Statement on principal adverse impacts of investment decisions on sustainability factors

Table 1

Financial market participant Mandatum AM AIFM Ltd (LEI 74370009M5PH2U529B26)
Summary Mandatum AM AIFM Ltd ("MAM AIFM", LEI 74370009M5PH2U529B26) considers principal adverse impacts ("PAI") of its investment decisions on sustainability factors in accordance with Article 4(1) of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("SFDR"). This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2025 and is reviewed annually by 30 June. Mandatum AM AIFM Ltd is part of Mandatum Group ("Mandatum"). At Mandatum, PAIs are taken into account in alignment with the Responsible Investment Policy, which is reviewed and approved by relevant Mandatum Group companies' boards of directors annually. According to the Responsible Investment Policy, Mandatum aims to consider and mitigate the principal adverse impacts of its investment decisions to the environment, climate, society, employees, respect for human rights, and anti-corruption and anti-bribery ("sustainability factors"). This means that Mandatum has incorporated sustainability into its investment operations, and its investment decisions take into account not only financial aspects, but also sustainability factors, as well as the related risks. The Responsible Investment Policy also describes Mandatum's commitments to responsible investment, incorporation of a sustainability analysis into the investment processes, exclusion policies, and engagement activities. In addition, Mandatum Asset Management Ltd's ("MAM", LEI 743700CTALP9F3ZBBB71) Engagement Principles are applied to Mandatum's investments. When investing in equities of exchange-listed companies in the European Economic Area, active engagement is conducted by participating and voting in general meetings, collaborative engagement and by contacts with the management of investee companies. Similar engagement activites can also be applied when investing in unlisted companies, investment funds, and in debt capital instruments, if applicable. Mandatum considers nine (9) mandatory "climate and other environment-related" indicators and five (5) mandatory indicators for "social and employee, respect for human rights, anti-corruption and anti-bribery matters" applicable to its investments in investee companies. In relation to investee companies, Mandatum considers also one (1) additional "climate and other environment-related" indicator and one (1) additional indicator for "social and employee, respect for human rights, anti-corruption and anti-bribery matters". In addition, Mandatum considers two (2) mandatory indicators applicable to investments in sovereigns and supranationals and two (2) mandatory indicators applicable to investments in real estate assets. Mandatum considers PAIs by monitoring and measuring PAIs as well as taking actions in relation thereto. The consideration is subject to data availability and quality, which Mandatum continuously aims to improve. Mandatum's approach to identifying and prioritization of PAIs, as well as Mandatum's engagement policies, reference to international standards, and the availability of the historical comparison are addressed at the end of the table.

Description of the principal adverse impacts on sustainability factors

Mandatum considers nine (9) mandatory climate and other environment-related indicators and five (5) mandatory indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters applicable to investments in investee companies as well as two (2) mandatory indicators applicable to investments in sovereigns and supranationals and two (2) mandatory indicators applicable to investments in real estate assets as set out in Table 1.

In relation to investee companies, Mandatum considers also one (1) additional climate and other environment-related indicator as set out in Table 2 and one (1) additional indicator for social and employee, respect for human rights, anti-corruption and anti-bribery matters as set out in Table 3.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator		**Metric**	**Impact 2025**	**Impact 2024**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	15.69 tCO2e	0 tCO2e	Scope 1, Scope 2, Scope 3 and total GHG emissions on this statement have been calculated according to the definition (1) in the Annex I to the Commission Delegated Regulation (EU) 2022/1288 ("SFDR RTS") and in accordance with the formula (1) set out in the said Annex. To take into account variation in Mandatum's positions, Scope 1, Scope 2 and Scope 3 emissions are calculated quarterly, with the annual value derived from the average of the four quarters as recommended in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022. Total annual GHG	Mandatum joined the Net Zero Asset Managers initiative in 2024 and committed to achieving net-zero emissions from its investments by 2050. In June 2025 the company set the first interim targets for the emissions from its assets under management. The aim is to reduce the Scope 1 & 2 weighted average carbon intensity of its direct listed equities and corporate bonds by 75 per cent by 2030, compared to the 2020 baseline. Mandatum will continue to report the GHG emissions of its selected direct equity and fixed income investment products and work to reduce the GHG intensity of its investments over time. The GHG emissions of selected investment products are determined annually and are monitored separately
		Scope 2 GHG emissions	28.31 tCO2e	11.76 tCO2e		
		Scope 3 GHG emissions	2602.37 tCO2e	1,080.71 tCO2e		
		Total GHG emissions	2646.37 tCO2e	1,092.35 tCO2e		

