

The background of the cover is a dark, moody photograph of green ferns. The ferns are densely packed and their fronds are clearly visible against a dark background. In the bottom right corner, there is a circular, fan-shaped object with a blue and white striped pattern, possibly a piece of fabric or a decorative element.

# 8 MANDATUM

**SUSTAINABILITY REPORT**  
2023





# 1

# INTRODUCTION



# THIS IS MANDATUM

Mandatum is a major financial service provider combining expertise in wealth management and life insurance. The company offers its clients a wide array of services covering asset and wealth management, saving and investment, compensation and rewards, pension plans and personal risk insurance.

Mandatum plc is an insurance holding company that conducts its business through its subsidiaries. Mandatum plc was incorporated in the partial demerger of Sampo plc, in which the shares of Mandatum Holding Ltd (a wholly-owned direct subsidiary of Sampo plc) and related assets and liabilities were transferred without a liquidation procedure to Mandatum plc, which was incorporated on the effective date of the demerger on 1 October 2023. Trading in the shares of Mandatum plc on Nasdaq Helsinki Ltd's stock exchange list commenced on 2 October 2023.

The company's head office is located in Helsinki. In addition to Finland, Mandatum has offices in Sweden and Luxembourg. Mandatum serves a large part of the Finn-

ish life insurance and investment market and also has institutional clients in Sweden and Denmark. In total, the company has around 20,000 corporate clients and 320,000 retail clients.

Mandatum's operations are divided into a capital-light business and a with-profit business. Capital-light operations include unit-linked insurance products and institutional asset and wealth management.

The company's long-term strategy is to focus on growth in the capital-light business while scaling down the capital-heavy with-profit business in a planned manner.

## **BUSINESS AREAS**

### **INSTITUTIONAL & WEALTH MANAGEMENT**

Mandatum's wealth management clients include Finnish and Nordic institutional investors and high-net-worth individuals.

### **CORPORATE CLIENTS**

Mandatum serves corporate clients in two main segments: large and medium-sized clients and entrepreneur-operated clients.

For small companies and entrepreneurs, Mandatum primarily offers preparedness and prosperity services, while the main focus for large and medium-sized companies is on remuneration, including personal insurance, pension insurance and personnel funds.

### **RETAIL CLIENTS**

Mandatum offers investment solutions and personal insurance to retail clients. Danske Bank is the main distribution channel for retail clients' solutions. The services are also available directly through Mandatum's own sales force and digital channels. In addition, Mandatum has selected partnerships for example with associations.

### **WITH-PROFIT BUSINESS**

The with-profit business area includes the management of the with-profit insurance portfolio and management of assets covering the with-profit liabilities and assets covering Mandatum Life's shareholders' equity. The target for investments is to generate returns above the insurance contract liabilities requirements at moderate risk, while at the same time decreasing the insurance portfolio releases capital.

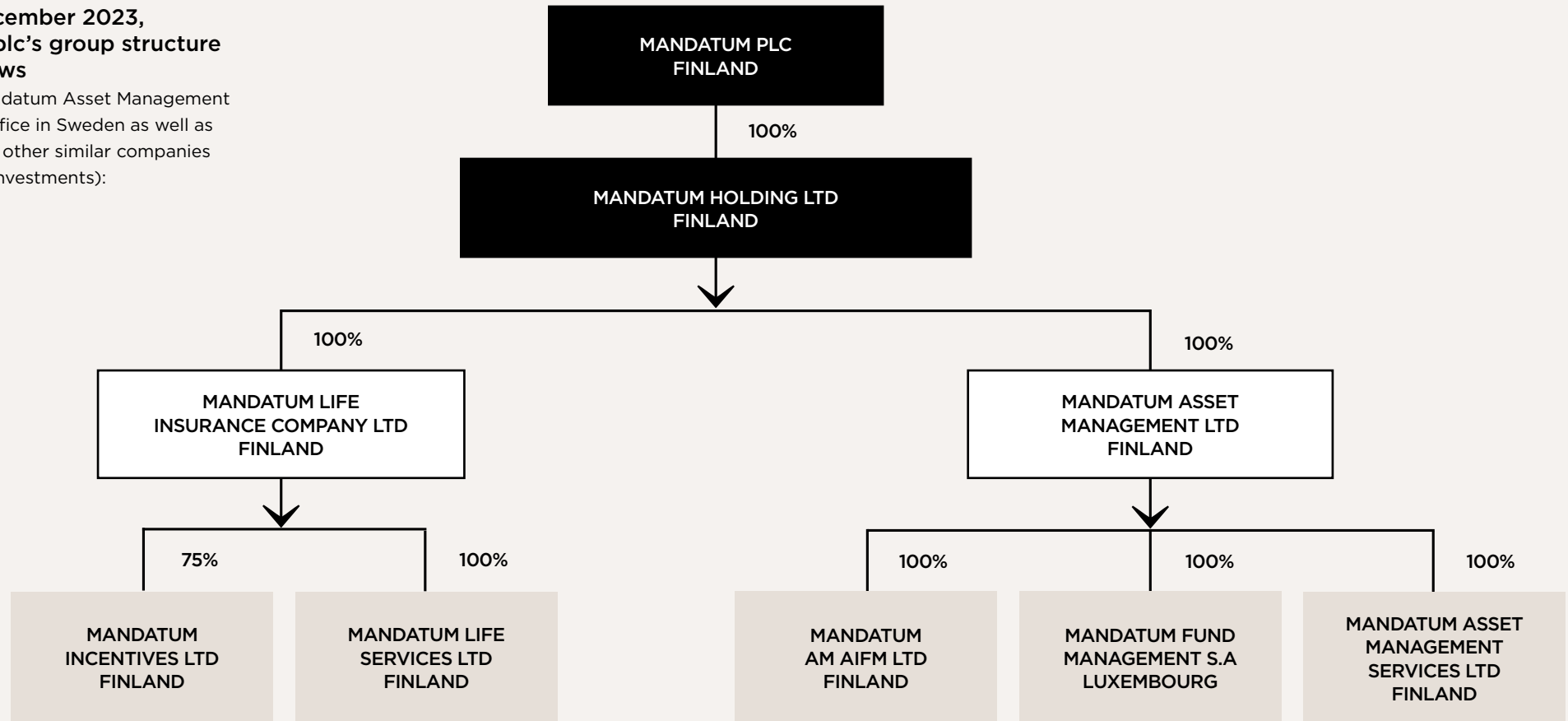
## **STRUCTURE OF MANDATUM GROUP AS OF 31 DECEMBER 2023**

Mandatum Group, of which Mandatum plc is the parent company, is divided into two business areas: life insurance and asset management. Mandatum Life Insurance Company Limited (Mandatum Life) and its subsidiaries offer services in wealth management, rewards and compensation, pension plans and personal risk insurance to personal and corporate clients. Mandatum Asset Management Limited (MAM) and its subsidiaries are an investment service provider combining fund business, discretionary and consultative wealth management and asset management services.



**As of 31 December 2023, Mandatum plc's group structure was as follows**

(excluding Mandatum Asset Management Ltd's branch office in Sweden as well as real estate and other similar companies accounted as investments):



# MESSAGE FROM THE CEO

Mandatum has good prerequisites to promote future growth and value creation in a sustainable manner.

In 2023, we strengthened several essential aspects and capabilities related to our corporate sustainability. This enabled the company to have good preparedness, also from a sustainability perspective, for the partial demerger of Sampo Group carried out in October as well as being listed on the Helsinki stock exchange.

As a listed company, new expectations and requirements related to sustainability are directed towards our operations. We are also followed by a completely new stakeholder interested in our sustainability: Mandatum's shareholders.

As part of our preparations for becoming a listed company, we assessed our sustainability processes, created new operating

models and developed our operations. We invested in sustainability and created new roles in our organisation. We also built a new governance model for sustainability, with which we will further strengthen the monitoring and decision-making related to sustainable development.

We updated our sustainability strategy, the aim of which is to complement and support the Group's strategy in areas related to sustainability. The sustainability strategy is based on the focus areas identified in Mandatum's strategy and company culture and ties in with the UN Sustainable Development Goals. We also started a double materiality assessment in accordance with the Corporate Sustainability Reporting Directive (CSRD), the results of which will serve as a basis for Mandatum's



CSRD sustainability statement, which will be published as part of the Report of the Board of Directors next year.

We committed to supporting the UN Global Compact principles as an independent company, and thus further developing our sustainability operations. The principles are adhered to in the entire Mandatum Group and apply to all Mandatum employees. We also committed to the UN Principles for Sustainable Insurance (PSI) and compiled a Sustainable Insurance Policy based on these principles.

Investors have an influential role in solving societal challenges as well as slowing down climate change. One of the key themes in our sustainability work is responsible investment. In 2023, we succeeded in our investment operations and grew our client assets under management. Meanwhile, we aim to continually assess and manage the sustainability impacts of our investments and reduce their carbon footprint. According to the most recent responsible investment assessment (UN PRI), we were particularly successful in integrating responsibility aspects into the investment processes for direct corporate loans and real estate investment funds.

A healthy company culture continues to be a significant factor behind our high customer satisfaction. Investing in employee satisfaction is a strategic choice for Mandatum, which has already yielded results for several years. In 2023, Mandatum was awarded the Future Workplaces certificate in recognition of exceptional employee insight in leadership.

We believe that companies that operate responsibly succeed better, and that building a sustainable world for future generations is also financially sound. We are committed to evaluating and developing our operations sustainably to create added value for our stakeholders and the surrounding society also in the future.

**Petri Niemisvirta**  
CEO, Mandatum plc

**“We believe that companies that operate responsibly succeed better, and that building a sustainable world for future generations is also financially sound.”**



# SUSTAINABILITY HIGHLIGHTS 2023

## MANDATUM LISTED AND SUSTAINABILITY STRATEGY UPDATED

Mandatum plc was incorporated in the partial demerger of Sampo plc, which took effect on 1 October 2023. Trading in the shares of Mandatum plc on the main market of Nasdaq Helsinki commenced on 2 October 2023.

Following the partial demerger, Mandatum updated its sustainability strategy to emphasise the key themes of Mandatum's business: responsible investment, promoting financial security and a good working life, and responsibility in the company's own operations.

**Read more on page 14.**

## GOOD SCORES IN THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT ASSESSMENT

MAM is a signatory to the UN Principles for Responsible Investment (UN PRI). UN PRI measures the development of the processes of signatory investors mainly by means of annual assessments. The assessment tells the organisation and its stakeholders how well the UN PRI are achieved in the organisation's investment activities by asset class and which areas of investment operations are in need of improvement.

The most recent assessment covers the financial year 2022. Overall, MAM achieved good scores in the assessment, with at least four stars out of five in most of the categories. According to the assessment, MAM was particularly successful in integrating responsibility aspects into the investment processes for direct corporate loans and real estate investment funds.

**Read more on page 26.**

## FOUR STARS IN GRESB SUSTAINABILITY ASSESSMENT

In 2023, Mandatum participated for the fourth time in the Global Real Estate Sustainability Benchmark (GRESB) assessment, which measures the sustainability of real estate funds globally at the level of the entire real estate portfolio.

In the assessment, the ranking of the special common fund, Mandatum AM Finland Properties II, was raised from three stars to four. As in previous years, Mandatum's direct real estate investments received four out of five stars in the assessment.

Mandatum's direct real estate investments and the special common fund Finland Properties II both received the Green Star designation for high scores in leadership and sustainability measures.

**Read more on page 27.**

## FUTURE WORKPLACES CERTIFICATE

In 2023, Mandatum was awarded the Future Workplaces certificate in recognition of exceptional employee insight in leadership.

The certificate is based on the Signi employee insight survey, which evaluates the realisation of factors that employees consider the most meaningful in the workplace.

**Read more on page 45.**

# 2

# SUSTAINABILITY AT MANDATUM



# SUSTAINABILITY GOVERNANCE

Mandatum is committed to developing the sustainability of the Group's operations and related reporting, targets and their monitoring in accordance with the interests and expectations of the Group's external and internal stakeholders.

Mandatum plc's Board of Directors has the responsibility for and ultimate oversight of Group-level sustainability, covering the entire range of environmental (including climate change), social and governance (ESG) aspects. The Board of Directors has appointed an Audit Committee whose duties include supervising Mandatum Group's sustainability reporting and other sustainability activities. The Audit Committee and the Board of Directors review and approve the Group's annual Sustainability Report.

