

# Sustainability report

Mandatum AM Private Debt program



MANDATUM  
ASSET MANAGEMENT

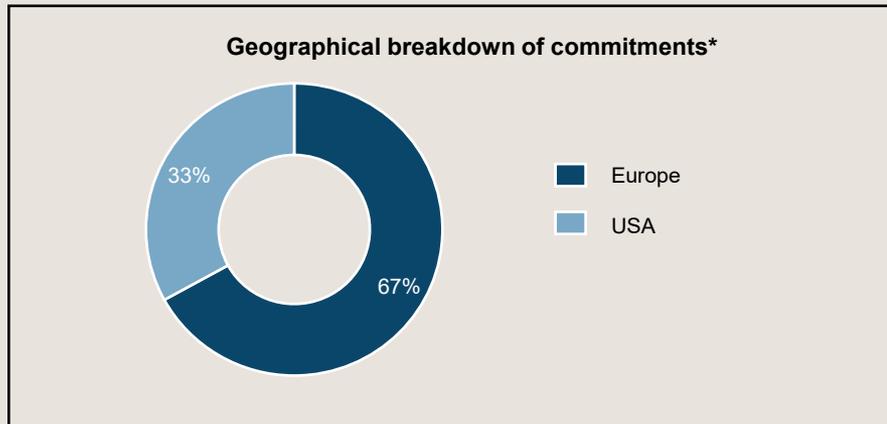
Fall 2025 | Marketing communication

## ESG STRATEGY OF THE PROGRAM

The assets in Mandatum AM's Private Debt investment baskets are primarily invested in unlisted loans that may be secured or unsecured. The loans are mainly issued by European and North American companies in private loan arrangements. The investments are mainly in the form of funds.

The ESG process of the Mandatum PD program takes sustainability into consideration at all stages of the investment, and the ESG assessment is an integral part of the investment decision in line with product-specific sustainability characteristics. The process involves several components, from an initial assessment to feedback discussions and follow-up with managers. An integral part of the ESG process for external fund investments is the ESG questionnaire conducted at the time of investment and annually thereafter and analysis based on the questionnaire's results. PD program's most recent investment baskets Private Debt V, VI, and VII are SFDR 8 investment products.\*\*

Program overview*	
Start year	2016
Size of the strategy	1541 MEUR



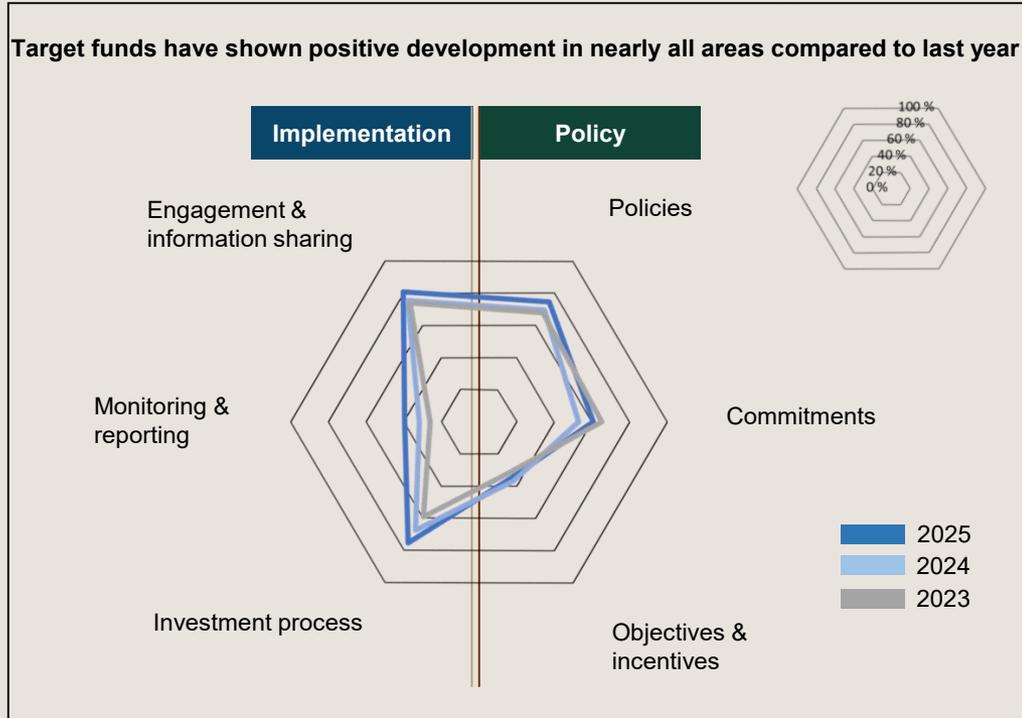
Information on target funds	2025*	2024	2023
The fund manager's commitment to the UN Principles for Responsible Investment (PRI)	92 %	92 %	86 %
Number of Breaches or Norm Violations of UNGC or OECD Standards	0	0	0

\*As of 30.9.2025. Holdings and allocation subject to change.

