

Summary

This document is summarizing the website product disclosure for financial products that promote environmental or social characteristics in accordance with Article 10 of the EU 2019/2088 Sustainable Finance Disclosure Regulations ("SFDR") and Article 24 of the EU 2022/1288 Regulatory Technical Standards ("RTS").

No sustainable investment objective

Mandatum AM AIFM Ltd (the "Management Company") is a subsidiary of Mandatum Asset Management Ltd and manages Mandatum AM Growth Equity II fund (the "MAM GE II") registered in Finland. Mandatum Asset Management Ltd is the portfolio manager of MAM GE II. MAM GE II is an alternative investment fund, and it promotes, among other characteristics, environmental and social characteristics, or a combination of those characteristics, and the companies in which the investments are made follow good governance practices pursuant to Article 8 of the SFDR, but MAM GE II do not have as its objective sustainable investment within the meaning of Article 2(17) of the SFDR.

Environmental or social characteristics of the financial product

The Management Company invests its customers' funds responsibly, and the responsibility forms a key part of its risk management process. The Management Company believes that, in the long run, the securities of companies and issuers who operate responsibly will yield better results as investment objects, thanks to their more favorable growth prospects and more predictable cost development. The environmental and social characteristics that are promoted among other characteristics are:

- **Due diligence:** This product considers compliance with international norms and standards, including the UN Global Compact and the OECD Guidelines for Multinational Enterprises as part of its due diligence when making investments. 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 company we invest in. We aim to actively mitigate ESG risks and develop opportunities identified during the Due Diligence process and throughout the ownership period.
- **Sustainable Development Goals:** The Partnership aims to contribute positively to one or more UN Sustainable Development Goals (SDGs) in each portfolio company. UN SDG 13 (Climate Action) as an environmental characteristic, and UN SDG 8 (Decent Work and Economic Growth) as social characteristics are promoted across the portfolio of the Partnership. The SDG #13 (Climate Action) will be promoted on a portfolio level by following GHG intensity. The SDG #8 will be promoted on a portfolio level by following the portfolio's viable job creation. These SDGs are monitored on a fund-specific level, while own individual KPI's and SDGs are set for each portfolio company.
- **Investment selection:** As part of the investment selection process, the product applies exclusion criteria defined in the 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).

Investment strategy

MAM GE II is actively managed fund which aim to achieve long-term capital appreciation by making, holding, managing, developing, and disposing of equity and equity-related investments. The Management Company has incorporated a sustainability analysis into its investment processes and monitors all investment objects in its portfolios also from the perspective of sustainability. When analyzing the risks of an investment object, the Management Company considers sustainability factors as a key part of risk management. In decision-making, the Management Company employs both negative and positive screening. Investments can also be made with an emphasis on certain sustainability themes, such as climate change and climate risk mitigation.

Proportion of investments

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All investments in the fund that promote, among other characteristics, environmental and social characteristics, or a combination of those characteristics (i.e., Article 8 SFDR financial products) are aligned with E/S characteristics of described above and the investments are investigated comprehensively in terms of possible ESG risks during the due diligence phase.

Monitoring of environmental or social characteristics

The investment product is monitored regularly based on sensitive sectors and international norms and standards, such as the UN Global Compact and OECD Guidelines. The contribution to the UN SDGs as well as GHG intensity of the fund is measured and disclosed annually. The periodic reports will be published for the product pursuant to the SFDR requirements.

Methodologies

Sustainability indicators are used to measure the attainment of the environmental or social characteristics (for Article 8 SFDR financial products). The portfolio companies are measured and monitored for sensitive sectors and norm-based screening (breaches of international norms and standards), contribution to the SDG 8 (Decent Work and Economic Growth) and SDG 13 (Climate Action). For Climate Action, the relevant sustainability indicator is annual GHG intensity and for Decent Work and Economic Growth the relevant sustainability indicator is viable job creation, which will be closely monitored based on information received from the portfolio companies. This data is measured at least annually.

Data sources and processing

Data is received directly from the portfolio companies, and thus there can be variations in data quality and coverage. The Management Company uses only a limited number of ESG data sources in its investment and risk management processes. The Management Company cooperates for norms-based screening, carbon emission data and screening the companies' active in fossil fuel sector and controversial weapons with the Upright Project. In addition, Upright Project is also used to model investments' net impact. ESG data provided by Upright Project is an integral part of the whole investment life cycle, e.g., during due diligence, screening of investments and reporting.

Limitations to methodologies and data

The current and potential data providers are surveyed and reviewed regularly in order to gain an even better understanding of the industry's development. In addition to this, Management Company also presents its own views and requirements regarding data availability, comparability, and quality. As a rule, we use the data published directly by the investee companies to calculate alignment with the EU taxonomy and the company's carbon footprint as well as exposure to sensitive sectors. External data providers are used as well to extend the coverage.

Due diligence

Investments are monitored based on sensitive sectors and international norms and standards, including the UN Global Compact and the OECD Guidelines for Multinational Enterprises as part of its due diligence when making investments. ESG factors are integrated into the investment process by assessing and defining material ESG risks and ESG-related opportunities during due diligence process. When assessing what is material for each investment, established standard frameworks can be utilized as tools to help identify industry specific ESG topics.

Engagement policies

Sustainability risks and factors, especially those related to climate change, are considered in all engagement activities and Management Company aims to ensure that all investee companies have implemented sustainability factors into their corporate strategies. Further information can be found in MAM's Engagement Principles (Engagement Principles (mandatumam.com))

Designated reference benchmark

The environmental and/or social characteristics are attained by using the sustainability indicators defined above and no index has been designated as a reference benchmark to determine whether the financial products are aligned with the environmental and/or social characteristics that are promoted.