Sustainability aspects are reviewed by Mandatum plc's Board of Directors regularly and at least once a year. The CEO reports on sustainability issues at Board meetings at regular intervals as part of the CEO report. In 2023, the Board of Directors reviewed and approved Mandatum's updated sustainability strategy. The reports

by the Risk Management and Compliance functions are reviewed quarterly by the Board of Directors and the Audit Committee. Reports of suspected violations and misconduct received through Mandatum's whistleblowing channel are processed as part of the compliance report.

The Board participates in training related to sustainability as needed. In 2023, a training event was organised for the Board of Directors related to the EU Corporate Sustainability Reporting Directive (CSRD). Mandatum plc's Board of Directors evaluates its performance with an annual self-assessment that also covers sustainability issues. The first Board self-assessment will be carried out in early 2024.

Before the execution of the partial demerger of Sampo plc and the incorporation of Mandatum plc, ultimate oversight

over Mandatum Group's sustainability issues was executed by the boards of directors of Mandatum Life and MAM. After the partial demerger, ultimate oversight in sustainability issues is exercised by the Board of Directors of Mandatum plc. However, the boards of directors of Mandatum Life and MAM continue to review sustainability issues that are central to the companies' operations, such as sustainable insurance and responsible investment.

The main responsibility for sustainability management rests with the Group CEO. The Group's Senior Vice President for Marketing and Communications is in charge of Group-level sustainability and ensures sufficient reporting of sustainability issues to the CEO. Mandatum's Group Communications is responsible for the development, coordination and communication of Group-level sustainability work under the

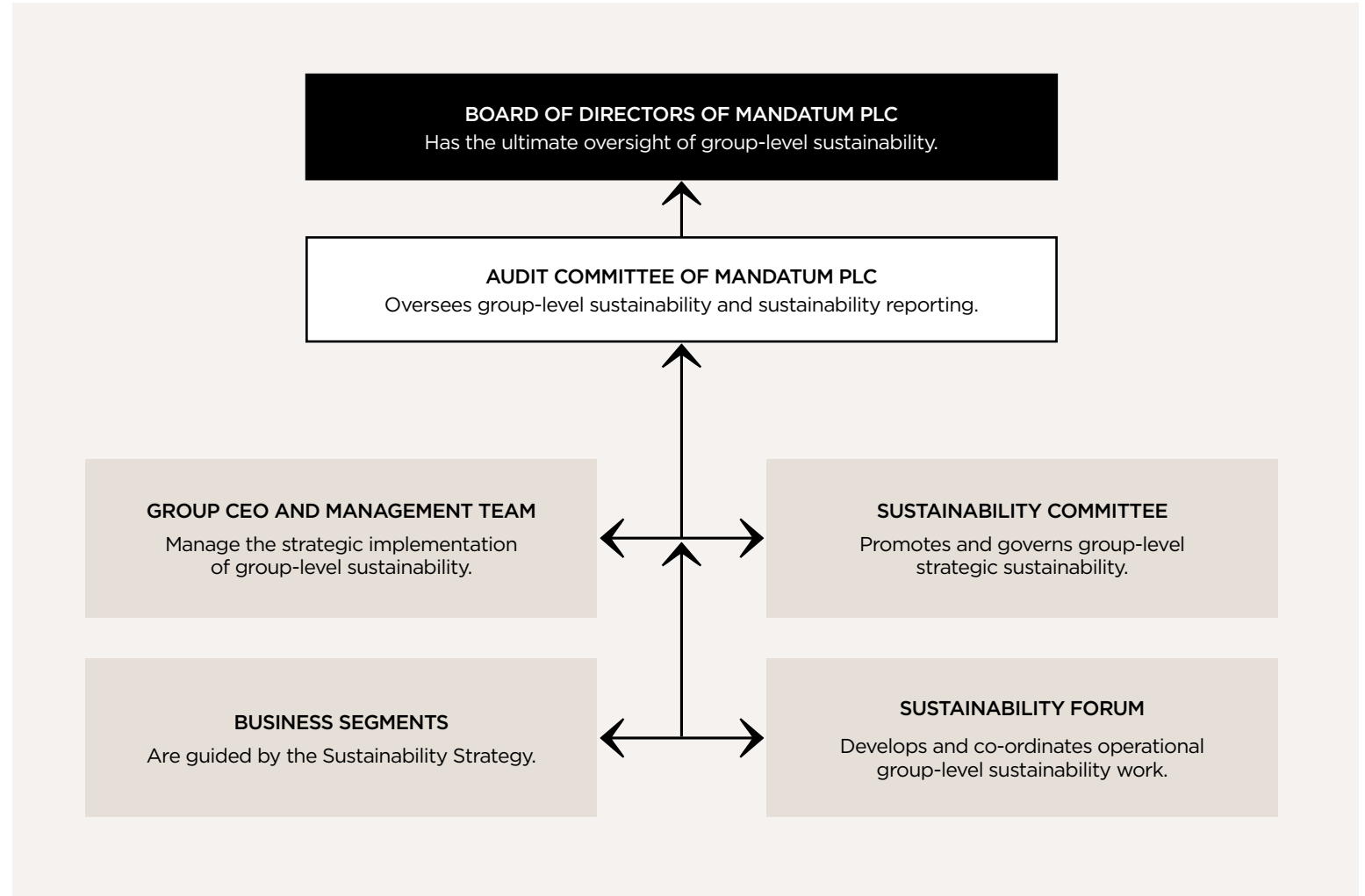
direction of the SVP for Marketing and Communications. It is also responsible for sustainability reporting and the implementation of sustainability work.

Following Mandatum's listing, a Sustainability Committee for senior management was established to promote and manage Group-level sustainability in accordance with the strategy. In addition to the heads of business areas, the Sustainability Committee consist of the SVP for Marketing and Communications, the VP for HR, the VP for Investor Relations, the General Counsel, the Chief Compliance Officer, the SVP for Strategic Planning, the CFO, the CIO and the Head of Responsible Investments. The organising meeting of the Sustainability Committee was held in December 2023. In 2024, the committee will meet at least six times.



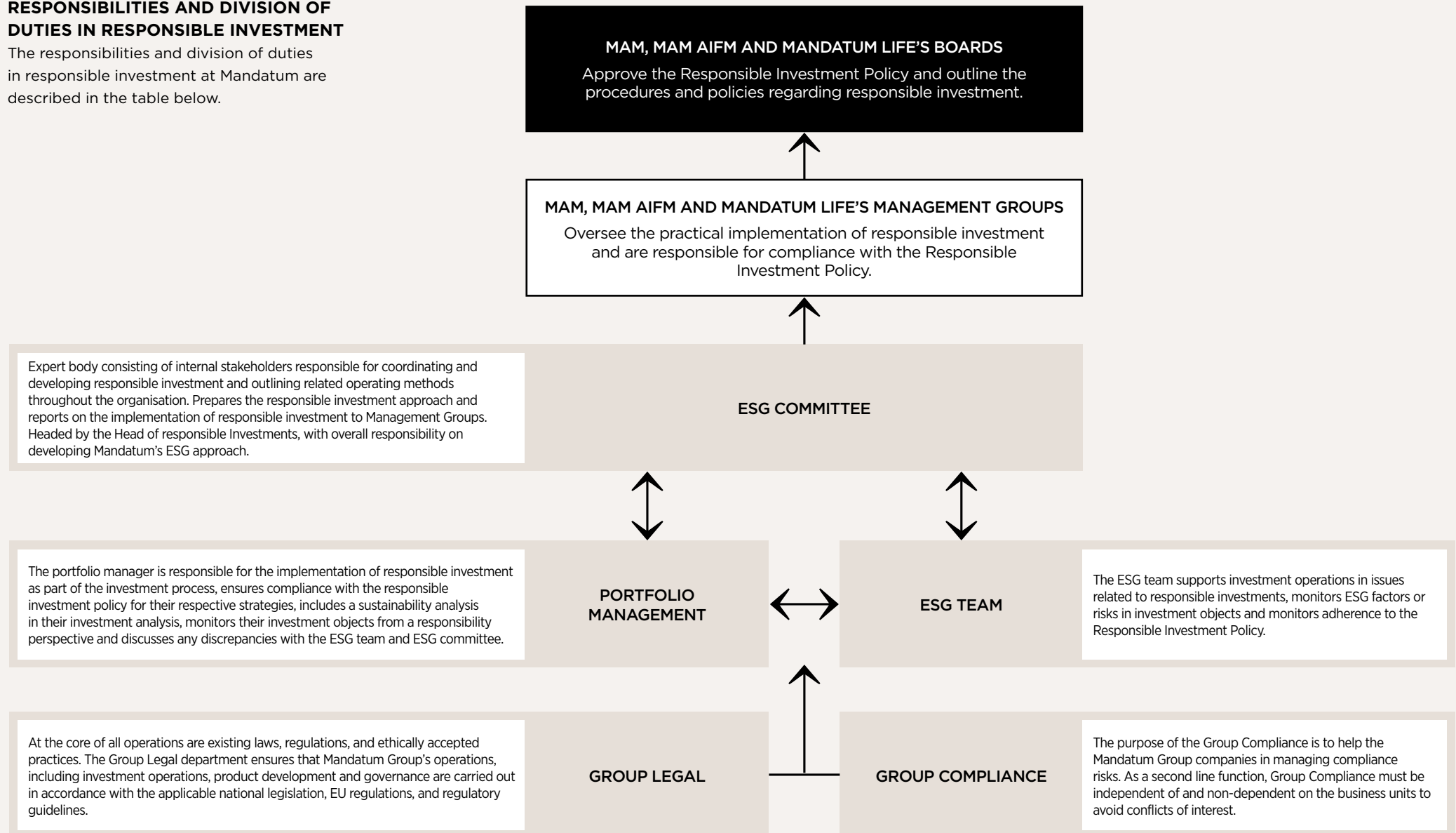
The Group also has a Sustainability Forum tasked with developing and coordinating the Group’s sustainability work at the operational level. The forum meets at least quarterly. The forum was led by the Senior Vice President for Marketing and Communications, and its membership consists of key representatives of different functions. In 2023, the Sustainability Forum met nine times.

In 2023, Mandatum established an Ethical Advisory Board, whose members consist of the General Counsel, the Chief Compliance Officer, the VP for HR and the Chief Risk Officer. The Ethical Advisory Board oversees the company’s operations and compliance with Mandatum’s Code of Conduct and reviews and resolves ethical issues that arise in the organisation. The Board is also responsible for ensuring that high ethical standards are observed in all of Mandatum’s operations. The Ethical Advisory Board meets whenever necessary.



**RESPONSIBILITIES AND DIVISION OF DUTIES IN RESPONSIBLE INVESTMENT**

The responsibilities and division of duties in responsible investment at Mandatum are described in the table below.



### GUIDING PRINCIPLES AND POLICIES

Mandatum complies with legislation, norms and ethically sound practices in all its operations. These principles, together with Mandatum's values and strategy, guide the company's decisions and everything it does. In addition, sustainability work is guided by Mandatum's Code of Conduct and by other supplementary policies and guidelines.

The Code of Conduct is a comprehensive description of Mandatum Group's ethical guidelines, principles and values. The Code of Conduct defines the practices and procedures that must be observed in the business operations of all Mandatum Group companies. The Code of Conduct also serves as the basis for the Group's policies and guidelines. The content of the Code of Conduct is reviewed at least annually, and amendments and updates are approved by Mandatum plc's Board of Directors.

Key policies related to sustainability include the Responsible Investment Policy, which is approved by the Boards of MAM and Mandatum Life, and the Sustainable Insurance Policy, which is approved by Mandatum Life's Board of Directors. Other significant policies for sustainability include the Mandatum Way, Compliance Policy, Internal Audit Policy, Risk Management Policy, Remuneration Policy, Data Protection Policy, Information Security Policy, Procurement

Policy, Outsourcing Policy, Anti-Money Laundering and Counter Terrorist Financing Principles, Engagement Principles and Disclosure Policy.

**Mandatum's Code of Conduct →**  
**Mandatum's principles and policies →**

### WHISTLEBLOWING CHANNELS AND GRIEVANCE MECHANISMS

Mandatum has an electronic whistleblowing channel through which suspected violations and cases of misconduct can be reported. The channel is public and open to Mandatum's employees and stakeholders who detect possible cases of misconduct and violations in the course of their work. Reports can be submitted to the whistleblowing channel anonymously. In processing reports, Mandatum complies with applicable whistleblower protection legislation and guarantees the necessary safeguards and control measures to protect whistleblowers' personal data and ensure protection against retaliation. Mandatum's Group Compliance function processes reports received through the whistleblowing channel confidentially.

