to engagement activities, the investment may be sold or the exposure reduced.

4.4 Significant resolutions to be made in general meetings

MAM considers it important that all proposals that deviate from the ordinary are justified in detail already in the notice of the general meeting. MAM considers resolutions that concern a investee company's strategy, financial and other performance, as well as risks, capital structure, social and environmental aspects, and governance and steering systems to be significant resolutions. Therefore, in terms of engagement, e.g. major business transactions may be considered as significant events.

Furthermore, if the general meeting votes against the board's proposal or presents a substantially different view, the event can likewise be considered significant. In contrast, MAM does not consider resolutions concerning a general meeting's procedural matters alone to be significant resolutions. In addition, general meeting resolutions in investee companies in which the number of shares held by MAM's clients is very low compared to its shares in other investee companies have minor significance. General meeting resolutions that have minor significance do not require MAM to take an active part in the resolution.

4.5 Participation and engagement in the nomination process of board members

MAM may, if deemed necessary, participate in the selection of board members and in the decision-making process of a separate body established for the purpose. MAM performs active monitoring of the governance and management activities as well as appointments in investee companies, and MAM may additionally exercise shareholder's rights by voting on a board's composition in the general meeting.

In private equity investments MAM can informally or through board membership influence the composition of the portfolio companies' boards and ensure that there is a dedicated board member responsible for ESG matters. Otherwise, MAM does not, in principle, act as a strategic owner by participating in board work, and the aim in general is thus not to influence the composition of investee companies' boards through board membership.

4.6 Changes in capital structure and policy on the distribution of profits

Companies' ability to distribute profits depends on their performance, financing structure and growth prospects. MAM considers it important that a investee company has a board-approved policy on the distribution of profits and that the company complies with, from the shareholders' perspective, an active and goal-oriented profit distribution policy that safeguards the company's solvency.

MAM considers it important that authorisations proposed by the boards of investee companies on the issuance of new shares be appropriate from the perspective of the company's strategy and life cycle.

4.7 General meeting proposals that promote sustainability

The goal is to promote investee companies' sustainability, in particular compliance with the principles of the UN Global Compact initiative, and with the UN's declarations on human rights, environment and anti-corruption that the initiative is based on, as well as with the ILO's declarations on labour conventions and rights, and OECD Guidelines for Multinational Enterprises. MAM considers it important to take sustainability factors broadly into account in business. MAM is, in principle, in favour of general meeting proposals that promote sustainability, adaptation to climate change and mitigation of climate risk in accordance with MAM's Principles of Responsible Investment.

4.8 Dialogue with other shareholders and stakeholders

Dialogue with other shareholders primarily takes place in general meetings and investor meetings. MAM cannot, as a rule, comment on its investment decisions due to possible market reactions or conflicts of interest.

5. Engagement in other asset classes

Engagement in other asset classes is pursued through the same methods and principles as in direct listed equity engagement, i.e. through portfolio managers' dialogue with the company or fund manager and participation in roadshows and investor meetings, as well as the service provider's pooled engagement activities. In private equity investments engagement also takes place through board work and active participation in the companies' development.

For direct fixed income investments where MAM does not hold an ownership stake in the investee company, it can employ mainly pooled engagements or direct dialogue with management as its engagement methods. When applicable, MAM can also vote in bondholder meetings.

Engagement in direct real estate investments includes, for example conducting annual tenant satisfaction surveys to inform development plans and ensure continuous improvement. MAM is in constant contact with its various stakeholders, including external property managers.

When investing in funds where investment operations are outsourced to external partners within defined limits, MAM has no discretion over individual investment decisions. Consequently, engagement activities focus on the external partner's investment process. MAM utilizes tools such as annual ESG questionnaires for fund-type alternative fixed income and fund-type real estate investments made by strategies managed by MAM to monitor external fund managers' sustainability efforts and aims to engage with managers when areas for improvement are identified.

6. Conflicts of interest

When exercising ownership steering, MAM follows the principles of identifying, preventing and managing conflicts of interest defined in Mandatum Group's Conflict of Interest Policy. All employees are expected to identify possible conflicts of interest in the activities they undertake and raise potential concerns within the organisation. The identified conflicts of interest must be assessed and managed with appropriate risk prevention or, if not possible to prevent, with mitigation measures. For example, in a situation where an employee's personal interests may conflict with the interests of a client, the employee must abstain from decision-making and escalate the matter internally for deciding appropriate actions to proceed.

