

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Product Name: Mandatum AM Finland Properties II (non-ucits, AIF)

Legal entity identifier: 28125497#001

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the

| Does this financial product have a sustainable investment objective? | |
|--|--|
| <p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p> | <p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p> |



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and the companies in which the investments are made follow good governance practices pursuant to the Article 8 of SFDR. This product promotes environmental and/or social characteristics in the following way:

Sustainability indicators on measure how the environmental or social characteristics promoted by the financial product are attained.

1. Due Diligence: Environmental and social characteristics are considered as a part of our ESG due diligence. We aim to find out what are the most material risks, issues or opportunities for each investment target.
2. Monitoring overall energy consumption, monitoring the utilisation of renewable energy sources, energy efficiency investments.
3. Sustainable Development Goals: The Fund aims to contribute positively to two or more UN Sustainable Development Goals (SDGs). UN SDG 13 (Climate Action) as an environmental characteristic, and UN SDG 8 (Decent Work and Economic Growth) as a social characteristic are promoted across the portfolio of the Fund.

The SDG #13 (Climate Action) will be promoted on a portfolio level by following GHG emissions of the Fund's investments. The SDG #8 (Decent Work and Economic Growth) will be promoted on a portfolio level by monitoring the tenant satisfaction feedback of the tenants of the Fund.

4. Investment selection: The product applies exclusion criteria defined in Mandatum's Responsible Investment Policy (RI Policy) and therefore promotes certain minimal environmental and social standards. The exclusions are made in areas of business determined as most sensitive in our RI Policy (incl. controversial weapons, coal mining, tobacco). The exclusions have varying thresholds depending on the sector and whether the business activity is direct (production/exploration) or indirect (subcontracting/distribution).

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

For Climate Action, the relevant sustainability indicator is annual GHG emissions and its delta to the previous year. In addition, energy consumption, renewable energy utilization and the rate of waste recycling is used as an indicator.

For Decent Work and Economic Growth, the relevant sustainability indicator is the tenant satisfaction indicator, based on tenant questionnaires. This data is measured at least annually.



Does this financial product consider principal adverse impacts on sustainability factors?

- ✘ Yes, this financial product measures and monitors the following principal adverse impacts: GHG emissions, exposure to fossil fuels through real estate assets, energy consumption, share of non-renewable energy, exposure to energy-inefficient real estate assets and waste production in operations.

1. The impacts of fossil fuel sector activity, GHG emissions and involvement in controversial weapons and the other restricted/excluded industries are considered in the initial investment stage. In addition, exposure to these matters in investments is monitored annually. Energy consumption, share of non-renewable energy, exposure to energy-inefficient real estate assets and waste production in operations are monitored on an annual basis.

2. The information is available in the products' sustainability reports as well as in the periodic reports required by the SFDR.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

No



What investment strategy does this financial product follow?

The investment strategy of the Fund is described in the rules of the Fund. The Fund mainly invests in commercial real estate properties located in Finland.

The investment strategy is implemented in the investment process on a continuous basis through the investment committee procedure; the investment committee of the Fund makes investment decisions according to the investment strategy.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The selected E/S characteristics are promoted in each investment/portfolio company.

ESG due diligence reviews will be carried out with respect to each investment (prior to the Fund making its investment in the relevant real estate target) shall in each case cover the current levels of the sustainability indicators mentioned above.

Where material deficiencies are detected prior to the completion of the investment, the Fund undertakes to prepare a plan on how such rates/indicators will be improved to an acceptable level and to procure that relevant measures and processes are implemented in sufficient time following the investment.

Where the AIFM believes that the detected material deficiencies cannot be rectified to an acceptable level following the investment by the Fund, the Fund will not invest in such portfolio company.

It can also be noted that the AIFM has an exclusion list (see above).

● What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The fund has committed to promote afore described characteristics. The reduction impact on the investment universe has not been defined for these characteristics.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● **What is the policy to assess good governance practices of the investee companies?**

Legal, technical and financial & tax due diligence will be performed before making any investment.