In order to enable dialogue and feedback, Mandatum's whistleblowing process and channel were presented to employees' representatives most recently before the updated whistleblowing channel was

### Reports received through the whistleblowing channel

	2023	2022	2021
Reports received through the whistleblowing channel	1*	0	1

\*The report was investigated and assessed and did not result in further action.

introduced in May 2023. Employees and external stakeholders are also informed about the whistleblowing channel and making a report on the company's intranet and external websites.

In addition, Mandatum has other confidential channels for reporting grievances that are available to all employees.

- Harassment cases can be reported confidentially through the reporting channel on the company's intranet. All reports are treated as confidentially as possible, and only the necessary persons participate in the meetings and correspondence. Only involved HR unit employees have access to the documents. Employees' representatives have also committed to a high level of confidentiality and employees have been consulted in the planning of the process. Threatening situations affecting employees are always handled directly with the employee, their supervisor and HR.

- Possible personal data breaches and incidents related to operational risks are reported to the Risk Management and Compliance functions via a link on the company's intranet.

Whistleblowing channel: **Whistleblowing →**



# SUSTAINABILITY STRATEGY

Through its sustainability strategy, Mandatum seeks to create value and influence and manage risks from the perspective of sustainability themes that are significant for the company and society.

The aim of Mandatum’s sustainability strategy is to complement and support the Group’s strategy in areas related to sustainability to enhance their management and effectiveness. The sustainability strategy is based on the focus areas identified in Mandatum’s strategy and company culture. It also ties in with the UN Sustainable Development Goals (SDGs).

Mandatum’s sustainability includes three key themes that form the foundation for the company’s business. The key themes are responsible investment, promoting financial security and a good working life, and responsibility in Mandatum’s own operations.

## 1. MONEY AS A DRIVER OF CHANGE

Mandatum requires sustainability from its investees and believes that, in the long run, investee companies that operate responsibly will yield better results thanks to more

favourable growth prospects and more predictable cost development.

MAM is committed to the UN Principles for Responsible Investment, and Mandatum strives to effectively assess and manage the sustainability impacts of its investment operations and reduce the carbon footprint of its investments.

## 2. IT ALL COMES DOWN TO PEOPLE

Through its business operations, Mandatum strives to improve the financial security of its clients and promote responsible HR practices. The aim is to help corporate clients improve their competitiveness in a responsible manner and secure the sufficiency of entrepreneurs’ and employees’ livelihoods also during retirement or times of adversity.

Effectively managed business strengthens the prerequisites for success and creates

well-being in society. When combined with good leadership and compensation, the entire personnel’s motivation and enthusiasm have a quantifiable impact.

## 3. LEADING BY EXAMPLE

Responsibility for employees and sustainable operating methods is part of building a successful business. The well-being of employees is one of Mandatum’s strategic goals. Similarly, the entire personnel implements Mandatum’s sustainability through their day-to-day operations.

Financial responsibility means ensuring the continuity, profitability, earnings power and solvency of operations in all market situations. Risk management is also an integral part of Mandatum’s financial responsibility.

## UN SUSTAINABLE DEVELOPMENT GOALS

The UN Agenda 2030 and its 17 main goals aim at sustainable development that comprehensively takes into account the environment, economy and people.

Mandatum is committed to promoting the UN Sustainable Development Goals (SDGs), three of which are particularly relevant to the company’s operations and impacts:

- **3 Good health and well-being** – ensuring healthy lives and promoting well-being for all at all ages
- **8 Decent work and economic growth** – promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **13 Climate action** – taking urgent action to combat climate change and its impacts.



### SUSTAINABILITY GOALS

The goals related to Mandatum’s three key sustainability themes are described in the table below. For each theme, the UN Sustainable Development Goals that are supported by Mandatum’s own sustainability goals are also identified.

### DOUBLE MATERIALITY ASSESSMENT

In 2023, Mandatum launched a double materiality assessment in accordance with the Corporate Sustainability Reporting Directive (CSRD), the final results of which will be available in early 2024. In the double materiality assessment, Mandatum evaluates the impacts of its business operations on the environment and society, as well as the risks and opportunities of various sustainability factors for the company’s business. To support the assessment, Mandatum also interviews key internal and external stakeholders.

In the future, the results of the double materiality assessment will serve as the basis for Mandatum’s sustainability statement in accordance with the CSRD, which will be published for the first time as part of the Report of the Board of Directors for 2024. During 2024, Mandatum will also update its sustainability strategy based on the results of the assessment.

Key theme	Goals	Link to the UN SDGs
<b>Money as a driver of change</b>	<ul style="list-style-type: none"> <li>• Commitment to the UN Principles for Responsible Investment</li> <li>• Reducing the carbon footprint of investments</li> <li>• Integrating sustainability aspects in the investment process</li> <li>• Monitoring of investments</li> <li>• Assessment of sustainability impacts</li> </ul>	 
<b>It all comes down to people</b>	<ul style="list-style-type: none"> <li>• Improving financial security</li> <li>• Improving the competitiveness of companies</li> <li>• Improving working life</li> <li>• Fair and responsible rewards</li> <li>• Saving and investing</li> <li>• Security for the entrepreneur</li> <li>• Supplementing pension cover</li> <li>• Supplementing social security</li> </ul>	 
<b>Leading by example</b>	<ul style="list-style-type: none"> <li>• Personnel’s health and well-being</li> <li>• Good leadership and supervisory work</li> <li>• Personnel’s equality and non-discrimination</li> <li>• Professional development and growing intellectual capital</li> <li>• Creating financial well-being in society</li> <li>• Combatting grey economy</li> <li>• Privacy and data protection</li> <li>• Good governance</li> <li>• Paying taxes</li> <li>• Minimising own environmental impacts</li> </ul>	 

The sustainability strategy indicators, goals and results are presented in connection with each key theme on pages **19**, **33** and **42** of this report.

# SUSTAINABILITY ISSUES AND RISK MANAGEMENT

An effective risk management system is a key part of Mandatum Group's governance structure. The Board of Directors has overall responsibility for risk management, and the CEO is responsible for organising risk management in accordance with the requirements set by the Board of Directors, regulatory frameworks and other stakeholders. The Group Chief Risk Officer is responsible for ensuring that risk management is organised appropriately and that the scope is generally adequate in relation to operations.

At Mandatum, business risks are divided into three main categories: strategic risks, earnings risks (including insurance and market risks) and consequential risks (including operational risks). Sustainability risks are classified as risks that belong to all of the above groups, as they can be realised through different risk categories. Sustainability risks refer to environmental, social or governance events or circumstances which, if realised, could have a negative impact on Mandatum's business. The Group's risk management framework

and internal risk classification model are described in more detail in Mandatum Group's Risk Management Policy available on the Group's website.

Themes related to sustainability issues shape the preferences and values of Mandatum's stakeholders, which in many ways also results in changes to the operating and competitive environment. Mandatum Group companies operate in countries characterised by respect for human rights, transparency and low levels of corruption and bribery. Employees' rights, health and environmental legislation, and freedom of speech and association are widely respected. These themes are central to the operations of all Mandatum Group companies. Investors and authorities are increasingly placing emphasis on sustainability issues, but customers and employees also emphasise these themes in their choice of service provider or employer. At Mandatum, key business risks related to sustainability issues can be divided into four main areas:

**Sustainable business management and practices** form the foundation of Mandatum's operations. At Mandatum, good governance means effective policies, management practices and training. These ensure that Group companies and their personnel, suppliers and other partners comply with laws, regulations and generally accepted principles on human rights, labour rights, the environment and climate, anti-money laundering and terrorist financing and the prevention of corruption and bribery. They also include comprehensive information security, cybersecurity and data privacy measures. Sustainable business practices also cover regulatory customer service, product sales and claims handling and complaints processes. In sales and marketing practices, the focus is on meeting regulatory requirements and client needs as well as providing clients with the necessary information to make informed decisions about the insurance coverage they need.

**A sustainable corporate culture** includes factors relating to the work environment, diversity, equality, non-discrimination and inclusion, employee health and well-being, commitment and professional development, and employee attraction and retention. Competent and motivated employees are an important success factor that allows Mandatum to provide the best customer service in all situations. Losing talented employees or developing an unattractive employer image could pose a major risk to business. Mandatum strives to ensure a stable work environment not only due to statutory obligations, but also because it lays the foundation for sustainable business performance. Mandatum values diversity and inclusion and is committed to providing a diverse, non-discriminatory, open and pleasant work environment where everyone is treated fairly and equally. Risks related to these themes are managed, among other ways, through strong internal policies, implementing organisational development programmes and by offering employees training, interesting career opportunities and attractive remuneration packages.

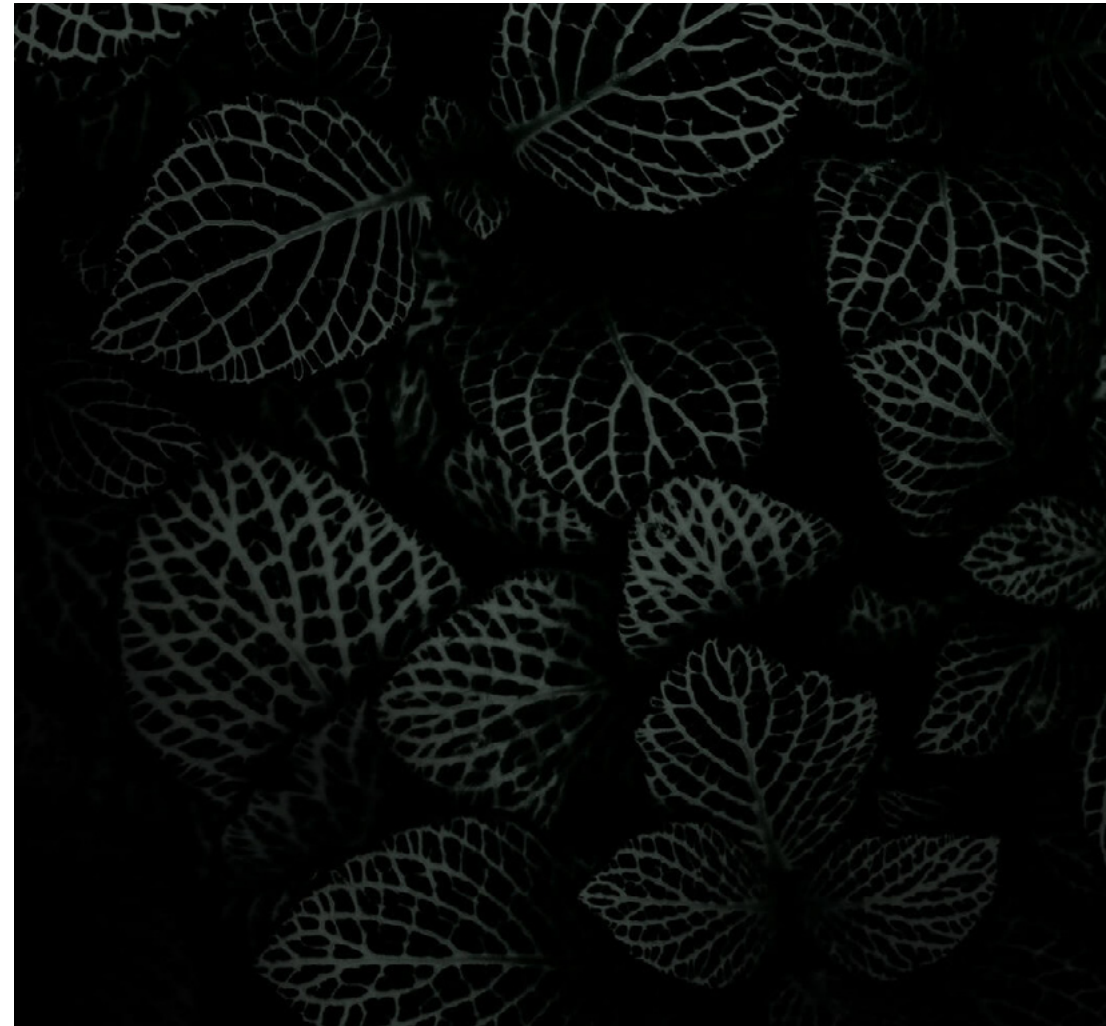


**Sustainable investment operations and management** are important tools for managing investment risks and mitigating potential reputation risks. Therefore, Mandatum takes sustainability aspects into account when assessing the safety, quality, liquidity and profitability of investments. Investment opportunities are carefully examined before making investments, and sustainability issues are considered together with other factors that could affect the risk-return ratio of investments. Depending on the asset class, Mandatum uses different practices to take sustainability issues into consideration and to ensure effective assessment and management of sustainability risks. The practices used include, for example, ESG integration, sector-based screening, norms-based screening and active ownership.