					emissions is the sum of quarterly Scope 1, Scope 3, and Scope 3 averages. The selected indicator was derived from data that investee companies provided directly to Mandatum. Data coverages for Scope 1, Scope 2, and Scope 3 emission calculations are 100%, 100%, and 100%, respectively.	for investment baskets or funds and other applicable assets. Regarding specifically private equity investments, Mandatum's engagement actions may include acting as a board member and assisting the investee companies in creating or developing their ESG metrics, which include climate KPIs. As Mandatum generally holds a minority ownership position in these companies, its ability to influence may be inherently limited.
	2. Carbon footprint	Carbon footprint	65.20 tCO2e per million EUR invested	38.18 tCO2e per million EUR invested	The carbon footprint on this statement has been calculated according to the definition (1) in the Annex I to the SFDR RTS and in accordance with the formula (2) set out in the said Annex. To take into account variation in Mandatum's positions, carbon footprint is calculated quarterly, with the annual value derived from the average of the four quarters as recommended in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022.	

					The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	
	3. GHG intensity of investee companies	GHG intensity of investee companies	120.27 tCO2e per million EUR of revenue	110.39 tCO2e per million EUR of revenue	GHG intensity of investee companies on this statement has been calculated according to the definition (1) in Annex I to the SFDR RTS and in accordance with the formula (3) set out in the said Annex. To take into account variation in Mandatum's positions, GHG intensity is calculated quarterly, with the annual value derived from the average of the four quarters as recommended in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022. The selected indicator was derived from data that investee companies provided directly to Mandatum.	

					The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0.00%	0.00%	The share of investments in companies active in the fossil fuel sector on this statement has been calculated according to the definition (5) in the Annex I to the SFDR RTS. The share of investments was calculated by dividing the total current value of investments where the selected indicator (company is active in the fossil fuel sector) is present with the total current value of all applicable investments in the investee company asset category. To take into account variation in Mandatum's positions, the selected indicator is calculated quarterly, with the annual value derived from the average of the four quarters as recommended in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022.	MAM AIFM does not have investments in companies active in the fossil fuel sector.

					The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0.00% of total energy consumed and produced	0.00% of total energy consumed and produced	The share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources has been calculated according to definition (6) and (7) in Annex I to the SFDR RTS, with formulas (5) and (6) set out in the ESA's Final Report on draft RTS under SFDR dated 4 December 2023. The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100%	Mandatum collected the data on the share of non-renewable energy consumption and production to gain understanding into the principal adverse impacts of the investee companies.

					of the total current value of all applicable investments.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	A. Agriculture, forestry and fishing: 0.00 B. Mining and quarrying: 0.00 C. Manufacturing: 0.00 D. Electricity, gas, steam and air conditioning supply: 0.00 E. Water supply; sewerage, waste management and remediation activities: 0.00 F. Construction: 0.00 G. Wholesale and retail trade; repair	A. Agriculture, forestry and fishing: 0.00 B. Mining and quarrying: 0.00 C. Manufacturing: 0.00 D. Electricity, gas, steam and air conditioning supply: 0.00 E. Water supply; sewerage, waste management and remediation activities: 0.00 F. Construction: 0.00 G. Wholesale and retail trade; repair	The energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector was calculated by dividing investee companies' total energy consumption per high impact climate sector with the total revenue in millions of euros for each of the high climate impact sectors. The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	Mandatum collected the data on energy consumption intensity per high impact climate sector to gain understanding of the principal adverse impacts of the investee companies. MAM AIFM did not make any investments in companies active in any high impact climate sector.

