Sustainability report

Mandatum Nordic High Yield Total Return Fund

SFDR art. 8

MANDATUM ASSET MANAGEMENT

Fall 2026 | Marketing communication

SUMMARY | Detailed breakdown on the following pages

NET IMPACT

+33%

86% COVERAGE

The Upright Project's net impact model evaluates companies' positive and negative impacts on society, knowledge, health, and the environment. The maximum positive net impact ratio is +100%, while no lower limit is set for the negative net impact ratio.

WEIGHTED AVERAGE CARBON INTENSITY[1]

24 tCO_2e/MEUR

87% COVERAGE

The fund's carbon intensity measures portfolio emissions relative to revenue and is calculated as the weighted average carbon intensity of its underlying investments.

NORM BREACHES

0 breaches

35% COVERAGE

Investments are monitored for compliance with international norms and standards, and any identified violations or misconduct by portfolio companies are investigated and addressed on a case-by-case basis.

PORTFOLIO ESG RATING

AA

28% COVERAGE

ESG ratings assess a company's exposure to financially material ESG risks and its ability to manage them. The portfolio ESG rating is calculated as the weighted average of the investee companies' ESG ratings. Key issues are grouped into environmental, social, and governance pillars. Ratings are industry-relative and range from AAA (highest) to CCC (lowest).

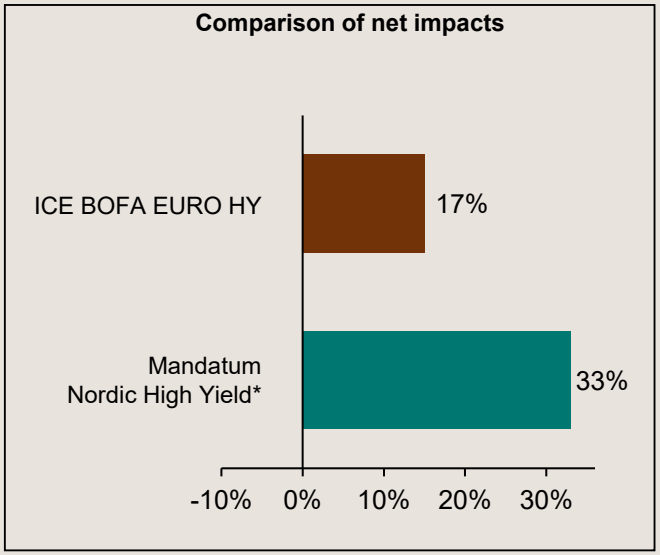
[1]Carbon intensity calculated based on 31.12.2025 positions.