\*\*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.

## ESG QUESTIONNAIRE 2025

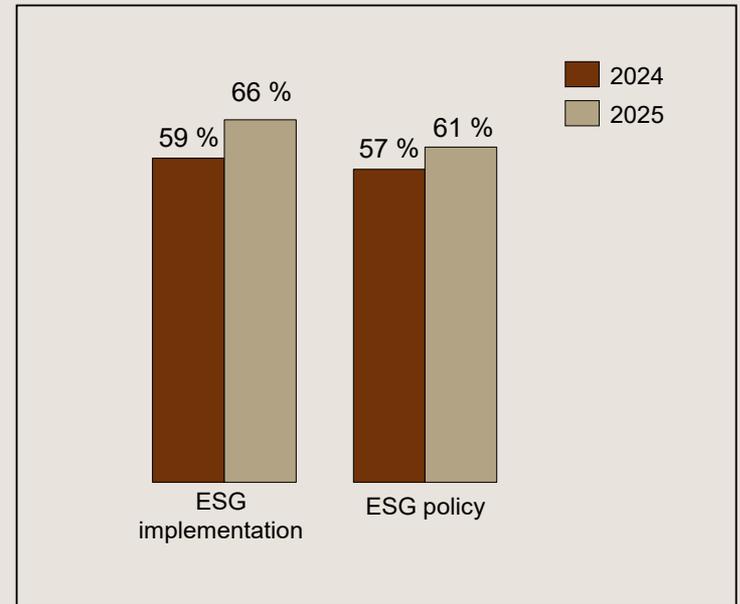
Mandatum conducts an extensive annual ESG survey for all fund managers in the PD program. The survey allows for tracking the progress of individual managers as well as the entire program in terms of sustainability. The coverage of the spring 2025 survey was 100%, covering all 46 individual target funds and 24 fund managers. The responses are analysed and the results are reported to clients annually.



The scoring of the ESG survey is divided into two main categories, ESG policy and ESG implementation. The policy and implementation questions are divided into a total of six sub-segments. Responses are assessed and compared with the previous year. In 2025, the main areas of improvement were reporting and monitoring, and commitments. For example, the number of funds reporting on the sustainability of portfolio companies increased to 78% (2024: 66 % & 2023: 53 %). For more information on scoring and methodology, see pages 6-7.

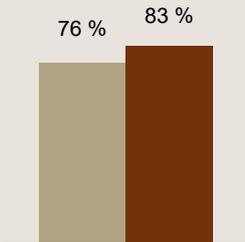
### Development of Private Debt funds between 2024 and 2025

The survey scores each fund on both ESG implementation and ESG policy. In the 2025 analysis, the score for ESG implementation increased by 7 percentage points and for ESG policy by 4 percentage points. The improved scores reflect, among other things, the improved consideration of human rights and biodiversity issues in the funds' investment activities.



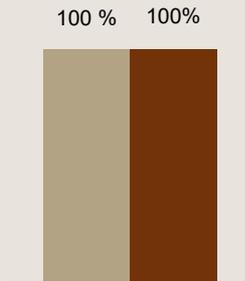
## KEY TAKEAWAYS

### Manager has a policy or strategy related to climate change



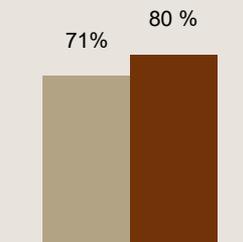
For example, funds take climate change into account as part of their ESG Due Diligence process at the investment stage. In addition, some managers conduct broader scenario analyses to identify risks and opportunities related to climate change.

### Manager incorporates ESG factors into the investment process



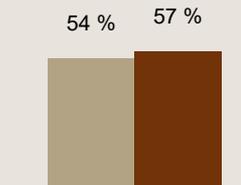
To incorporate ESG factors into the investment process, managers, for example, conduct various pre-investment ESG assessments, exclude harmful sectors, and evaluate material risks using external data sources and frameworks.