			of motor vehicles and motorcycles: 0.00 H. Transportation and storage: 0.00 L. Real estate activities: 0.00	of motor vehicles and motorcycles: 0.00 H. Transportation and storage: 0.00 L. Real estate activities: 0.00		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.00%	0.00%	The share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas on this statement has been calculated according to definitions (18) and (19) in Annex I to the SFDR RTS. The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	In MAM AIFM's private equity investments where Mandatum has greater influence e.g. through board representation, biodiversity considerations were integrated into the companies' operational planning. Biodiversity factors were also assessed during the due diligence process for private equity investments. As Mandatum generally holds a minority ownership position in these companies, its ability to influence may be inherently limited. The biodiversity impacts and risks of investments have been considered in the Sustainability Strategy, which set as a target in 2024 to evaluate and implement biodiversity tools and to assess own direct investment products with the help of these tools. As of 2025, the proportion of investment products for which a biodiversity

						assessment has been conducted has been used as a metric for the target. During 2025, Mandatum has mapped biodiversity tools suited for assessing investment products, with criteria for the tool including science-based assessment methods. In the future, the target aims for a relative improvement compared to the baseline year. During 2025, Mandatum continued the work to draft a biodiversity roadmap for investment operations. The roadmap will define targets and actions for promoting biodiversity in investment operations, thus helping to integrate biodiversity aspects more firmly into the decision-making process.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00	0.00	Tonnes of emissions to water generated by investee companies per million EUR invested has been calculated according to definitions (18) and (19) in the Annex I to the SFDR RTS and in accordance with the formula provided on page 10 of the Q&A on the SFDR Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288) dated on 17 November 2022.	The investee companies of MAM AIFM did not report any emissions to water.

					The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.00	0.00	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested on this statement has been calculated according to definitions (14), (15) and (16) in the Annex I to the SFDR RTS and in accordance with the formula provided on page 10 of the Q&A on the SFDR RTS dated 17 November 2022. The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	The investee companies of MAM AIFM did not report any hazardous or radioactive waste.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00%	0.00%	The share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises on Mandatum's PAI statement has been calculated according to the definition (22) in Annex I to the SFDR RTS. The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	The investee companies of MAM AIFM did not report any violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global	Share of investments in investee companies without policies to monitor compliance with the UNGC	31.92%	64.03%	The share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address	Mandatum monitored the good governance practices of its investee companies and aimed to engage with the companies if there were a reason to suspect a lack of good governance processes or compliance mechanisms. Given the nature of private equity investments – particularly those

	Compact principles and OECD Guidelines for Multinational Enterprises	principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			violations of the UNGC principles or OECD Guidelines for Multinational Enterprises on this statement has been calculated according to the definition (22) in Annex I to the SFDR RTS. The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	targeted at smaller, unlisted companies – formalised policies and procedures, such as monitoring compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises, or maintaining dedicated grievance or complaints mechanisms, may not yet be in place. These companies may not yet have the structures or resources in place to implement comprehensive governance frameworks or formal monitoring mechanisms. However, Mandatum seeks to promote responsible business conduct through active ownership and engagement. Where such formal mechanisms are lacking, Mandatum encourages investee companies to progressively strengthen their governance practices in line with international standards over time.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	11.58%	13.29%	The average unadjusted gender pay gap of investee companies on this statement has been calculated according to the definition (23) in Annex I to the SFDR RTS by taking a weighted average of the unadjusted gender pay gaps of all applicable investee companies.	Mandatum collected data on the unadjusted gender pay gap to better understand the potential principal adverse impacts associated with its investee companies. For private equity investments, the unadjusted gender pay gap was also considered during the yearly ESG questionnaire process. If significant discrepancies were identified, the

					The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	private equity team would aim to engage with the company and encourage corrective actions.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	5.36%	3.33%	The average ratio of female to male board members in investee companies, expressed as a percentage of all board members on this statement has been calculated according to the definition (24) in the Annex I to the SFDR RTS by taking an average ratio of female to male board members in investee companies. The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	Mandatum collected the data on board gender diversity to to better understand the potential principal adverse impacts associated with its investee companies. In its private equity investments, Mandatum's team typically holds one board seat or observer position. Through this role, the team may promote gender diversity. However, as Mandatum generally holds a minority ownership position in these companies, its ability to influence may be inherently limited.

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	0.00%	The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	MAM AIFM does not have investments in companies involved in controversial weapons.

Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		**Metric**	**Impact 2025**	**Impact 2024**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmental	1. GHG intensity	GHG intensity of investee countries	N/A	N/A	MAM AIFM does not have investments in sovereigns and supranationals.	
Social	2. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number	N/A	N/A	MAM AIFM does not have investments in sovereigns and supranationals.	

Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		**Metric**	**Impact 2025**	**Impact 2024**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
		divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law				

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		**Metric**	**Impact 2025**	**Impact 2024**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Fossil fuels	1. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage,	0%	0%	The share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels has been calculated as a proportion of total real estate assets	Mandatum does not have exposure to fossil fuels through direct real estate.

Indicators applicable to investments in real estate assets						
		transport or manufacture of fossil fuels			according to the guidance provided in the Clarifications on the ESAs' draft RTS under SFDR dated on 2 June 2022.	
Energy efficiency	2. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	68.9%	70.50%	The share of investments in energy-inefficient real eatate assets has been calculated in accordance with the formula (5) in Annex I to the SFDR RTS.	In 2025, the Special Investment Fund Finland Properties II was among the first market participants to sign the Energy Efficiency Agreement for Commercial Properties (TETS). The new ten-year agreement period begins in 2026, and the fund has committed to reducing its energy consumption by 10% by 2035. During the current agreement period, the fund has achieved a significant 26.2% reduction in calculated energy consumption through active energy management and investments in energy efficiency. In 2025, a total of 14 energy efficiency measures were implemented across the fund's properties. During 2025, energy performance improvements across the fund's properties were advanced through several initiatives, including upgrades to building automation systems at multiple sites. These upgrades enable more precise control of technical

Indicators applicable to investments in real estate assets						
						building systems, such as ventilation equipment. The benefits of the improvements were observed relatively quickly through reduced energy consumption. An energy manager continuously monitors energy use across the portfolio's properties. In addition, the performance of building automation systems at selected properties is analyzed remotely by an external service provider, enabling rapid intervention in the event of equipment malfunctions or unexpected changes in energy consumption. As a result of active energy management, the fund's weather-normalized total energy consumption decreased by 2.6% in 2025 (approximately 2,224 MWh) compared to 2024. Efforts to improve energy performance ratings continued through an analysis of the classifications across the entire portfolio, with a focus on properties that were close to achieving the next rating level. More detailed measures were identified for these properties to

Indicators applicable to investments in real estate assets						
						support further improvements in their energy performance ratings. At the same time, the taxonomy alignment of the portfolio's energy performance ratings was assessed, including an evaluation of whether the properties' E-values place them within the top 15% or top 30% of the national building stock in terms of energy efficiency.

Other indicators for principal adverse impacts on sustainability factors						
Table 2 **Additional climate and other environment-related indicators**						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Adverse sustainability indicator	**Adverse impact on sustainability factors** **(qualitative or quantitative)**	**Metric**	**Impact 2025**	**Impact 2024**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Indicators applicable to investments in investee companies						
Water, waste and material emissions	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	0.00%	0.00%	The share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006 on this statement was calculated by dividing the total current value of investments where the selected indicator is present with the total current value of all applicable investments in the investee company asset category.	MAM AIFM does not have investments in companies producing chemicals.

					The selected indicator was derived from data that investee companies provided directly to Mandatum. The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	
Indicators applicable to investments in real estate assets						
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets	263 tCO2e	489 tCO2e	The GHG emission calculation covers Scope 1, Scope 2 and Scope 3 emissions. Emissions are reported according to GRESB (Global Real Estate Sustainability Benchmark) assessment and they are externally assured by an independent third party.	The Special Investment Fund Finland Properties II is committed to achieving net-zero emissions from operational energy consumption by 2030 in accordance with the Net Zero Carbon Buildings commitment. To achieve net-zero emissions, the aim is to increase the share of renewable and zero-emission district heating in buildings, optimise indoor conditions, and increase own renewable energy production at the properties. Renewable wind power has been purchased for all of the fund's wholly owned properties since 2019. The share of renewable district heating has also been increased in recent years, so that the only properties outside the Guarantees of Origin for district heating acquired by the fund are those where energy-related contracts are the responsibility of the tenant.
		Scope 2 GHG emissions generated by real estate assets	92 tCO2e	170 tCO2e		
		Scope 3 GHG emissions generated by real estate assets	270 tCO2e	455 tCO2e		
		Total GHG emissions generated by real estate assets	625 tCO2e	1,114 tCO2e		

						In 2025, the fund managed to reduce emissions from energy consumption (market-based Scope 1 and Scope 2 emissions) by approximately 47 per cent from the 2024 level. The fund participates in the annual GRESB assessment. In 2025, the fund achieved for the second time a full five stars and the Green Star designation in recognition of excellent management and sustainability work. The fund pursued savings of 7.5 per cent in energy consumption by 2025 in accordance with the Energy Efficiency Agreement for Commercial Properties (TETS), and that target was reached already in 2022. In 2025, savings of 26 per cent were achieved compared to the benchmark year 2020. The portfolio applies the Finnish ETJ+ energy performance management system, which complies with the requirements of the international ISO 50001 standard on energy audits.