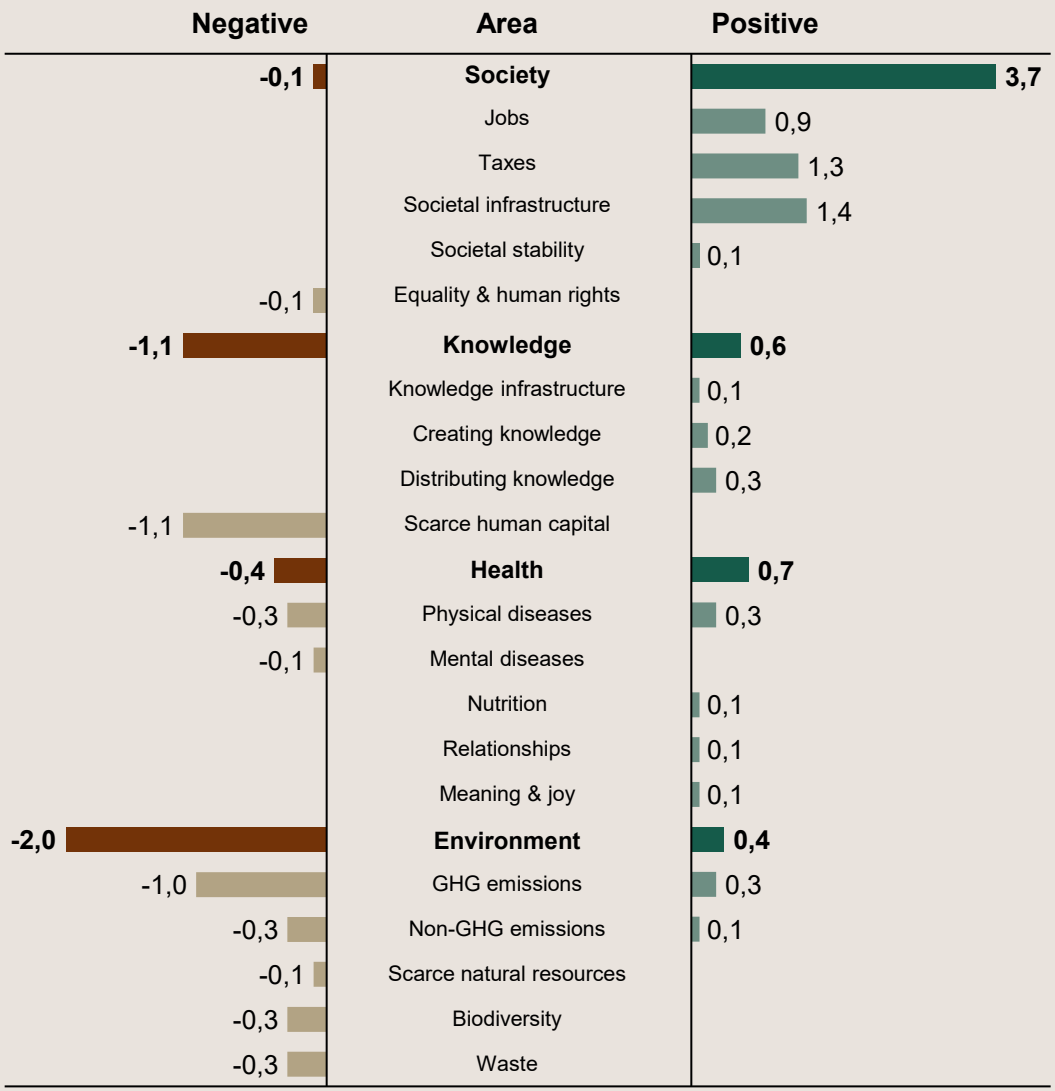
NET IMPACT OF THE FUND

Each company uses resources (-) and exists to create positive value (+) with them. Upright's net impact model helps to understand the sum of these effects. The model aims to broadly measure companies' positive and negative impacts across four dimensions: society, knowledge, health, and environment. It defines a company's product fund and assesses the inputs and outputs required by the products and the entire supply chain.

The impact modeling, based on machine learning, primarily uses over 250 million scientific articles as a data source. In addition to scientific articles, the model also utilizes various databases and publicly available company information.

The maximum positive net impact ratio is +100%, while no lower limit is set for the negative net impact ratio.

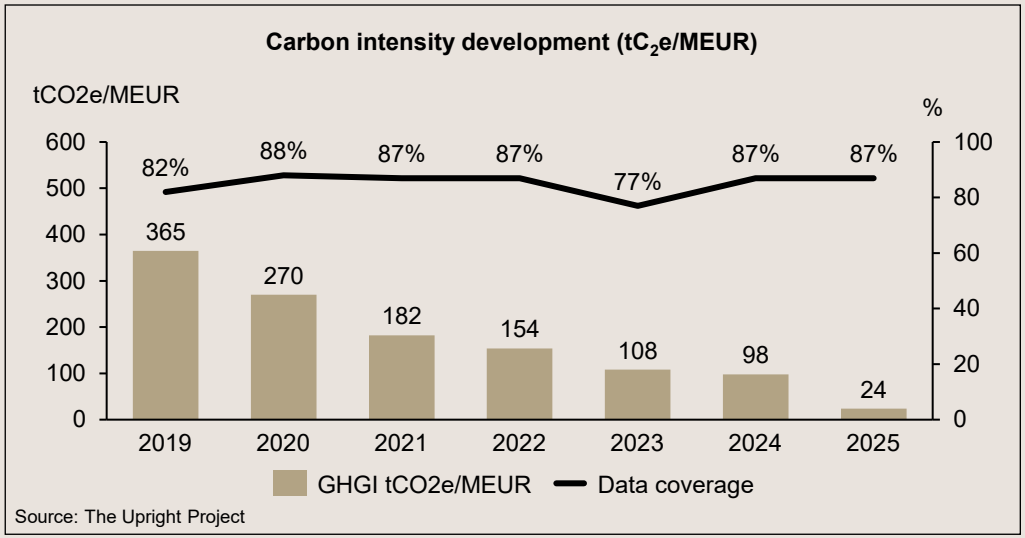




*The net impact of the investment fund has been measured using the Upright Project's net impact model and is based on the fund's holdings as of September 30, 2026. Note that the investment policies and ESG characteristics of the product and the indices may differ significantly. There is no defined benchmark for the sustainability characteristics promoted by the product.