**Environmental issues and climate change** are factors that are expected to have medium and long-term impacts on Mandatum's business. Risks arising from climate change can be divided into physical risks and transition risks. Physical risks can be further divided into long-term weather changes (chronic risks) and extreme weather events such as storms, floods, forest fires and droughts (acute risks). Transition risks refer to risks in the transition towards a low-

carbon society, such as changes in technology, legislation and consumer attitudes. The magnitude of the risks depends on the trajectory of global warming. In a scenario in line with the Paris Agreement, in which warming is limited to 1.5 degrees, the effects would be moderate. In scenarios where temperatures rise above 3 or 5 degrees, the impacts on industry, infrastructure and public health would be severe. Especially in geographically vulnerable areas, such as low-lying coastal areas, rising sea levels can cause food and water shortages, leading to massive migration and disease outbreaks.

Investments that are susceptible to climate risks include, in particular, those in which losses can occur due to extreme weather events and possible revaluations in the event of changes in business models in carbon-intensive industries. Mandatum measures and regularly publishes carbon intensity values for some of its investment portfolios, presents where necessary the historical development of the product's carbon intensity and/or carbon intensity relative to a selected benchmark index and regularly follows the fossil exposure of direct investments.



# 3

## RESPONSIBLE INVESTMENT



# MONEY AS A DRIVER OF CHANGE

Mandatum Asset Management (MAM) is committed to the UN Principles for Responsible Investment, and Mandatum strives to effectively assess and manage the sustainability impacts of its investment operations and reduce the carbon footprint of its investments.

## MATERIAL ISSUES, GOALS AND INDICATORS

### Commitment to the UN Principles for Responsible Investment

Integrating sustainability perspectives into the investment process and monitoring investments, for example, according to the Global Compact principles

#### Development in 2023:

The international investor initiative Principles for Responsible Investment (UN PRI) annually assesses its members' investment operations. The assessment tells organisations how they have progressed in integrating responsible investment, as well as areas where investment operations are in need of improvement. Overall, MAM achieved good scores in the assessment, with at least four out of five stars in most of the categories.

**Read more on page 26.**

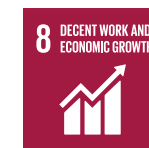
Assessment and efficient management of sustainability impacts in investment operations and reducing the carbon footprint of investments

#### Development in 2023:

In 2023, Mandatum Life published its first principal adverse impact (PAI) statement for 2022 in accordance with the EU's Sustainable Finance Disclosures Regulation (SFDR). According to the statement, the carbon footprint of investments was 274.86 tCO<sub>2</sub>e per million euros invested.

**Read more on page 29.**

## LINK TO THE UN SDGS:



Mandatum creates conditions for decent work and supports economic growth by investing in growth companies, for example, and by supporting their responsible and profitable development. In addition, the working conditions offered by investee companies are monitored regularly, and Mandatum engages with companies on a case-by-case basis.



Mandatum seeks to reduce the carbon footprint of its investments by actively managing the climate risks of investment operations and by offering its clients opportunities to invest in companies with a smaller carbon footprint. Mandatum has defined climate action as one of its key focus areas.

# INVESTMENT MANAGEMENT

## GENERAL APPROACH

The assessment of sustainability factors follows the same principle as the selection of investments: the focus is directly on the company, and the decision is based on an analysis of the company and its sector. At Mandatum, taking sustainability aspects into consideration is a routine part of operations. A sustainability assessment is integrated into the investment analysis of each asset class and takes into account their special characteristics. Thus, sustainability assessments differ depending on the asset class.

Mandatum's Responsible Investment Policy defines the company's responsible investment principles and is binding for the entire personnel. The policy describes the minimum level of measures to be taken to address sustainability risks and adverse sustainability impacts. Certain products may be subject to stricter principles and investor engagement procedures. The policy is reviewed and updated annually.

At the end of 2023, Mandatum managed around EUR 11.9 billion in client assets.

**Responsible Investment Policy →**

## ASSESSMENT OF THE SUSTAINABILITY FACTORS OF INVESTMENTS

In addition to financial aspects, the investment analysis looks at factors related to sustainable development and related risks and opportunities. The materiality of sustainability risks varies depending on the investee company's sector and business model. A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment. Transition risks refer to how companies are able to adapt their business to a low-carbon and sustainable economy and develop their operations in relation to the expectations of customers and society. Potential sustainability risks related to investee companies' value chains must also be taken into account as part of the investment analysis. In analysing investments, Mandatum also seeks to identify and mitigate the adverse impacts of its investment operations on the environment, society and employees and promote human rights and issues related to anti-corruption and anti-bribery.

## Assets related to Capital-light segments as of 31 December 2023

Asset class, EUR million	31 Dec 2023
Fixed income	5,027.4
Listed equities	3,605.1
Alternative investments	2,961.7
<b>Total</b>	<b>11,594.1</b>
- of which related to IFRS 17 contracts	3,088.1
- of which related to IFRS 9 contracts	8,506.0

## Asset allocation of the With-profit segment as of 31 December 2023

EUR million	Original portfolio	Segregated portfolio
<b>Fixed income total</b>	<b>2,442.5</b>	<b>668.2</b>
Money market securities and cash	305.8	80.0
Government bonds	0.0	0.0
Credit bonds, funds, loans and derivatives	2,136.7	588.2
<b>Listed equity total</b>	<b>282.5</b>	<b>7.7</b>
Finland and Scandinavia	127.5	0.0
Global	155.0	7.7
<b>Alternative investments total</b>	<b>615.0</b>	<b>28.4</b>
Real estate	112.9	23.3
Private equity	269.6	2.9
Private credit funds	232.5	2.2
<b>Asset classes total</b>	<b>3,339.9</b>	<b>704.3</b>

### IMPACT ASSESSMENT

An impact assessment has been incorporated in the analysis to complement the assessment of sustainability factors. The impact assessment is an extensive evaluation of the positive and negative impacts of companies and their net impacts on society and the environment. For certain products, the impact assessment uses a model designed by a third-party service provider, the Upright Project, which seeks to quantify the positive and negative impacts of companies in four broad dimensions. The four dimensions of impact are society, environment, health and knowledge. In the Upright model, the highest possible net impact score is 100 per cent, but there is no lower limit for negative impact. In its climate strategy, Mandatum follows the double materiality principle. This means that both the impacts of climate risks on the investee company and the company's impact on sustainability factors are taken into consideration.

### EXCLUSION OF SECTORS AND PRODUCT GROUPS

Mandatum uses exclusion as one of its methods of responsible investment. Certain sectors are considered to be exposed to more sustainability risks than others and to have more adverse sustainability impacts than other sectors. Investments in sectors identified as sensitive are monitored

regularly to identify and quantify potential sustainability risks. Mandatum's Responsible Investment Policy defines exclusion criteria for direct equity and fixed income investments (including private equity) that are defined as promoting environmental and/or social characteristics (EU SFDR Article 8) or which have sustainability as an investment objective (Article 9). Sectors and product groups are divided into tolerance categories based on the proportion of the business operations in question of the company's net sales, either directly or indirectly.

In addition to exclusion of certain sectors, Mandatum invests, for example, in companies that offer technical innovations for the mitigation of climate change. Mandatum's aim is to reduce exposure to the fossil fuel industry while investing in companies that produce energy from renewable sources or have a clear and credible strategy to transition from fossil fuels to a more sustainable business model.

### MONITORING THE SUSTAINABILITY FACTORS OF INVESTMENTS

Depending on the asset class, sustainability factors are assessed based on several criteria. Sectors that are sensitive from an ESG perspective and violations of international norms and standards are monitored in direct equity and fixed income investments through both external service providers and Manda-

tum's own company analyses. International norms and standards include the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Guiding Principles on Business and Human Rights, implementation of the UN 'Protect, Respect and Remedy' Framework and the Paris Agreement on Climate Change. A detailed description of the monitoring of sustainability factors in each asset class can be found in Mandatum's Responsible Investment Policy. Mandatum assesses the sustainability risks of its external investment funds annually based on available information. In addition, managers of the Private Debt (PD) and European Real Estate (ERE) programmes are required to answer an extensive ESG survey during the due diligence phase preceding an investment decision and annually during the investment's life cycle. The survey is used to monitor managers' performance in sustainability issues. Identified development targets are addressed by discussing them with the manager.

### DIRECT AND POOLED ENGAGEMENT

The aim is for material sustainability risks to be identified during the due diligence phase, but their monitoring and assessment continue throughout the life cycle of the investment. Mandatum strives to mitigate identified risks related to sustainable development and responsibility in cooperation

with investee companies. Pooled engagement is used especially when it is believed that the company's operating methods can be changed effectively together with other investors. Pooled engagement is mainly used in a reactive manner to address issues that have already occurred.

### REGULAR SUSTAINABILITY REPORTING

Mandatum publishes sustainability reports on a part of liquid asset classes and the PD and ERE programmes twice a year. Depending on the investment product, the reports include the portfolio manager's comment, information about sustainability in the investment process, detected violations of norms and the carbon footprint of products. For certain products, sustainability issues are reported on a quarterly basis in connection with other financial reporting. For the PD and ERE programmes, a summary of the results of the ESG manager survey is published in the autumn in connection with sustainability reporting. The requirements of the so-called Level 2 of the SFDR entered into force in the beginning of 2023. As a result, Mandatum will also annually report on products complying with Articles 8 and 9 with a separate periodic disclosure of how the environmental and/or social characteristics promoted by the product have been realised or to what extent the product's sustainability objective has been achieved, for example.



## EXCLUSION CRITERIA AND RESTRICTIONS ON NEW INVESTMENTS

Mandatum has identified sensitive business areas that are considered to carry more sustainability risks and cause more adverse sustainability impacts. The Responsible Investment Policy lists the industry and product group exclusion criteria for direct

investments in equities, bonds and loans that have been defined as promoting environmental or social characteristics (SFDR Article 8) or as being sustainable investments (SFDR Article 9). The criteria serve as a guideline for portfolio managers in all asset classes. Stricter exclusion criteria may also be applied on a product-by-product basis. Investments in companies in the coal and oil industry that

exceed revenue limits can be allowed for products other than Article 9 products if the company has a credible transition plan based on internal criteria. If an investment in the portfolio no longer meets the criteria, Mandatum will divest the investment within a reasonable period of time, taking into account the clients' best interests and the market situation. In addition to sector-specific mon-

itoring, Mandatum complies with statutory exclusions (such as investments excluded on the basis of domestic or international laws, bans, treaties or embargos). Direct business refers to the manufacture or production of products or services. Indirect business refers to the various parts of the manufacturing or production value chain, such as subcontracting, transportation or distribution.

Industry/Product group	Key risk factors	Percentage of sales		Description
		Direct business	Indirect business	
<b>Zero tolerance</b>				
<b>Controversial weapons</b>	Reputational risks, regulatory risks	0%	0%	Investments are not made in companies that derive revenue from manufacturing, subcontracting or distribution of controversial weapons. Controversial weapons are, for example, biological, chemical, nuclear and cluster weapons.
<b>Low tolerance</b>				
<b>Coal</b>	Reputational risks, technology risks, transition risks, regulatory risks	5%	40%	Investments are not made in companies that derive over 5% of revenue from mining of coal or whose share of revenue from coal mining subcontracting or distribution of coal exceeds 40%. Investments are not made in companies whose share of revenues from coal-based energy production exceeds 40%, unless the company has a clear strategy to transition to a more sustainable business model*.
<b>Tobacco</b>	Reputational risks, regulatory risks, human rights risks	0%	50%	Investments are not made in companies that derive revenue from manufacturing of tobacco products or derive more than 50% of revenue from subcontracting or distribution of tobacco products.
<b>Adult entertainment</b>	Reputational risks, labour rights risks, human rights risks	0%	50%	Investments are not made in companies that derive revenue from production of adult entertainment or that derive more than 50% of revenue from adult entertainment industry subcontracting or distribution.
<b>Gambling</b>	Reputational risks, governance risks, money laundering risks	50%	50%	Investments are not made in companies that derive more than 50% of revenue from gambling or gambling subcontracting.
<b>Military equipment</b>	Reputational risks, regulatory risks	50%	50%	Investments are not made in companies that derive more than 50% of revenue from manufacturing, subcontracting or distribution of military equipment.
<b>Oil</b>	Reputational risks, technology risks, transition risks, regulatory risks	45%	45%	Investments are not made in companies that derive more than 45% of revenue from exploration, extraction, production or refining and processing of fossil oil or the production of fossil oil-based energy, unless the company has a clear strategy to transition to a more sustainable business model*.