Table 3
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Adverse sustainability impact	**Adverse impact on sustainability factors (qualitative or quantitative)**	**Metric**	**Impact 2025**	**Impact 2024**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Indicators applicable to investments in investee companies						
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	31.92%	0.00%	The share of investements in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption on this statement was calculated by dividing the total current value of investments where the selected indicator is present with the total current value of all applicable investments in the investee company asset category. The selected indicator was derived from data that investee companies provided directly to Mandatum.	Mandatum collected the data on the lack of anti-corruption and anti-bribery policies to better understand the potential principal adverse impacts associated with its investee companies. For private equity investments, the lack of anti-corruption and anti-bribery policies was also considered during the due diligence process. If significant discrepancies were identified, the private equity team would aim to engage with the company and encourage corrective actions.

					The data coverage for the selected indicator was 100% of the total current value of all applicable investments.	

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Mandatum's Responsible Investment Policy is reviewed, updated and approved annually. The latest policy was approved by relevant Mandatum Group companies' boards of directors in December 2025.

Mandatum aims to consider and mitigate the adverse impacts of its investment operations to the environment, climate, society, employees, respect for human rights, and anti-corruption and anti-bribery (hereinafter sustainability factors). Therefore, Mandatum has incorporated sustainability into its investment operations, and the company's investment decisions take into account not only financial aspects, but also sustainability factors, as well as the related risks (hereinafter sustainability risks).

Mandatum's personnel adhere by its Responsible Investment Policy. The policy is intended as a guide for portfolio managers and for those participating in investment operations to take sustainability risks and factors into account in their day-to-day activities. The policy outlines the minimum level of measures taken to mitigate sustainability risks and adverse sustainability impacts. Stricter rules and engagement procedures can be applied to certain products or portfolios.

Mandatum's asset manager MAM has a dedicated ESG team whose primary responsibility is to support investment functions on matters related to responsible investment. The team also monitors adherence to the Responsible Investment Policy and assists portfolio management when required. In addition, MAM has appointed a Head of Responsible Investments, who has overall responsibility for coordinating responsible investment across Mandatum.

All investment professionals are required to account for sustainability factors when selecting and monitoring investment objects. Portfolio managers and analysts are in the best position to understand the sustainability aspects of investee companies and business partners they are monitoring and to engage in a dialogue with management to influence matters. As part of their investment market monitoring, portfolio managers and analysts also look at how sustainability issues are incorporated in investor information and investment product offerings.

Mandatum conducted a double materiality assessment according to the Corporate Sustainability Reporting Directive (EU) 2022/2464 ("CSRD") in H2/2023. The assessment included also principal adverse impacts to further specify the methodologies to select the indicators and how those methodolo-gies consider the probability of occurrence and the severity of those principal adverse impacts, including their potentially irremediable character. The double materiality assessment is reviewed annually, and the latest update was conducted in 2025.

Mandatum has identified sensitive areas of business that are monitored through external service providers and internal company analysis. These sensitive areas include breaches of international norms and standards, non-compliance with sanctions laws, and involvement in sensitive industries. All direct fixed income and equity investments undergo monitoring, with their sustainability risks assessed based on these criteria. Additionally, indirect investments focusing on products with ESG characteristics are also subject to monitoring.

In selecting and monitoring investment products managed by external funds, asset managers, and cooperation partners, Mandatum focuses its sustainability analysis on evaluating the investment process, resources, and reporting capabilities of these partners. ESG information is sourced from public data bases and provided by external managers. For private debt and European real estate fund-type products, Mandatum primarily collects ESG information through annual questionnaires distributed to managers. Through these questionnaires, Mandatum monitors whether portfolio companies of the funds have violated the UN Global Compact or OECD Guidelines for Multinational Enterprises. Additionally, Mandatum aims to ensure that each manager commits to adhering to international standards and norms, such as the UN Global Compact or similar principles, in their investment activities.