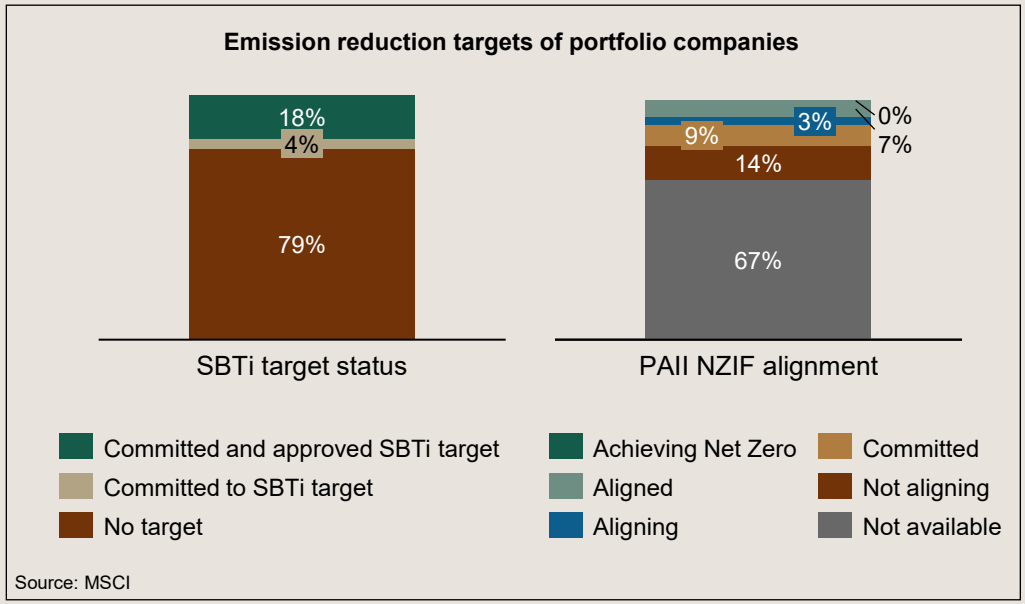
+33% Net impact ratio

CLIMATE & NATURE



Source: The Upright Project

The emissions of a fund can be measured by carbon intensity, which reflects a company's greenhouse gas emissions relative to its revenue. The carbon intensity of the fund is calculated as the weighted average of the carbon intensities of the underlying investments. Carbon intensity is calculated annually and is based on the holdings at the end of each year.