\*Exemptions can be made for companies that have a credible plan for transitioning based on an internal set of criteria. The responsible portfolio manager shall prepare a summary of the target company and why it should be considered as a transition company to which the ESG team will give their opinion. The CIO will then make the final decision.

## SUSTAINABILITY IN DIFFERENT ASSET CLASSES

### LOAN INVESTMENTS

In loan investments, Mandatum emphasises active portfolio management and investments in defensive sectors. In loan strategies, investments are typically made in syndicated loan facilities of European mid-cap and large-cap unlisted companies. Mandatum estimates that in the long run, investee companies and securities of issuers that operate responsibly will perform better thanks to more favourable growth prospects and more predictable cost development. In investment selection, loan strategies comply with the sector-specific restrictions and negative screening criteria described in Mandatum's Responsible Investment Policy, thereby promoting certain minimum environmental and social characteristics. Stricter exclusion criteria may also be applied to individual investment products. The impact of ESG factors on the overall assessment of the investment is evaluated at each stage of the investment process. The investment process involves a preliminary review, credit rating and actual analysis as well as continuous monitoring.

### DIRECT EQUITY AND FIXED INCOME INVESTMENTS

The three-stage investment process (preliminary review, analysis and decision) for direct fixed income and equity invest-

ments includes an assessment of ESG factors as part of each stage. In the first stage, the compatibility of the company's sustainability principles with the strategy is screened and investments that do not meet the criteria defined in the Responsible Investment Policy for the sector or product group are excluded. The aim of the detailed investment analysis is to identify potential ESG risks and, on the other hand, opportunities. In fixed income investments, the stage also includes a risk assessment of the investee company and documentation related to the loan.

Mandatum monitors the greenhouse gas emissions of investments (emissions per invested capital and average carbon intensity) and exposure to fossil fuels. Investments are also regularly monitored for violations of international norms, such as the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises. Mandatum strives to engage with the investee company if violations are detected. The company has succeeded in reducing financed CO<sub>2</sub> emissions by actively screening companies and investing in lower-emission sectors.

### DIRECT EQUITY AND FIXED INCOME AS FUND INVESTMENTS

In general, passive index funds are used in markets where active portfolio management is seen as having little potential to

create added value. From the perspective of sustainability analysis, the essential difference between external fund investments and direct equity and fixed income investments is that the company-level analysis and investment decision are made by the portfolio manager of the fund. When selecting partners and external funds, the analysis is focused on the investment process. Mandatum assesses the manager's commitments to responsible investment, investment and risk management processes, resources, reporting and compatibility with Mandatum in terms of general approach to responsible investment. Factors considered include compliance with international standards in the investment process, whether investments are screened from a sustainability perspective, what risks are posed to the fund's investments by climate change and what types of active ownership measures the fund management company employs.

### PRIVATE EQUITY INVESTMENTS

In private equity investments managed by MAM, sustainability perspectives form a part of the investment process, from the analysis of potential investments to exit and beyond.

The company-level analysis takes into account the exclusion criteria defined in Mandatum's Responsible Investment Policy. All investments undergo a separate ESG due

diligence process, which seeks to identify opportunities for value creation in addition to managing risks. The ESG due diligence process investigates standard issues on topics that are important to MAM, as well as sector-dependent issues specific to the company. Immediately after a transaction, a separate ESG working group is established to review issues identified in the ESG due diligence process, and ESG key performance indicators (KPIs) and targets are defined for the investment. In addition, a plan is made to address any identified shortcomings. Active engagement on sustainability issues is continued in the investee company's board of directors, working groups and discussions with the company's management. ESG KPIs are measured regularly and reported to investors. Investors' concerns about ESG issues are addressed and discussed with management. At exit, the value created by ESG themes during the ownership period is demonstrated. The goal is for sustainable practices to become an integral part of the investee company's growth targets.

### PRIVATE DEBT INVESTMENTS

The approach of the Private Debt programme takes sustainability into account throughout the investment process and manager selection. Mandatum flexibly combines its strong expertise in investments and ESG issues. This allows the company to

## CASE

### **GROWTH EQUITY II FUND'S INVESTMENT IN HALTIAN, A GLOBAL TECHNOLOGY COMPANY FOCUSED ON DEVELOPING SMARTER BUILDINGS**

In 2023, Mandatum Asset Management's Growth Equity (MAM GE) strategy\* invested in Haltian. The company is a global supplier of hardware and software focusing on the Internet of Things (IoT). The company's aim is to improve the intelligence and connectivity of buildings.

The MAM Growth Equity II fund is the second volume of MAM's growth investment strategy, and Haltian was its first investment. MAM's Growth Equity team was responsible for the EUR 22 million funding round, which also included Varma, Tesi and Ventic.

The fund focuses on Finnish and Nordic growth companies with proven business models and well-established and ambitious personnel. It actively strives to develop the companies in its portfolio and supports them in growth and internationalisation.

*"As much as 28 per cent of global CO<sub>2</sub> emissions come from heating, cooling and electricity use in buildings. It is possible to reduce the carbon footprint of buildings through better understanding of how buildings are used and their utilisation rate. We strongly believe in the need for these types of solutions in the coming years, and Haltian will be able to offer market-leading IoT solutions that enable companies to make data-driven decisions about the use of space and energy consumption,"* says **Kitty Laine** from the Growth Equity team.

\*MAM Growth Equity II Ky complies with sustainability disclosure obligations under SFDR Article 8.

offer a diversified Private Debt programme that takes both financial and sustainability factors into account.

Private Debt investments are divided into direct lending and opportunistic strategies. These two main strategies can be further divided into six sub-strategies. The sub-strategies used in direct lending are non-sponsor direct lending, sponsor-backed direct lending and syndicated lending/large cap direct lending. In opportunistic strategies, the sub-strategies used are opportunistic primary & secondary, opportunistic secondary and portfolio financing strategies. Several different factors are also taken into account in the selection process for fund managers. The sustainability review of the Private Debt strategy is based on the assessment of ESG issues in the due diligence phase, extensive annual sustainability surveys and a sustainability framework created based on their results, as well as strong ESG expertise.

Mandatum's ESG team actively cooperates with portfolio management, especially when selecting new managers and portfolio funds for the Private Debt programme, and also during the investment life cycle when reviewing performance in ESG issues. Potential investments are evaluated from an ESG perspective right from the first manager meeting.

In fund structures, such as the Private Debt programme, due diligence and discussions with managers play a key role in ESG engagement and in ensuring the implementation of the principles of responsible investment in the fund's investment activities.

Sustainability is integrated into the stages of the investment process, including a preliminary review, in-depth analysis and an ESG survey for managers, ESG analysis and decision materials, as well as the negotiation of side letter agreements, investment monitoring and active engagement. The ESG survey sent to target funds in the due diligence stage and annually thereafter contains company-specific questions (including policies, resources and development, engagement, climate change) and fund-specific questions (including policies and principles, resources, ESG integration, engagement and ESG reporting).

Based on the survey responses, the funds are scored for different sustainability factors according to two dimensions: ESG implementation and ESG policy/commitments. The analysis can be used to examine how the manager's sub-segment and the size and geographical location of the target companies impact their ESG position, which helps identify leading managers in their sector and sub-segment

in terms of sustainability. The survey makes it possible to monitor and promote the development of sustainability issues. The annual ESG survey mentioned above is sent to all fund managers, and the responses are used to monitor the progress of their sustainability issues.

Managers are told how they rank compared to other managers or funds and instructed on how they can improve their ESG performance in practice. Mandatum also meets with selected managers who are seen as having the most room for improvement in ESG issues compared to other managers. Engaging with managers on ESG performance is an important part of continuous monitoring.

#### **FUND-TYPE REAL ESTATE INVESTMENTS**

The European Real Estate (ERE) programme managed by MAM makes use of external investment partners with strong local resources and a successful track record in real estate investments. MAM's approach favours closed-end real estate funds typically used by institutional investors in which

the fund manager is responsible for strategy and investment decisions.

In the selection of managers and funds, ESG considerations constitute an essential part of the investment analysis. As part of the investment process, each partner must pass a comprehensive sustainability assessment of the following areas, among others: compatibility of the strategy with MAM's sustainability goals, the integration of ESG issues in investment and risk management processes, the manager's general ESG competence, ESG resources, governance and responsible investment policy, and the manager's membership in responsible investment organisations (including UN PRI and GRESB\*).

Due to the nature of investment activities, discussions with the manager of the target fund play a key role in ESG engagement as well as when the aim is to ensure that Mandatum's principles for responsible investment are implemented in the fund's investment activities. If necessary, agreements will be sought related to measures

to steer the fund or fund unit (such as sector limitations), divestments from individual investments according to Mandatum's principles, compliance with international norms, the manager's membership in responsible investment organisations, the target number of properties defined or certified as sustainable and the level of sustainability reporting. Engagement is carried out either according to the fund's terms and conditions or through side letter agreements with the manager.

In the real estate asset class, insufficient data collection has long posed a challenge to attempts to verify sustainability performance. In its real estate fund investments, MAM seeks to promote the manager's commitment to sustainability reporting on the properties and on improving reporting on a case-by-case basis. Systematic improvement of sustainability reporting has also been defined as one of the key sustainability goals of the ERE programme.

The implementation and performance of sustainability in the ERE programme's investments are monitored at the level of individual investments with an extensive annual ESG survey sent out to external managers. The ESG survey is also sent to the manager during the due diligence phase of each new investment process.

The annual ESG survey addresses company-level issues (covering policies, development, sustainability performance, ESG commitments, good governance, strategy, risk management) and fund-level issues (covering policies and principles, resources, ESG integration, sustainability targets, certifications and ESG reporting, including energy efficiency and main adverse impacts on sustainability factors). The goal of the ESG survey is to enable the monitoring of sustainability performance and to promote areas of responsible investment also after the fund has made its investment decision.

Material sustainability issues raised in the survey are discussed in more detail with the manager and their performance is monitored.

Based on the survey, the funds are scored by sub-category. From the responses, the implementation of ESG measures, ESG policies and sustainability commitments by the manager and the fund are analysed. The analysis can be used to examine how the size and strategy of the manager or fund affect their placement in the sustainability analysis, for example. A summary report of the ESG survey is provided to clients.

Based on the results of the ESG survey, individual feedback is sent to each manager

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\*GRESB (Global Real Estate Sustainability Benchmark) is a global real estate assessment and benchmarking standard developed by the independent GRESB Foundation in collaboration with investors to promote sustainability. Members of GRESB are committed to promoting the annual assessment, which comprehensively and accurately measures and reports on the various ESG factors of properties.

explaining their placement in the sustainability analysis in relation to peer funds and offering concrete suggestions for improvement that emerged from the analysis. All managers are also offered the opportunity to review the feedback with Mandatum's ESG team.

#### **DIRECT REAL ESTATE INVESTMENTS**

Mandatum's real estate investment operations are managed by MAM's real estate unit. A direct real estate investment approach favours properties that require active work and have development potential. In this way, property management can be used to achieve an increase in cash flows and market values. Investment projects that improve energy efficiency are a key part of the active approach, and sustainability issues are integrated as part of portfolio management and all investment decisions.

The majority of direct real estate investments managed by MAM consist of the following portfolios: Special Investment Fund Mandatum AM Finland Properties II\*, real estate on the balance sheets of Mandatum Group companies, real estate assets

of Kaleva Mutual Insurance Company and Mandatum Life Vuokratontit I Ky\*\*. In total, Mandatum's own real estate investments and the real estate portfolios of asset management clients comprise around 30 office and residential properties in Finland. The special common fund Mandatum AM Finland Properties II includes around 40 properties, most of them commercial premises in office or retail use. The fund's portfolio consists of an existing building stock of varying age, requiring active and local real estate asset management, expertise and resources. In addition, Mandatum Life Vuokratontit I Ky owns 37 rental plots in residential use in growth centres around Finland.

The individual sustainability characteristics of each portfolio are taken into consideration already at the time of investment. In direct real estate investments, MAM's sustainability-related measures seek to achieve significant emission reductions. At the same time, the goal is to achieve cost savings and increase the value of properties. In real estate investment, sustainability is often understood solely as measures aimed at improving energy efficiency. However,

sustainability also encompasses issues such as measuring the carbon footprint and greenhouse gas emissions of properties, optimising water use and waste management, and social responsibility, such as community influencing, environmental considerations and renewable energy. Sustainability measures also increase tenant satisfaction and affect the renegotiation and continuity of lease agreements.