For fund-type real estate investments, Mandatum assesses various factors including the extent to which the portfolio manager integrates energy efficien-cy, waste management, environmental impact reduction, and tenant portfolio management responsibility into their investment process. Mandatum also evaluates the degree to which active property management is seen as a value-adding factor in the investment process. Moreover, Mandatum evaluates whether the manager considers and reports principal adverse impacts.

Mandatum relies on data received from investee companies, public sources, and third-party data providers. As described in the explanation columns in Tables 1, 2, and 3 related to specific indicators, the data coverage in PAI indicator calculations varies across different indicators.

Engagement policies

Mandatum's assets are managed by MAM, whose Engagement Principles are applied for Mandatum's investments. MAM's Engagement Principles describe its activities as an asset manager when investing in equities of exchange-listed companies in the European Economic Area. Active engagement can take place by participating and voting in general meetings, collaborative engagement, and by maintaining contact with the management of target companies.

Where applicable, these Engagement Principles are also applied when investing in unlisted companies, investment funds, and debt capital instruments.

References to international standards

Mandatum has identified sensitive areas of business that are monitored both through external service providers and through company analysis. The sensitive areas include breaches of international norms and standards, non-compliance with requirements under sanctions laws as well as involvement in sensitive industries. All direct equity and fixed income investments are monitored, and their sustainability risks are assessed based on these criteria. In 2025 Mandatum evaluated the alignment of its investments with international norms and standards primarily using ISS ESG, Sustainalytics, Refinitiv, and The Upright Project, depending on data availability and quality. For investment products primarily investing in unlisted loans of private companies, such as Mandatum's loan strategies, the data coverage by Sustainalytics and ISS ESG is considered limited. The Upright Project and Refinitiv are utilized to supplement these data gaps. Beginning with the preparation of the current Principal Adverse Impact statement, MSCI is used as the primary ESG data provider. MSCI data is also used for the ongoing monitoring of the sensitive areas described in this section during 2026 and forward.

Norm-based research, ESG Risk Ratings, and adverse media screening rely partially on publicly available data, which is inherently retrospective. These tools are used to analyze how investee companies manage risks associated with their business sectors, assess their adherence to international standards, and evaluate their preparedness for future requirements, such as national climate goals.

Norm-based research: The investments are monitored based on international norms and standards laid down in international conventions, such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and

Social Policy, the Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework, and the Paris Agreement on Climate Change. If abuses or breaches related to these standards and conventions are observed in an investee company, the incident is investigated, and measures are taken on a case-by-case basis. Depending on the severity, nature, and extent of the breach, portfolio management measures may consist of direct dialogue with the investee company's executive management, an engagement action or, as a last resort, divestment if the investee company does not respond to the engagement efforts and does not take measures to prevent the abuse or breach within a reasonable time frame. Specifically, regarding the Paris Agreement on Climate Change, Mandatum monitors through norm-based research companies that lobby against climate action and have not been able to reduce their emissions. Mandatum's portfolio did not include these types of companies in the reference period.

Sanction screening: Mandatum is committed to compliance with relevant sanctions laws in the jurisdictions in which it operates. Regarding investments, Mandatum has implemented screening procedures for both new and existing investments. To ensure compliance with the requirements under sanctions laws, Mandatum screens its investment portfolio and investment counterparties against applicable sanctions lists, both before making an investment and on an ongoing basis. Mandatum does not invest in companies or sovereign bonds which are subject to these types of sanctions.

Sensitive industries screening: Certain industries are considered to carry more sustainability risks and cause more adverse sustainability impacts than others. Such risks include, for example, reputational risk, climate risks, and regulatory risks. Investments in industry sectors identified as sensitive are monitored regularly to identify potential sustainability risks and quantify them.

Industries identified as sensitive include the manufacture or production of the following products or services, as well as the subcontracting or distribution of those products: adult entertainment, tobacco, gambling, controversial weapons, coal and oil. In addition to industry specific monitoring, Mandatum follows legally required exclusions (e.g., those required by domestic/international law, bans, treaties, or embargoes).

Historical comparison

In the 2023 reporting period, MAM, as the asset manager for Mandatum AM AIFM Ltd, Mandatum Fund Management S.A., and Mandatum Life, released a single principal adverse impact statement covering all investment decisions made by these four entities. For 2024 reporting period, a separate statement was issued for each of the four companies. Thus, the current statement provides comparable metrics for 2024 and 2025 reporting periods.