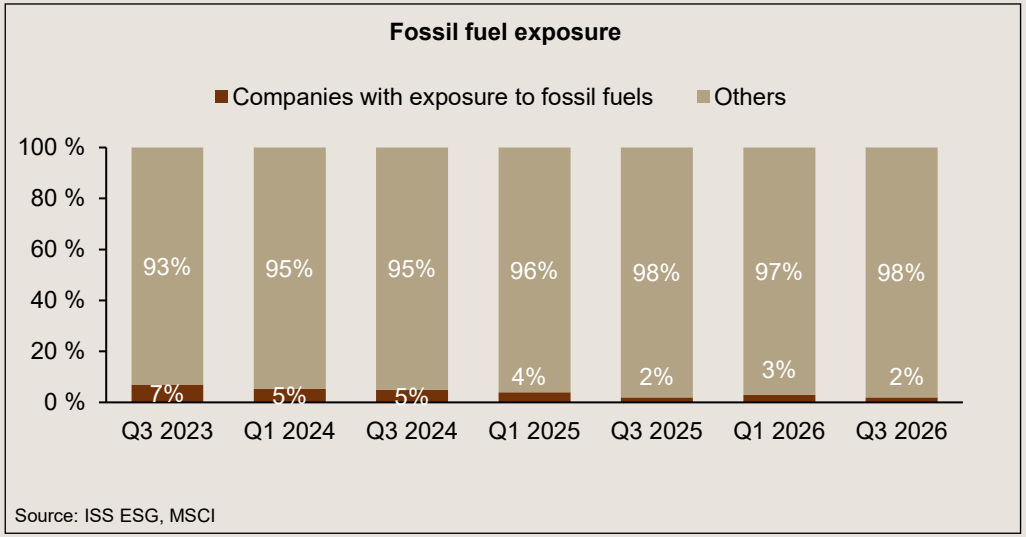
Source: MSCI

In addition to monitoring the carbon intensity of the portfolio and its underlying companies, the emissions reduction targets set by those companies are also tracked.

SBTi target status. SBTi, or Science-Based Targets initiative, refers to science-based emission reduction goals aimed at meeting the targets of the Paris Agreement.

PAII NZIF alignment. This is the company's alignment category in the Paris Aligned Investment Initiative (PAII)'s Net Zero Investment Framework (NZIF), according to the mapping implemented by MSCI ESG Research.

CLIMATE & NATURE



Source: ISS ESG, MSCI

2% of the fund's market value consists of companies that derive revenue from direct or indirect activities related to fossil fuels. The assessment identifies companies involved in fossil fuel production or other parts of the fossil fuel value chain, as well as fossil fuel-based energy generation.

Note: Due to the change in data provider from ISS to MSCI in Q3 2026, the figures are not directly comparable.

Portfolio exposure to biodiversity-related factors

TNFD PRIORITY SECTORS

1%

Share of portfolio companies operating in sectors identified by the Taskforce on Nature-related Financial Disclosures (TNFD) as having potentially significant dependencies on, or impacts on, nature. Such dependencies may include ecosystem services such as water availability, soil quality and pollination. TNFD provides a framework for assessing and reporting nature-related dependencies, impacts, risks and opportunities.

BIODIVERSITY-SENSITIVE AREAS

10%

Share of portfolio companies with physical operations located in or near areas of high biodiversity importance, including intact forests, conservation-priority regions and other ecologically sensitive locations. Companies operating in such areas may face increased environmental management obligations and heightened biodiversity-related risks.

COMBINED EXPOSURE

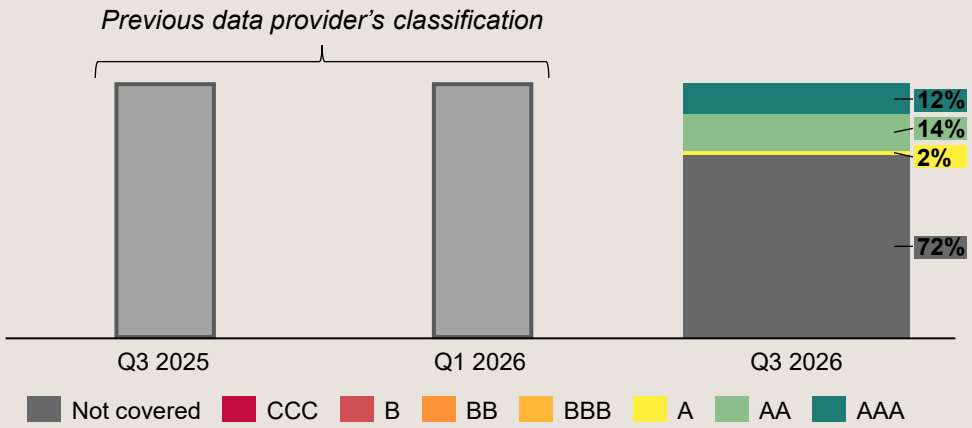
1%

Share of portfolio companies that both operate in a TNFD priority sector and have operations in biodiversity-sensitive areas. These companies are generally considered to have the strongest potential connection to biodiversity-related impacts and dependencies.

