

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Mandatum AM Growth Equity II Ky ("MAM GE II") Legal entity identifier: N/A

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** ___%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** ___%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

MAM GE II 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 pursuant to the Article 8 of SFDR. This product promotes environmental and/or social characteristics in the following way:

- 1) *Due Diligence: this product considers compliance with international norms and standards, including the UN Global Compact and the OECD Guidelines for Multinational Enterprises as part of its due diligence when making investments. Environmental and social characteristics are considered as a part of our ESG due diligence. We aim to find out what are the most material risks, issues or opportunities for each company we invest in.*

- 2) *Sustainable Development Goals: The Partnership aims to contribute positively to one or more UN Sustainable Development Goals (SDGs) in each portfolio company. UN SDG 13 (Climate Action) as an environmental characteristic, and UN SDG 8 (Decent Work and Economic Growth) as social characteristics are promoted across the portfolio of the Partnership. The SDG #13 (Climate Action) will be promoted on a portfolio level by following GHG intensity. The SDG #8 will be promoted on a portfolio level by following the portfolio's viable job creation.*

- 3) *Investment selection: The product applies exclusion criteria defined in the Mandatum's Responsible Investment Policy (RI Policy) and therefore promotes certain minimal environmental and social standards. The exclusions are made in areas of business determined as most sensitive in our RI Policy (incl. controversial weapons, coal mining, tobacco). The exclusions have varying thresholds depending on the sector and whether the business activity is direct (production/exploration) or indirect (services/distribution).*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

For Climate Action, the relevant sustainability indicator is annual GHG intensity.

For Decent Work and Economic Growth, the relevant sustainability indicator is viable job creation, which will be closely monitored based on information received from the portfolio companies. This data is measured at least annually.

The portfolio companies are also measured and monitored for sensitive sectors and norm-based screening. The product's investee companies are engaged if any violations are observed or allegations are made, Investee companies are also encouraged to conduct business activities in accordance with international norms and standards by e.g., having mechanisms to monitor compliance with UNGC and OECD Guidelines. We use an active ownership tool to drive and report how we advance environmental or social characteristics in our portfolio companies. We actively discuss and seek to improve ESG risks and opportunities that were discovered in our ESG DD with the company management and in board work.

Does this financial product consider principal adverse impacts on sustainability factors?



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

✘ *Yes, this financial product measures and monitors the following principal adverse impacts: GHG intensity, Fossil fuel sector activity, UNGC/OECD norm violations and involvement in controversial weapons.*

(1) The impacts of fossil fuel sector activity, GHG intensity, UNGC/OECD norm violations and involvement in controversial weapons and the other restricted/excluded industries are considered in the initial investment stage. In addition, exposure to these matters in investments is monitored annually.

(2) The information is available in the products' sustainability reports as well as in the periodic reports required by the SFDR.

■ **No**



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

MAM GE II will primarily make minority investments in Finnish unlisted companies in their scale-up stage and act as an active owner supporting their growth ambitions. The purpose of the MAM GE II product is to seek long-term capital appreciation by making, holding, managing, developing and disposing of equity and equity-related investments. MAM supports exceptional growth paths by being an active minority investor and providing its expertise, access to local and international partners and flexible growth financing to established and ambitious teams. Product intends to make investments in 10-15 companies, and the investment horizon is expected to be 4 to 8 years per portfolio company. MAM PE team makes its assessment carefully and profoundly, and selects only the most suitable and promising growth companies for its portfolio.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The selected E/S characteristics are promoted in each investment/portfolio company.

Separate ESG due diligence reviews will be carried out with respect to each portfolio company (prior to the Partnership making its first investment in the relevant portfolio company) which shall in each case cover the current levels of the above mentioned sustainability indicators.

Where material deficiencies are detected prior to the completion of the investment, the Partnership undertakes to prepare a plan on how such rates/indicators will be improved to an acceptable level and to procure that relevant measures and processes are implemented in sufficient time following the investment.

Where the AIFM believes that the detected material deficiencies cannot be rectified to an acceptable level following the investment by the Partnership, the Partnership will not invest in such portfolio company.

It can also be noted that the AIFM has an exclusion list (see above).

● **What is the policy to assess good governance practices of the investee companies?**

Legal, financial and tax due diligence will be performed prior to making any investment.

The Partnership and the AIFM will ensure that the company complies with good governance practices in the ESG DD. For instance, we check for board practices, anti-corruption guidelines and practices, and ensure that there is at least one board member and management team member dedicated to ESG aspects. Any discrepancies will be acted upon in our 100-day plan.

Portfolio companies are monitored for potential violations of international norms, such as UN Global Compact on a regular basis. If controversies are observed, our primary escalation strategy is to engage the company through direct dialogue with the company management.

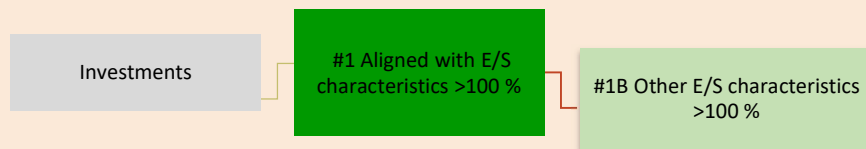
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

100% of the investments of the Partnership will be aligned with E/S characteristics (i.e. E/S characteristics set out above will be promoted in each portfolio company). Investments are not expected or required to qualify as sustainable investments.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The category **#1 Aligned with E/S characteristics** covers:

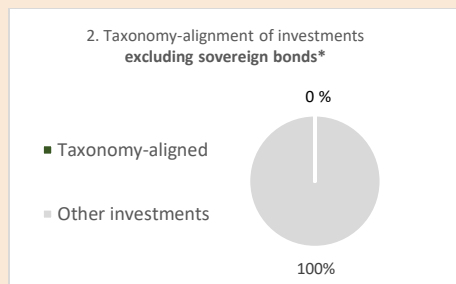
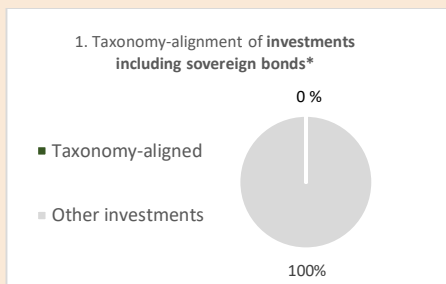
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.




To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%. It is not the purpose of the fund's investment strategy to make sustainable investments. The fund may make investments that are defined sustainable under the EU Taxonomy, provided the investments meet the fund's investment criteria, but does not target a specific allocation.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

0%



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%



What is the minimum share of socially sustainable investments?

0%



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No, MAM GE II fund does not have a benchmark index aligned with the E/S characteristics that it promotes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: www.mandatumam.com/mandatum-am-aifm.