In the management of direct real estate investments, MAM focuses on energy efficiency, climate change mitigation, water efficiency, recycling and waste reduction and offering sustainable, healthy and safe properties to tenants. MAM has also set sustainability targets described below for its real estate investments.

#### **SUSTAINABILITY TARGETS FOR DIRECT REAL ESTATE INVESTMENTS BY PORTFOLIO**

##### **Mandatum**

- Achieve carbon neutrality in terms of properties' own energy consumption (electricity and heating/cooling) by 2027
- Achieve a recycling rate of 55 per cent (2025)
- Reduce energy consumption by 15 per cent (calculated energy efficiency) in line with the Energy Efficiency Agreement (2025)

#### **Special common fund Mandatum AM Finland Properties II**

- Reduce energy consumption by 7.5 per cent by 2025
- Achieve an environmental certification rate of 50 per cent by 2024
- Achieve a recycling rate of 55 per cent by 2025
- Achieve net zero emissions from energy consumption during use in line with the Net Zero Carbon Buildings target by 2030

In the second quarter of 2024, Mandatum will publish a sustainability report on real estate asset management, including progress made on the sustainability targets and the carbon footprint of real estate investments.

#### **ACTIONS AND RESULTS**

##### **UN RESPONSIBLE INVESTMENT ASSESSMENT**

MAM is a signatory to the UN Principles for Responsible Investment (UN PRI). UN PRI measures the development of the processes of signatory investors mainly by means of annual assessments. The assessment tells the organisation and its stakeholders how well the set principles are achieved in the organisation's investment activities by asset class and which areas of investment operations are in need of improvement.

\*Special Investment Fund Mandatum AM Finland Properties II complies with sustainability disclosure obligations under SFDR Article 8.

\*\*No special ESG characteristics have been defined for Mandatum Life Vuokratontit I Ky, and hence the fund complies with the disclosure obligations of SFDR Article 6.



## CASE

### FINLAND PROPERTIES II SPECIAL COMMON FUND TOPS TENANT SATISFACTION SURVEY

The special common fund Mandatum AM Finland Properties II was ranked fourth in the business premises category in the annual tenant satisfaction survey by KTI Finland. Mandatum also performed above average in the categories for office spaces and production facilities.

In 2023, 23 lessors participated in KTI's tenant satisfaction survey. The survey measured tenants' satisfaction with the premises, tenancy relationship and maintenance services.

According to the survey, tenants of Mandatum's properties were particularly satisfied with the tenancy relationship, which received a rating of 4.11 on a scale of 1-5. In the category for business premises, the rating was 4.18 on a scale of 1-5, which was the fourth best of all lessors in the survey. Tenants of properties particularly appreciated the lessor's professionalism and expertise, availability of the lessor's contact person and the clarity of the lease terms.

*"Mandatum takes into consideration various aspects related to sustainability in the properties of the special common fund, such as energy efficiency, greenhouse gas emissions, water conservation, waste management and recycling as well as social issues associated with properties,"* says **Amalia Pöyry**, Portfolio Manager.

The most recent assessment covers the financial year 2022. Overall, MAM achieved good scores in the assessment, with at least four out of five stars in most of the categories. According to the assessment, MAM was particularly successful in integrating responsibility aspects into the investment

processes for direct corporate loans and real estate investment funds.

Read more:

**[PRI Assessment Report](#)** →

**[PRI Transparency Report](#)** →

## GRESB ASSESSMENT

In 2023, Mandatum participated for the fourth time in the Global Real Estate Sustainability Benchmark (GRESB) assessment, which measures the sustainability of real estate funds globally at the level of the entire real estate portfolio.

The assessment covered both Mandatum's direct real estate investments and the Finland Properties II special common fund. In the assessment, the ranking of Mandatum AM Finland Properties II was raised from three stars to four. As in previous years, Mandatum's direct real estate investments received four out of five stars in the assessment. In addition, Mandatum's direct real estate investments and the special common fund Finland Properties II both retained the Green Star designation for high scores in leadership and sustainability measures.

The share of investee funds in the Mandatum AM European Real Estate (ERE) programme that submitted a GRESB report increased significantly in 2023 from 12 per cent to 35 per cent. All GRESB reports under the ERE programme have received a Green Star designation, indicating good scores in both governance and performance. It should also be noted that in the 2023 ESG survey, the total number of funds with GRESB reporting was already 58 per

cent, but funds that had joined recently were not yet able to submit their results as actual reporting for these will only take place in future reporting rounds.

## POOLED ENGAGEMENT

In 2023, Mandatum participated in pooled engagement initiatives related to environmental issues, anti-corruption, human rights norms and their violations and labour rights, such as restrictions on the rights to freedom of association. Some of the initiatives were in the form of follow-up monitoring of previously identified shortcomings. During the year, no violations specifically related to child labour or forced labour were identified in the investment portfolio.

## ESG SURVEY

The feedback process for fund managers, especially the annual ESG survey, was developed further in 2023. MAM sends out an annual ESG survey to managers of the Private Debt and ERE programmes.

Each fund manager was informed of the results of the survey, including the manager's performance compared to the averages of all funds during the reporting year and the previous year, the fund's rating and performance in each question compared to the previous year, and performance relative to peer managers in the same sub-segment. In addition, meetings were held with

Private Debt fund managers identified as having the most room for improvement in ESG issues compared to other managers. Managers have given positive feedback on MAM's process and way of offering concrete development suggestions and high-quality and detailed feedback.

#### **UI-MANDATUM AM SENIOR SECURED LOAN FUND**

The UI-Mandatum AM Senior Secured Loan Fund, Mandatum's first SFDR Article 9 financial product investing in the European senior loan market and aimed exclusively for professional investors, has been received well by the company's clients. In 2023, the fund's assets under management doubled to EUR 387 million.

#### **BIODIVERSITY**

During 2023, issues related to biodiversity continued to grow in importance together with factors related to climate change, as their impacts are interconnected. Mandatum recognises that biodiversity impact assessment practices are constantly evolving and is committed to following and assessing the evolving guidelines and best practices in the field. In addition, the company is looking for efficient methods to assess both the impacts of its investments on biodiversity on the one hand and their dependencies on biodiversity on the other hand.

#### **TRAINING**

Throughout the year, the ESG team and portfolio management participated in training and events related to responsible investment.

The ESG team provided training for portfolio management on themes such as updates to the Responsible Investment Policy and current issues related to the SFDR and its implementation. Certain portfolio managers also received training on the internal processes of the SFDR, the Upright Project's net impact model and the use of a service provider's climate tool.

The ESG team attended presentations and training on climate, emission data and biodiversity by Mandatum's service provider. In addition, the team participated in external training on sustainable finance and webinars and events organised by Finsif, FIBS and the Finnish Venture Capital Association, among others.



# ASSESSING THE CLIMATE IMPACT OF INVESTMENTS

## CLIMATE CHANGE APPROACH IN INVESTMENT ACTIVITIES

Combatting climate change is one of the key focus areas of Mandatum's investment operations. In addition to increased data collected on the phenomena and interest demonstrated by stakeholders, the significance of combatting climate change and biodiversity loss is also reflected in regulations. In its climate strategy, the company follows the double materiality principle. Double materiality takes into consideration both the impacts of climate risks on the investee company and the company's impact on sustainability factors.

Mandatum wants to be part of the solution to the climate crisis by carefully assessing investment opportunities based on climate-related criteria. In addition to negative screening of certain sectors, Mandatum seeks to identify companies that offer technical innovations for the mitigation of climate change, for example. The aim is to reduce exposure to the fossil fuel industry while investing in companies that produce energy from renewable sources or have a clear and credible strategy to transition

from fossil fuels to a more sustainable business model.

As part of the assessment of companies in transition, Mandatum evaluates factors such as companies' distribution of energy production and share of renewable energy, plans to grow business based around renewable energy and emission reduction targets. The aim is to phase out coal (companies that derive more than 5 per cent of their revenue from coal) from direct equity and fixed income investments by 2030 and oil (companies that derive more than 5 per cent of their revenue from oil) by 2040. In direct equity and fixed income investments, exposure to fossil fuels is monitored quarterly.

## CARBON FOOTPRINT OF INVESTMENTS

Taking climate change into consideration and reducing the carbon footprint of investments are focus areas of Mandatum's responsible investment activities, and the carbon footprint of investments is a key metric for the responsibility of investment operations.

In 2023, Mandatum Life published its first principal adverse impact (PAI) statement\* for 2022 in accordance with the SFDR. The readiness of other Group companies subject to the requirements of the SFDR to publish a PAI statement is assessed annually on a company-by-company basis. According to the statement, in 2022, the carbon footprint of Mandatum Life's investments was 274.86 tCO<sub>2</sub>e per million euros invested. As a result of changes in the calculation method, the carbon footprint for 2022 is not comparable with the corresponding figures for previous years. The carbon footprint is calculated according to the SFDR RTS model on a quarterly basis to take into account fluctuations in positions. The annual value is derived from the average of all quarters.

The emissions of an investment portfolio can be measured in terms of carbon intensity. Carbon intensity describes a company's greenhouse gas emissions measured in tonnes of carbon dioxide equivalent relative to the company's revenue. The

portfolio-level figures reported in the product-specific sustainability reports are a weighted average of the carbon intensity of the investee companies. Mandatum regularly publishes carbon intensity figures for some of its investment portfolios and, where necessary, presents the historical development of the product's carbon intensity and/or carbon intensity relative to a selected benchmark index. To improve product comparison, Scope 1 and 2 carbon intensities, as well as Scope 1-3 intensities for certain direct products, are presented to reflect the difference between direct, indirect and value chain carbon intensity of the portfolio's companies.

The carbon footprint of investments is determined in cooperation with ISS ESG and Upright. As a rule, the data on investee companies' emissions is based on publicly reported data by companies and the Carbon Disclosure Project (CDP) database on companies' emissions.

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\*Mandatum Life principal adverse impact (PAI) statement →



## CASE

### **FUND INVESTMENT IN COMPANIES OFFERING INDUSTRIAL DECARBONISATION SOLUTIONS**

In autumn 2023, Mandatum made an investment commitment to Ara Partners Fund III through the Mandatum AM Private Equity Opportunities II investment basket\*. Ara Partners is a leading US fund manager specialising in industrial decarbonisation investments.

Headquartered in Houston, Ara Partners invests in companies in both Europe and the US that operate in areas such as circular economy, energy efficiency and various waste-to-energy solutions. Ara Partners invests in companies in the chemicals and materials, food and agriculture, energy efficiency and green fuels and industrial and manufacturing sectors.

*“Sustainability and responsible investment are increasingly prevalent also in private equity, but the true impacts of strategies that emphasise responsibility and impact often still remain unclear from the perspective of investors. In the case of Ara, it became clear very quickly that the positive environmental impacts of the strategy are clearly visible and measurable,”* says **Niklas Keränen**, who was responsible for the investment.

Ara’s recent investments include Cycle0, a company that converts agricultural waste into CO<sub>2</sub>-free biomethane in modular small-scale production plants, and VAC, a manufacturer of magnets used in electric car engines and wind turbines, among other applications. The former belongs to the category of adoption of process technology in Ara’s classification. Investments in this category are typically early-stage companies that possess the technology but lack larger-scale production. In these situations, Ara helps the company build larger-scale business around the technology. The latter company is classified by Ara as an enabler of decarbonisation, which means that the company plays a key role in the green transition, but its positive environmental impacts are slightly less direct.

\*Mandatum AM Private Equity Opportunities II investment basket complies with sustainability disclosure obligations under SFDR Article 8.

# SUSTAINABLE FINANCE

Mandatum actively monitors the progress of the European Commission's Action Plan on Sustainable Finance and projects related to the regulatory framework for sustainable finance. Sustainable finance means integrating environmental and social considerations into investment decisions. As a financial market participant, the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR) and the Sustainable Investment Framework Regulation (EU) 2020/852 (EU taxonomy) play an important role in Mandatum's operations. Extensive disclosure obligations apply to investment products that promote sustainability-related characteristics among others and to investment products marketed as sustainable. Information on the sustainability-related characteristics of such products is provided to investors in a standardised manner before the investment is made and through annual reporting over the life cycle of the investment.

## SFDR

The objective of the disclosure obligations set in the SFDR is to enable comparable and transparent information on the sustainability characteristics, adverse sustainability impacts and sustainability risks of financial

products. The SFDR requires products to be classified into three categories (Articles 6, 8 and 9) according to the level of disclosure obligations they must comply with. If a sustainable investment objective is set for a product, significantly more information on sustainability issues should be disclosed compared to a product without specific sustainability characteristics. In addition to product-level sustainability characteristics, financial market participants are also required to disclose information on sustainability-related aspects of investment activities at the company or group level.

