

Mandatum`s policies on sustainability risks

Mandatum Fund Management S.A. ("Mandatum") invests its customers' funds responsibly, and sustainability risks form a key part of our risk management process. We believe that, in the long run, the securities of companies and issuers who operate sustainably will yield better results as investment objects, thanks to their more favourable growth prospects and more predictable cost development.

For these reasons, we have integrated sustainability risks into our decision-making process for investments. Our policies on the integration of sustainability risks differ slightly between direct equity and fixed income investments, and fund investments and other asset classes.

When making investment decisions for direct equity and fixed income investments, Mandatum applies a sustainability risk rating from an external provider to investment objects. Using this risk rating, investment objects are categorised as either low, medium, high or severe risk. Apart from where an investment object is categorised as "low risk", we carry out a range of proportionate sustainability risk management measures before making an investment decision. These range from considering the consequences of realisation of such sustainability risks to requiring approval from the Chief Investment Officer.

For fund investments and other asset classes, the investment object's investment operations are carried out by an external entity, rather than Mandatum. Therefore, when integrating sustainability risk into our investment decisions, we focus on the external party's investment process and favour co-operation with partners whose investment risk management is consistent with Mandatum`s own processes. We evaluate the sustainability risk associated with each of the external funds we invest in on an annual basis.

More information on our approach to responsible investing can be found in our Responsible Investment Policy.