### Manager takes biodiversity-related factors into account in its processes



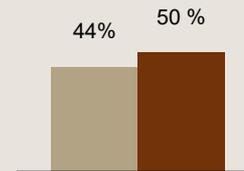
Methods used include, for example, biodiversity-related exclusion lists, ESG surveys conducted for portfolio companies, and risk assessments during the Due Diligence phase.

### Manager has an active ownership policy or strategy



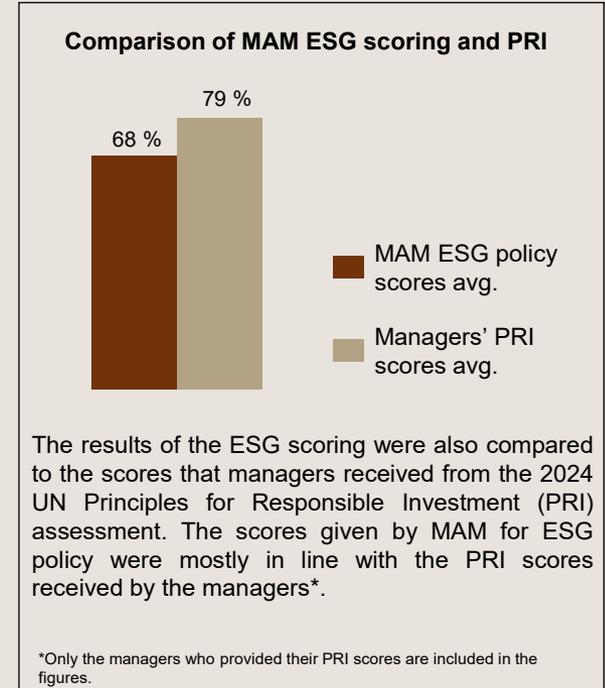
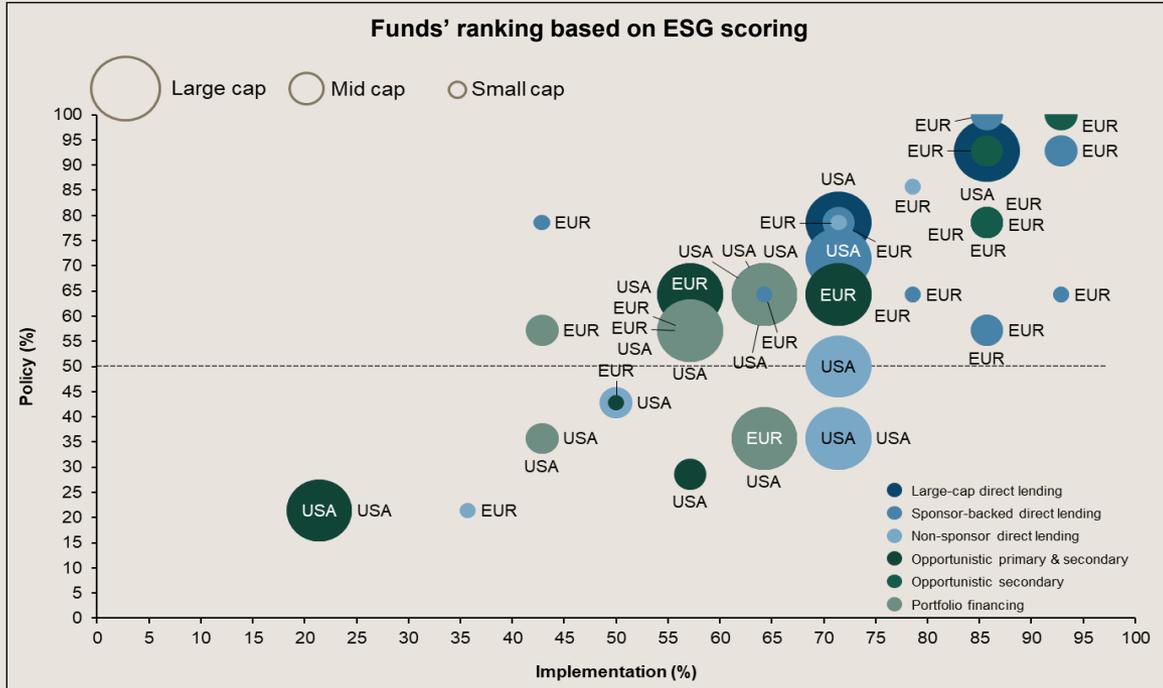
Responsible investment policies have been common for years, but in recent years, an increasing number of managers have also developed guidelines and strategies related to active ownership.