The indicators identify potential exposure. They do not, on their own, assess the severity of impacts or the quality of company management practices. Source: MSCI

ESG RATINGS

ESG rating



Source: MSCI

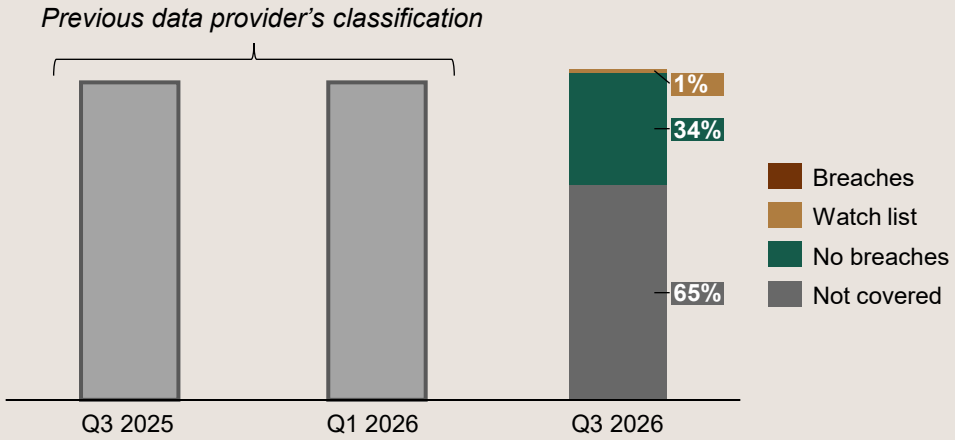
Portfolio ESG rating



Coverage: 28%

The ESG ratings are based on a seven-point scale ranging from **AAA** (highest ESG rating) to **CCC** (lowest ESG rating).

Norms and controversies



Source: MSCI

ESG rating. The ESG ratings reflect investee company's exposure to financially material ESG risks, as well as the quality of its management systems and governance frameworks designed to mitigate ESG risks. Key issues are grouped into environmental, social, and governance pillars.

Norms and controversies. MSCI Controversies is designed to identify companies within the MSCI Controversies and Global Norms coverage universe that may be subject to reputational risk due to their alleged involvement in controversy cases. The controversy cases aim to capture impact materiality throughout the three pillars of environment, social and governance.

GENERAL RESPONSIBLE INVESTMENT POLICY | Applicable to the product

Exclusions within sensitive industries

Industry/Product group	Percentage of sales	
Zero tolerance	Direct business	Indirect business
Controversial weapons	0%	0%
Low tolerance	Direct business	Indirect business
Coal	5%	30%
Tobacco	0%	50%
Adult entertainment	0%	50%
Gambling	50%	50%
Oil	40%	40%

Certain industries are deemed to carry higher sustainability risks, including reputational, climate, and regulatory risks. Mandatum regularly monitors investments in these sensitive sectors, which include adult entertainment, tobacco, gambling, controversial weapons, and fossil fuels. Additionally, Mandatum adheres to legally mandated exclusions (e.g., domestic and international laws, bans, treaties, or embargoes).

Direct business refers to the manufacture or production of a product or service, while indirect business encompasses various parts of the product or service production value chain.

For more information, see: Responsible Investment Policy.

