

## **Adverse Sustainability Impacts Statement**

Mandatum Fund Management S.A. (“**Mandatum**”) considers principal adverse impacts of its investment decisions on sustainability factors as set out below.

This principal adverse impacts statement covers the period from 10 March 2021 to 31 December 2021. Investment decisions made by Mandatum may or may not currently take into account the adverse impacts of its investment decisions on sustainability factors (as defined in the SFDR).

Where an investment product offered by Mandatum does not promote environmental or social characteristics or have sustainable investment as an objective, Mandatum considers that the best interests of the investors are served by following the investment objectives and policies of the relevant investment products.

Where an investment product promotes environmental characteristics, promotes social characteristics, or has sustainable investment as an objective, we will ensure that sustainability risks and principal adverse impacts of investment decisions on sustainability factors in relation to the investment objective are considered in accordance with our Responsible Investment Policy.

In particular our internal due diligence policies with respect to those adverse sustainability impacts include:

### **Identification and prioritisation of principal adverse impacts and indicators**

- Mandatum has incorporated a sustainability analysis into its investment processes and monitors all investment objects in its portfolios.
- In liquid investments, the monitoring is continuous, and in alternative investments, the assessment of the sustainability of the investment objects focusses on an analysis at the time the investment is made, but the investments are monitored regularly also in terms of sustainability.
- When analysing the risks of an investment object, Mandatum considers sustainability factors as part of the whole. In decision-making, Mandatum employs both negative and positive screening, taking the special characteristics of different asset classes into account.
- Investments can also be made with an emphasis on certain sustainability themes, for instance, climate change and climate risk.
- Further information can be found in Mandatum Life's Responsible Investment Policy, which can be found [here](#).

### **Principal adverse sustainability impacts and related actions**

- Mandatum takes into account the SFDR in its investment processes.
- Direct equity and fixed income investments that are determined to promote environmental or social characteristics or to be sustainable investments as defined in the SFDR are subject to relevant restrictions and procedures, including stricter disclosure obligations.
- If an investment object in the portfolio no longer meets the criteria which has been amended to take account of principal adverse impacts, Mandatum will divest the investment within six months at the latest.

### Shareholder engagement policies

- Mandatum follows its voting rights and engagement policy which sets out the legal & regulatory requirements, as well as the related actions, which Mandatum complies with in order to meet its obligations with respect of shareholder engagement and exercise of voting rights in accordance with the Shareholder Rights Directive and other relevant regulatory requirements. A copy of the voting rights and engagement policy can be found [here](#).

### Adherence to international standards and business codes

- In 2011, Mandatum signed the UN's Principles for Responsible Investment ("UN PRI"), which requires Mandatum to incorporate sustainability factors into investment analysis and investment decision making processes, as well as being an active owner and incorporating sustainability factors into its ownership practices.
- In 2015, Mandatum joined the Portfolio Decarbonization Coalition (PDC) network, which aims to reduce the carbon footprint globally, steer assets to companies with lower emissions and develop methods for reducing the carbon footprint of investments.
- In 2016, Mandatum signed the Montréal Pledge, through which the company commits to annually measure and disclose the carbon footprint of its investments. The carbon footprint of investments is reported on both in absolute terms and in relation to general market indices to make it more understandable and comparable with both the development in the industry and development over time.

In addition to the above, for all its Funds Mandatum takes into account the adverse impacts of sustainability risks to the extent that such risks form an intrinsic part of other risks, such as market risk and operational risk.