Since the SFDR became applicable in March 2021, financial market participants have been required to disclose the sustainability risks of investment activities and financial products and how adverse impacts on the environment and society are taken into consideration. The Regulatory Technical Standards (RTS) supplementing the SFDR entered into force in January 2023. They define the content of sustainability disclosure obligations at a more detailed level than the SFDR. The RTS include standard disclosure forms for sustainability information on Article 8 and 9 products. In addition to product-level disclosures,

Mandatum has published policies on its website related to sustainability risks and a disclosure on the main adverse impacts on sustainability factors of investments included in Mandatum Life's investment portfolio.

Products complying with Article 9 must have a quantifiable sustainability objective, which must be reported on annually to investors. Article 8 products are also required to have a clear strategy to promote sustainability characteristics, the implementation of which must be reported annually. The majority of Mandatum's fixed income and equity products comply with Article 8, meaning that they promote environmental and/or social characteristics among other characteristics. For products other than those complying with Articles 8 and 9, only minimum sustainability disclosures are required, and no specific sustainability characteristics are defined for such products.

## EU TAXONOMY

The EU Taxonomy Regulation for sustainable economic activities was implemented in July 2020. The first two of the six environmental objectives of the EU taxonomy, climate change mitigation and climate change adaptation, were complemented by technical

screening criteria at the start of 2022. The other four environmental objectives concern the sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems. In June 2023, the European Commission adopted a delegated act on the four other environmental objectives, which will be applied starting from January 2024. The taxonomy complements the SFDR by defining environmental objectives and principles and by setting criteria for environmentally sustainable economic activities.

Mandatum Life has reported on the taxonomy eligibility of the life insurance company's investment activities for the reporting years 2021 and 2022. Taxonomy eligibility reporting examines whether an economic activity falls within the scope of the Taxonomy Regulation. From 2023 onwards, reporting is also required on taxonomy alignment, in other words whether the economic activity meets the criteria of the EU taxonomy. The taxonomy alignment of Mandatum's operations is reported for the first time for 2023. The figures for the reporting year are presented in **Appendix 2** of this report.





# 4 MANDATUM'S PRODUCTS AND SERVICES

# IT ALL COMES DOWN TO PEOPLE

Through its business operations, Mandatum strives to improve the financial security of its clients and promote responsible HR practices. Effectively managed business strengthens the prerequisites for success and creates well-being in society.

## MATERIAL ISSUES, GOALS AND INDICATORS

### Supporting the well-being of clients and their personnel through Mandatum's products

Responsible rewards and compensation and financial preparedness through personnel funds, supplementing pension cover, supplementing statutory social security, providing security for entrepreneurs

#### Development in 2023:

- Customer satisfaction (NPS) was 76.8 in 2023 (2022: 78.0; 2021: 74.6).

### Helping clients reward their personnel fairly and responsibly

Satisfaction of personnel fund boards and reward consultation clients

#### Development in 2023:

- The NPS of funds' boards was 81.7 in 2023 (2022: 69.8; 2021: 67.6).
- The NPS of consultation clients was 82.6 in 2023 (2022: 79.3; 2021: 80.8).

Development in the number of Pay Scale studies, equality assessments and reward pulses

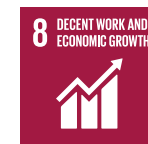
#### Development in 2023:

- The number of PayScale market salary comparison reports increased by 13% (2022: 37%).
- The number of pay surveys related to the equality plan increased by 10% (2022: 43%).

## LINK TO THE UN SDGS:



Mandatum's goal is to promote the well-being of its clients by increasing prosperity and preparing for the future. With personal risk insurance, Mandatum offers its clients and their families financial security in case of serious illness, disability or death. Mandatum's services for entrepreneurs secure the continuity of business operations and the entrepreneur's personal risks. Mandatum offers its clients options for self-preparedness that complement the individual's statutory social security. The preparedness and prosperity of individuals also create value for society.



Mandatum helps companies reward their personnel in an encouraging, fair and responsible manner. Mandatum researches and shares information on responsible rewards and compensation with the media, clients and potential clients.

# PRODUCT AND SERVICE OFFERING

Mandatum offers its clients a wide array of services covering asset and wealth management, saving and investment, compensation and rewards, pension plans and personal risk insurance.

Mandatum's Code of Conduct defines the guidelines for responsible product and service offering. Mandatum continuously develops its products and services to meet client needs and demand. The development of products and services considers aspects such as the appropriateness, client orientation, sustainability and suitability of the products. In addition, Mandatum must work to account for ESG factors, including climate change, in its product and service development, insurance operations and supply chain management.

## Asset and wealth management

### APPROACH

Mandatum offers a wide range of asset and wealth management services to institutional and retail investors. The offering includes diverse investment solutions in various asset classes. Corporate bonds and alternative investments are Mandatum's core areas of expertise.

MAM complies with the Responsible Investment Policy in its asset management activities. MAM has an ESG team consisting of five experts who support other investment functions in matters related to responsible investment. The Head of Responsible Investments has overall responsibility for the coordination of responsible investment at

Mandatum. Portfolio managers are responsible for implementing responsible investment in different asset classes. The management teams of MAM and Mandatum Life supervise the practical implementation of responsible investment and oversee compliance with the Responsible Investment Policy.

Mandatum's responsible investment approach is described in more detail in the section **Investment management**.

### ACTIONS AND RESULTS

In 2023, MAM published a Responsible Investment Review and a Sustainability Report for Real Estate Asset Management to communicate to stakeholders about the

implementation of sustainability in the Group's investment activities in different asset classes. MAM will publish similar reports during the second quarter of 2024.

During the year, personnel resources were added to the ESG team. In addition, a portfolio manager was appointed for each asset class as an in-depth ESG expert for that asset class. The main task of the in-depth ESG expert is to improve the flow of information between the ESG team and portfolio management and to promote the integration of sustainability issues across asset classes.

# Insurance

## APPROACH

Mandatum's insurance services cover personal risk insurance, savings and investment insurance for private clients, pension and personal risk insurance supplementing statutory insurance cover for entrepreneurs, as well as investment services for corporate clients, group pension insurance and personal risk insurance as a rewarding tool.

Mandatum provides services to increase the financial well-being of clients and their families and facilitate a better level of income in retirement. Different forms of saving in the product offering increase wealth, and different types of investment services also enable saving and investing for all clients, regardless of the amount of available assets.

Mandatum's personal risk insurance services provide financial security in case of serious illness, disability or death. In addition, Mandatum's services for entrepreneurs secure the continuity of business operations and supplement the statutory cover of entrepreneurs and their families. Entrepreneurs are responsible for their own pension cover and the company's risk management, making preparation for the unexpected even more important.

Employers can play a key role in ensuring the financial security of their employees during and after their careers. Mandatum believes that insurance taken out by the employer is an effective way to supplement the financial security of employees. In return, the employer increases employees' commitment and improves its employer image.

Taking care of employees' well-being and work ability requires planning ahead. Mandatum actively offers entrepreneurs and private and corporate clients advice and services to supplement their financial security.

## GOVERNANCE

Mandatum's personal risk insurance underwriting is based on the internal Underwriting Policy approved by Mandatum Life's Board of Directors. The purpose of the policy is to ensure that insurance risks are proportionate to the company's insurance premiums and that clients are always treated fairly. Insurance premiums are based solely on data relevant for assessing the premium. In accordance with the company's Product Governance Policy, the CEO approves all insurance products and their changes based on a proposal made to the Management Team. Mandatum also ensures

that its employees' competence is up to date in offering insurance and risk insurance that meets client needs.

## SUSTAINABLE CLAIMS HANDLING

Mandatum serves its clients by phone and through the web service. The company's goal is that clients receive good service and compensation quickly, efficiently and in accordance with the terms of the insurance. Mandatum processes around 47,000 insurance claims each year. The quality of claims handling is continuously monitored through internal control, dialogue with employees and client feedback. In addition, the company continuously strives to improve its solutions and investigate the underlying causes of complaints to improve its processes, communications and advisory services. The company offers paperless services to ensure clients an environmentally friendly and modern way to keep track of insurance matters.

## ACTIONS AND RESULTS

In 2023, Mandatum paid a total of EUR 365 million (395) in pensions to around 54,000 pensioners.

During the year, Mandatum hosted client webinars on topics such as what to consider

when assigning a life insurance beneficiary and themes related to financial preparedness.

In 2023, Mandatum prepared and published a Sustainable Insurance Policy that describes how the company takes ESG factors into account in the different functions of its insurance value chain. The policy covers the sustainable insurance approach in the company's strategy, risk management and underwriting, product and service development, claims handling, sales and marketing, and investment operations. It also describes how Mandatum cooperates with clients, partners, governments, regulators and other key stakeholders to promote aspects related to sustainable insurance. The purpose of the policy is to define Mandatum's key operating principles for sustainable insurance and to serve as a guide for employees on how to take ESG issues into consideration in day-to-day insurance operations. Mandatum's Sustainable Insurance Policy is based on the UN Principles for Sustainable Insurance, to which the company committed in December 2023. The policy is updated annually and approved by Mandatum Life's Board of Directors.

**Sustainable Insurance Policy →**

## CASE

### MANDATUM COMMITS TO THE UN PRINCIPLES FOR SUSTAINABLE INSURANCE

In December 2023, Mandatum committed to the UN Principles for Sustainable Insurance (PSI). The PSI is a global framework for embedding environmental, social and governance issues in the activities of insurance companies.

According to the PSI, sustainable insurance is a strategic approach where all activities in the insurance value chain, including interactions with stakeholders, are done in a responsible and forward-looking way by identifying, assessing, managing and monitoring risks and opportunities associated with environmental, social and governance issues. Sustainable insurance aims to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social and economic sustainability.

The PSI requires Mandatum to:

- embed in its decision-making environmental, social and governance issues relevant to its insurance business;
- work together with its clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions;
- work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues;
- demonstrate accountability and transparency in regularly disclosing publicly its progress in implementing the Principles.

*“We strive to improve the financial security and well-being of our clients through preparing for the future. We recognise the insurance industry’s role in fostering sustainable economic and social development as risk managers, risk carriers and investors. With our commitment to the Principles for Sustainable Insurance, we aim to continually do our part in building a resilient, inclusive and sustainable society,”* says **Jukka Kurki**, CEO of Mandatum Life.

Mandatum’s Sustainable Insurance Policy compiled in 2023 is based on the PSI. In the future, the policy will be updated annually, and Mandatum will report on its progress in sustainable insurance as part of its sustainability reporting.

## Rewards and compensation services

### APPROACH

Mandatum supports its corporate clients in planning total compensation in a way that is fair, efficient and sustainable and supports the implementation of the company’s strategy. Sustainable compensation means that reward and pay schemes are well-designed, non-discriminatory, openly communicated to all employees, and support the implementation of the organisation’s strategy and values. When the company’s overall rewards and compensation are sustainable, personnel can feel that they are treated fairly. This, in turn, improves work motivation, satisfaction and productivity and reduces employee turnover.

In developing total compensation, companies can make use of Mandatum’s total compensation analysis, which reviews remuneration structures and tools, process planning, instructions and communications, tools and employee expectations. The analysis is used to identify the current state of the organisation’s total compensation and key areas for development and improvement targets, and to provide recommendations for development measures. By implementing development measures, companies can improve the experience of total compensation and the sustainability of rewards and compensation.

Mandatum helps its corporate clients assess the work requirement level of the organisation’s tasks. An assessment of the work requirement level is needed to ensure that compensation is comparable both within the organisation and in relation to peer companies. Mandatum offers companies various pay comparison tools that enable companies to assess the competitiveness of compensation compared to the market average and help organisations plan and audit their pay and reward systems. For example, a pay survey included in the organisation’s equality plan is mandatory in Finland for all employers with at least 30 employees.

In the field of variable compensation, Mandatum designs and implements short and long-term incentive schemes incorporating sustainability metrics for its corporate clients and offers annual consulting services related to these. Variable compensation systems nowadays often include sustainability metrics that are important to the company, and employees are rewarded for achieving sustainability targets.

Reward solutions offered by Mandatum include personnel funds targeted at the entire personnel of the client company, as well as pension and personal insurance. Personnel funds set up by Mandatum



enable long-term investments for the personnel of client companies and improve the financial security of the personnel. Professional asset management ensures that assets are invested reliably and responsibly, increasing the total wealth of the Finnish employed population.