### Manager reports carbon footprint



In recent years, several managers have initiated various ESG data projects, the results of which are beginning to be reflected in higher quality and more comprehensive data. However, reporting the carbon footprint of the entire PD program remains challenging, as the methodologies and calculation methods used by different managers vary.

■ 2024 ■ 2025



Based on the survey, there is significant variation among managers, which is partly due to differences in investment strategies and fund sizes. Small and medium-sized funds generally perform better than large ones. European funds take responsibility issues into account slightly better than their US counterparts. The strategies that performed best on average, both in terms of implementation and policy, were Sponsor-backed direct lending and Opportunistic secondary.



All managers receive customized annual feedback that describes how their sustainability efforts compare to the entire PD program’s investment universe and peers. Furthermore, annual development discussions are focused particularly on those managers who are perceived to have the most room for improvement. These discussions provide managers with valuable insights, as they receive direct and structured feedback from a client who invests broadly in the asset class and for whom ESG matters are important.

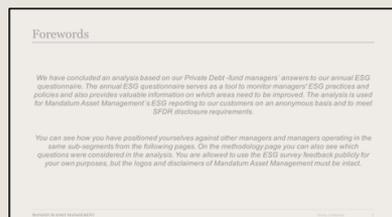
The improved scores this year are partly due to the fact that managers’ updated responsible investment policies are now more comprehensive, and practices and processes related to human rights, biodiversity, and climate have been further developed. An increasing number of managers have also established ESG committees and incorporated ESG scoring into their investment processes.

## ESG PROCESS OF THE PRIVATE DEBT PROGRAM

The ESG process of the Mandatum PD program takes sustainability into consideration at all stages of the investment, and the ESG assessment is an integral part of the investment decision in line with product-specific sustainability characteristics. The process involves several components, from an initial assessment to feedback discussions and follow-up with managers. An integral part of the ESG process for external fund investments is the ESG questionnaire conducted at the time of investment and annually thereafter and analysis based on the questionnaire’s results. The annual questionnaire reaches several managers in Europe and the United States whose assets under management total in hundreds of billions of euros. Since the questionnaire was introduced as part of the investment process in 2017, a significant amount of data has been collected from various managers. This data is systematically used in analyses carried out within each asset class.

Each manager receives a personalized feedback report with a summary of their answers to the questionnaire. As in the case of the questionnaire’s questions, the answers are divided into two main categories: ESG implementation and ESG policy. These are further divided into three sub-categories that concern the ESG investment process, monitoring and reporting, engagement, policies, commitments and objectives and incentives. The report contains detailed reviews of manager performance compared to peers in the sector, including within the same sub-segment. For example, a private debt manager in the mid-market direct lending segment can compare their ESG performance with peers in the same sub-segment. The comparison with peers is presented in an anonymized manner as part of the feedback. The purpose of the comparison is to demonstrate the placement of each manager in relation to other target managers in the program to identify potential areas for improvement.