DEFINITIONS

Term	Definition
Net impact – The Upright Project's model	The net impact model developed by The Upright Project is based on the assessment of companies' activities. Each company uses resources (-) and aims to create positive value (+) with them. Upright's net impact model helps to understand the sum of these effects. The model aims to broadly measure companies' positive and negative impacts across four different dimensions: society, knowledge, health, and environment. It defines a company's product portfolio and assesses the inputs and outputs required by the products and the entire supply chain. The maximum positive net impact ratio is +100%, while no lower limit is set for the negative net impact ratio.
Carbon intensity	Carbon intensity describes a company's greenhouse gas emissions in relation to its revenue. The carbon intensity of an investment portfolio is calculated as the weighted average of the carbon intensities of the underlying investments. The calculation takes into account the company's own operational emissions (scope 1) and the emissions from the energy it consumes (scope 2). Carbon dioxide equivalent tons (tCO2e) are used to standardize the greenhouse gas emissions produced by the investment.
Science Based Targets - initiative (SBTi)	SBTi, or Science-Based Targets initiative, refers to emission reduction targets that are aligned with scientific recommendations to achieve the goals of the Paris Agreement. The aim of the Paris Agreement and, consequently, the SBTi initiative is to limit the rise in global average temperature to 1.5 degrees Celsius. The international SBTi initiative evaluates and approves targets set by companies and acts as a climate agreement for businesses.
Paris Aligned Investment Initiative (PAII)'s Net Zero Investment Framework (NZIF)	The Paris Agreement's maximal goal to limit global warming to 1.5°C may help mitigate the catastrophic impact of climate change. According to the Intergovernmental Panel on Climate Change (IPCC), this is conditioned on the world economy reaching net-zero emissions by the year 2050 - hence the shorthand term "net-zero" to designate a 1.5°C-aligned transition alignment of the global economy. While in aggregate the global economy may not be on this trajectory, individual companies and portfolios can align to this goal. The Net Zero Investment Framework 2.0 (NZIF 2.0) is a widely used industry guidance to set targets and produce related net-zero strategies and transition plans, developed by the investor-led forum Paris Aligned Investment Initiative (PAII). It is an impact and transition risk metric. The NZIF 2.0 includes an alignment maturity scale, a metric that groups portfolio companies into alignment categories, from Not Aligning to Achieving Net Zero. These alignment categories are defined by NZIF 2.0 guidance criteria such as, for instance, disclosing company emissions. This is an absolute, binary-outcome approach based on company-specific attributes (a company is put in a certain NZIF 2.0 alignment category based on criteria set by the NZIF 2.0 guidance that do not depend on sectoral or regional distributions). The criteria-based definitions of Aligned and Aligning companies are broadly consistent with those proposed by the Glasgow Financial Alliance for Net Zero (GFANZ).
Norms and controversies	MSCI Controversies is designed to identify companies within the MSCI Controversies and Global Norms coverage universe that may be subject to reputational risk due to their alleged involvement in controversy cases. The controversy cases aim to capture impact materiality throughout the three pillars of environment, social and governance. They do not aim to directly reflect financial materiality. However, some controversy cases, particularly those under the governance pillar, are assessed on the financial consequences borne by the researched companies. Each controversy case receives a score and an associated color-coded flag based on three inputs: severity, company role and status. Where a company has multiple controversy cases, the overall company score and the corresponding flag is determined by the worst-scoring pillar. Depending on the severity of the controversy it takes between 1 year (minor controversy) and 4 years (very severe controversy) for the controversy case to be removed from the company's profile after the latest allegation. The controversies are divided into 3 categories based on the severity and materiality of the violation: no breaches (controversy scores 10-2), watch list (controversy score 1) and breaches (controversy score 0). The norms covered through the controversy assessment are: The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, The Ten Principles of the United Nations Global Compact (UNGC), The International Labour Organization's (ILO) Fundamental Conventions and ILO Declaration on Fundamental Principles and Rights at Work, and The United Nations Guiding Principles on Business and Human Rights (UNGP).
ESG rating	The ESG ratings reflect investee company's exposure to financially material ESG risks, as well as the quality of its management systems and governance frameworks designed to mitigate ESG risks. Where relevant, the ratings also consider the company's positioning to meet market demand for products and services with environmental or social contributions. The assessment focuses on the risks and opportunities most relevant to the company's core business model. Key issues are grouped into environmental, social, and governance pillars. The ESG ratings are industry-relative measures determined at the company level and based on a seven-point scale ranging from AAA (highest ESG rating) to CCC (lowest ESG rating). MSCI classifies companies into three categories; leader, average and laggard. Leader (AA-AAA), a company leading its industry in managing the most significant sustainability risks and opportunities. Average (BB-A), a company with a mixed or an unexceptional record of managing the most significant sustainability risks and opportunities. Laggard (CCC-B), a company lagging its industry based on its high exposure and failure to manage significant sustainability risks. Mandatum classifies companies into three categories – eligible (BB-AAA), conditional (B), and restricted (CCC) – based on their ESG ratings. Investments in the eligible category can be made following standard analysis. Companies in the conditional category require additional analysis and are subject to enhanced monitoring and reporting. Investments classified as restricted require, in addition to further analysis and reporting, approval from the CIO prior to investment.

In accordance with Article 8 of Regulation 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR), this financial product 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. This sustainability report is not a part of the statutory disclosures required by the SFDR or Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (Taxonomy). Sustainability report provides supplementary information to the statutory disclosures on sustainability characteristics and measures related to the product.

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