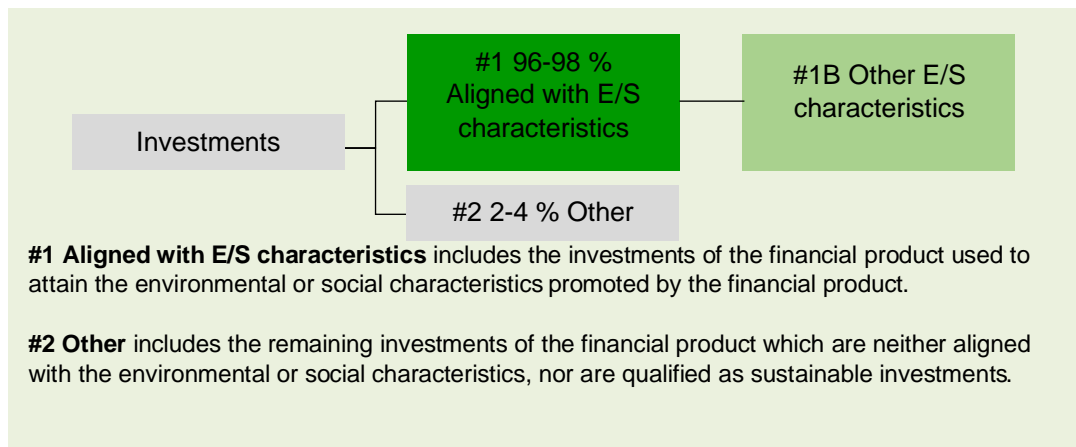
The Fund and the AIFM will ensure that the company complies with good governance practices prior to investments. In case the Fund acquires all shares in a company (typically a mutual real estate company), the Fund shall administrate the company according to its own governance guidelines and instate a board of directors comprising of personnel involved in the Fund's management. Good governance practises include sound management structures, employee relations, remuneration of staff and tax compliance.

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What is the asset allocation planned for this financial product?

96-98% % of the investments of the Fund will be aligned with E/S characteristics (i.e. E/S characteristics set out under the disclosure "What environmental and/or social characteristics are promoted by this financial product?" above). Investments are not expected or required to qualify as sustainable investments.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund may enter into financial derivatives contracts for the purpose of hedging, efficient portfolio management and/or implementing its investment strategy. Derivatives relating to individual companies are not used. Thus the use of derivatives does not have impact on the environmental/social characteristics promoted by the fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%. It is not the purpose of the fund's investment strategy to make sustainable investments. The fund may make investments that are defined sustainable under the EU Taxonomy, provided the investments meet the fund's investment criteria, but does not target a specific allocation.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

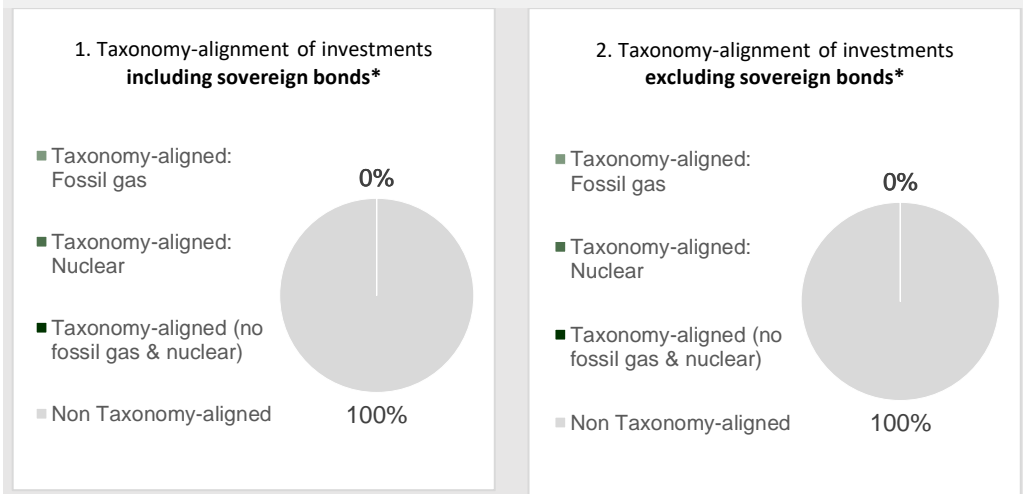
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Does the financial product invest in fossil gas/and or nuclear energy related activities that comply with the EU Taxonomy¹?

- Yes:
 - In fossil gas In nuclear energy
- No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

0%



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%



What is the minimum share of socially sustainable investments?

0 %



What investments are included under ”#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

2-4% Other. Other assets include cash and derivatives required by financing parties. The fund uses minimum safeguards by verifying counterparties' compliance with international norms and standards, including the UN Global Compact and the OECD Guidelines for Multinational Enterprises, for cash and derivatives..

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Is a specific index designed as a reference benchmark whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No.



Where can I find more product specific information online?

More product-specific information can be found on the website:

[Key Information Documents - Mandatum Life](#)