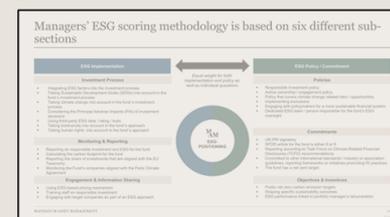
### Example of the manager feedback



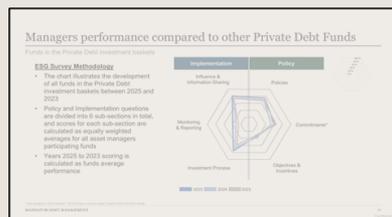
**Instructions for using the material**



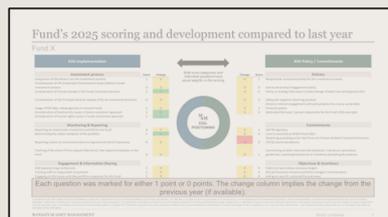
**Summary of the results**



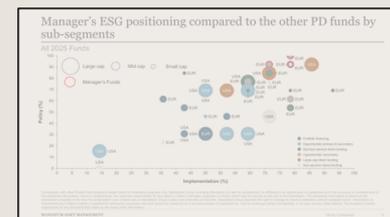
**Scoring methodology**



**Manager's performance compared to others on this and previous year**

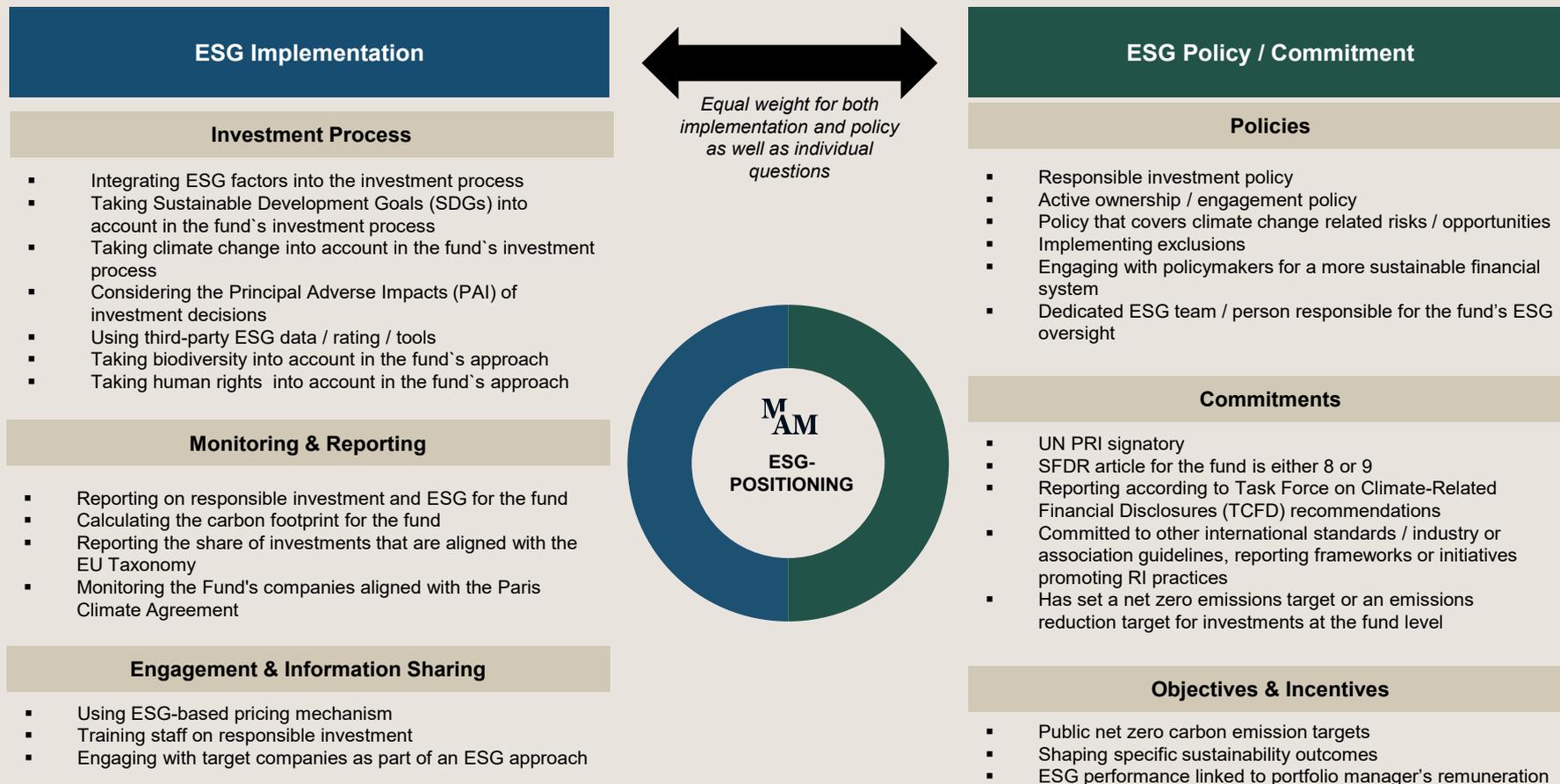


**Fund's question-specific scoring and development from the previous year**



**Performance of the Manager's funds compared to other funds in terms of strategy, size and location**

## ESG SCORING METHODOLOGY



## DISCLAIMER

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Mandatum AM Private Debt programme is intended for professional investors only and consists of investment baskets that may be linked to Mandatum Life Insurance Company Limited's unit-linked insurance policies as investment objects. No specific sustainability characteristics have been defined for the Private Debt I, II, III, and IV investment baskets due to which the products comply with the minimum level disclosure obligations set out in Article 6 of the sustainable finance disclosure regulation (SFDR). The Private Debt V, VI, and VII investment baskets promote sustainability characteristics, and the products comply with the disclosure obligations set out in Article 8. Product-specific sustainability disclosures for investment baskets are available at [www.mandatum.fi/en/](http://www.mandatum.fi/en/).

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