### **ACTIONS AND RESULTS**

In 2023, Mandatum helped several clients define suitable ESG performance metrics for the long-term incentive schemes of key employees and the entire personnel. The ESG performance metrics used in variable pay systems are usually related to environmental issues, such as energy saving and emission reduction, as well as customer satisfaction and employee well-being.

In addition, Mandatum helped several clients design a pay system based on the work requirement level. The Palkkavaaka® pay scale assessment system was the main tool used to assess the work requirement level. Mandatum also conducted a pay survey related to the equality plan for several organisations to support their work to promote equal pay.

In 2023, Mandatum managed around 270 personnel funds intended for rewarding the personnel of client companies, covering some 90,000 employees or members in total. In 2023, 51 new bonus funds were

established, and the total number of members increased by roughly 6,400. Personnel funds are required to have in place responsible bonus practices and KPIs, which are reviewed annually by the Finnish Ministry of Economic Affairs and Employment.

In 2023, Mandatum highlighted responsible rewards and compensation at several internal and external events. Examples include events organised in cooperation with HENRY, Directors' Institute Finland and MPS Enterprises, as well as Mandatum's own webinars on pay equality and pay systems. In 2023, Mandatum again collected data on ESG performance metrics applied to the variable pay components of listed companies' management team members. The use of ESG performance metrics as a basis for variable management remuneration had clearly continued to grow in popularity. Slightly more than half of the listed companies on the main market of Nasdaq Helsinki included ESG performance metrics as part of their management remuneration criteria.



## CASE

### LONG-TERM WORK ON IMPROVING PAY EQUALITY

In March 2023, the European Parliament adopted the Pay Transparency Directive, which aims to promote gender pay equality. Together with partners, Mandatum's Reward and Compensation Services executed the Project on work of equal value, which was completed at the end of 2022. Financed by the Finnish Ministry of Social Affairs and Health, the project examined pay systems, the assessment of work requirements and the implementation of the principle of equal pay for equal work.

Participation in the Project on work of equal value has increased Mandatum's in-depth expertise in pay equality and its development. During 2023, Mandatum focused on promoting the results of the project and assisting client companies on themes related to pay equality and transparency. Information and expertise related to pay equality have been communicated both internally and externally through webinars and blog posts, for example.

*"For a decade, Mandatum's Reward and Compensation Services has planned base pay systems for companies and assisted in designing pay surveys related to equality plans, among other themes. In addition to our long practical experience, we have also produced fresh research data together with our partners in the Project on work of equal value,"* says **Sini Jämsén**, Director of Mandatum's Reward and Compensation Services, who served as the project manager.

With the new Pay Transparency Directive, the results of the Project on work of equal value will be even more central, as the directive will have a concrete impact on all Finnish companies. Among other things, the directive requires employers to set up pay structures to ensure equal pay for women and men for equal work or work of equal value. In addition, the directive introduces new requirements for pay surveys related to equality and the publicity of reports.

In addition to promoting the results of the Project on work of equal value, Mandatum aims to strengthen the realisation of equal pay by offering services for designing base pay systems and pay surveys and providing training for supervisors and HR representatives.

*"The Pay Transparency Directive has further increased interest in companies' HR services in defining fair and equal pay systems and compensation practices, as well as in examining the equality situation in organisations,"* says Sini Jämsén.

## CASE

### USE OF ESG PERFORMANCE METRICS IN CEOS' INCENTIVES HAS INCREASED, BUT THERE IS STILL ROOM FOR IMPROVEMENT

Mandatum regularly monitors the ESG performance metrics applied to the compensation of CEOs of companies listed on the Nasdaq Helsinki stock exchange. Mandatum also actively promotes responsible compensation by discussing with institutional investors and by facilitating the development of ESG issues and discussions between parties.

In 2022–2023, more than 50 per cent of Finnish large-cap listed companies incorporated ESG performance metrics in some form in their CEO's long or short-term incentive schemes. All in all, more than one in three Finnish listed companies on the main market of Nasdaq Helsinki applied ESG performance metrics as part of variable compensation for CEOs. For all listed companies, the number of ESG performance metrics nearly doubled compared to last year.

The most commonly used ESG performance metrics are personnel-related metrics in short-term compensation and environment-related indicators in long-term variable incentive schemes. Personnel-related metrics typically concern personnel satisfaction and employee diversity, while in environmental issues, the metrics are often tied to the company's CO<sub>2</sub> or greenhouse gas emissions. In addition, ESG performance metrics can be linked, for example, to customer satisfaction, or they can combine various themes related to sustainability.

*"Together with our clients, we strive to find genuinely relevant ESG performance metrics for each company. We believe that the range of ESG performance metrics will grow in the coming years once companies gain more experience in measuring sustainability as part of variable compensation,"* says **Tapio Tolvanen**, CEO of Mandatum Incentives Ltd.

Mandatum aims to encourage companies to increase the transparency of their rewards and compensation. In particular, there is still considerable room for improvement in the reporting of ESG performance metrics in Finland compared to countries like the United Kingdom and the United States. However, among Nordic countries, Finland is currently performing relatively well.

# SUSTAINABLE SALES AND MARKETING PRACTICES

## APPROACH

In accordance with its Code of Conduct and the company's internal guidelines, Mandatum is committed to providing clients with transparent, easily available and understandable information on the costs, risks and terms of its products or services and, where applicable, the reasons behind an insurance decision. Mandatum's sales, marketing and product information must be professional, comprehensive, accurate and unbiased and the information must not be misleading. Mandatum strives to ensure that the scope of the service being provided meets the client's needs.

Mandatum has a strong focus on responsible sales practices and ensures that its employees have sufficient knowledge of the products and services offered by Mandatum to clients. Employees receive training on compliance, anti-money laundering in the insurance business, data protection and information security and client due diligence, among other themes. In addition, regular product training is

organised for employees, the aim of which is to ensure competence and the ability to communicate about products in a clear and understandable way. The aim of sales and marketing practices is to ensure that the client understands the benefits and potential risks of the service. Mandatum also invests in accessibility and in ensuring that the service offering is available in plain language so that all clients understand the terms and details of contracts.

Mandatum is committed to fair and efficient claims handling and to ensuring that it is easy for clients to give feedback on products and services and appeal insurance claim decisions. In addition, Mandatum ensures that client complaints and appeals are processed appropriately, taking into account the necessary corrective and development measures.

## Recommended resolutions to disputes by the Finnish Financial Ombudsman Bureau (FINE)

	2023	2022	2021
Number of resolved cases concerning Mandatum handled by FINE	9	4	9
Share of cases concerning Mandatum settled through mediation	22%	25%	11%
Share of cases ruled in favour of Mandatum	67%	75%	78%

Source: Finnish Financial Ombudsman Bureau (FINE)

## ACTIONS AND RESULTS

In 2023, Mandatum continued its active client communications owing to the volatile market and geopolitical situation. Mandatum sent out weekly or biweekly market reviews to a large group of clients throughout the year. In addition, clients had the opportunity to discuss potential concerns and questions with Mandatum's investment specialists and asset managers. Clients were very satisfied with Mandatum's active communication and care.

In 2023, Mandatum organised a total of 91 client and stakeholder events, of which 29 were webinars. Four of the events were open to the public. Events are an important way for Mandatum to reach clients, provide information on current trends and the market situation and engage in dialogue.

The number of resolved cases concerning Mandatum processed by FINE's dispute resolution and the percentage of cases ruled in Mandatum's favour remained stable in 2023.

# CUSTOMER SATISFACTION

## APPROACH

Customer satisfaction is one of Mandatum's key performance indicators. Mandatum uses Net Promoter Score (NPS) to measure customer satisfaction. NPS is an index ranging from -100 to 100 that measures customers' likelihood to recommend a company's products or services to others. NPS is also linked to personnel and management rewards and compensation.

Mandatum's NPS takes into account transactional customer satisfaction. Customer satisfaction is measured in connection with client encounters by sending a feedback survey by email and text message the following day after a meeting, phone call or online message. Client feedback is also requested in the online and mobile service when the client performs transactions. In addition to these measurements, Mandatum conducts separate surveys to increase client understanding and commissions studies from external service providers when necessary.

The NPS result is reported monthly to Mandatum's Group Management Team and Board of Directors. The NPS result is also published monthly to the personnel along with other KPIs and is available on the company's intranet.

Measuring customer satisfaction is an important part of developing Mandatum's products and services. The results are used at the individual, team and unit level as well as in Mandatum as a whole. At Mandatum, customer satisfaction is also seen as part of business development to a large extent.

In addition to NPS, important KPIs for each function are calculated from client feedback. The KPIs are monitored actively and impact the amount of performance bonuses for the unit, team and individual employee. Customer satisfaction reports also illustrate results at the level of individual client segments and products to help identify development needs.

Responses to client encounter feedback surveys are immediately communicated to the employee who handled the client encounter, giving them the opportunity to develop their processes if necessary. The best and poorest feedback is also communicated to the supervisor so that it can be used in the employee's coaching. Responses given in other feedback surveys are communicated to the account manager or person responsible for the region or client segment. The client who provided the feedback is always contacted if the client's response warrants it.

## Customer satisfaction

	Scale	2023	2022	2021
NPS (weighted transactional customer satisfaction)	-100-100	76.8	78.0	74.6

In addition, supervisors regularly analyse feedback and use it to develop their unit's operations. The above processes have been applied consistently for ten years, and customer satisfaction is at an excellent level in all client encounters.

## ACTIONS AND RESULTS

The value of NPS is calculated based on responses from client encounter feedback surveys. Customer satisfaction in client encounters remained at an excellent level in 2023, despite the difficult market situation. Customer satisfaction in online and mobile services remained stable at a neutral level.

Only minor changes were made to the method for measuring customer satisfaction in 2023. Among these, more interviews were conducted with corporate clients than previously, with the aim to ensure that Mandatum received enough responses to identify the level of satisfaction of clients.

In 2023, Mandatum adopted a tool for reviewing open-ended feedback, in which clients' written feedback is analysed and categorised using artificial intelligence. The tool improved Mandatum's ability to make observations based on clients' written feedback, which amounted to 9,000 in total.

In October 2023, Mandatum received a Gold Award in the Scandinavian Financial Research's Institutional Investment Services, Finland 2023 customer survey. In the study, around a hundred Finnish institutional investors evaluated 18 institutional wealth management service providers based on nine quality criteria. Mandatum was ranked as Finland's second-best institutional asset manager in the large cap category with an overall quality rating of 4.01 on a scale of 1-5.



# 5

# PERSONNEL AND OPERATIONS



# LEADING BY EXAMPLE

Responsibility for employees and sustainable operating methods is part of building a successful business. The well-being of employees is one of Mandatum’s strategic goals. Financial responsibility means ensuring the continuity, profitability, earnings power and solvency of operations in all market situations.

## MATERIAL ISSUES, GOALS AND INDICATORS

### Employment

- Number of employees (FTE at year-end) 661 (2022: 629).
- Mandatum’s goal is to employ young people and students. The company employed 58 (2022: 31) summer employees and trainees in total, as well as several hourly employees, some of whom worked full-time or nearly full-time in the summer.

### Professional development

- Mandatum’s in-house mentoring programme was also active in 2023. The programme started in October 2023 and is scheduled to end in June 2024. Six pairs, or 12 employees in total, are participating in the mentoring programme.

### Responsible leadership practices and equality

- In 2023, Mandatum had at least 42 per cent representation of each gender at different management levels (36 per cent in 2022). Women accounted for 50 per cent of directors reporting to the CEO. Women accounted for 33 per cent of the Board of Directors and 29 per cent of the Management Team.

### Occupational health and well-being

- The result of the Siqni index based on a personnel survey was 83 (on a scale of 1-100), which entitles Mandatum to the Future Workplaces certificate.
- In 2023, eNPS was 58 (on a scale of -100-100) (2022: 55).
- Absences due to illness: 1.9% (2022: 2.0%).
- Employee turnover: 9.2% (2022: 10.6%).
- Accidents: 12 (2022: 7).

### Increasing intellectual capital

- During 2023, Mandatum had a total of nine (2022: 9) people in job rotation, some of whom have since transferred to a new role permanently. In addition, employees have applied for open positions internally and transferred to new duties.

### Personnel funds and extensive insurance coverage for all personnel

- All employees of the company are covered by accident insurance. All employees covered by the bonus system (sales or performance bonus) are covered by the personnel fund, that is, the entire permanent personnel, excluding persons working in internal control functions. Employees are also insured with health insurance that complements the already extensive occupational health care.



#### Creating financial well-being in society

- Solvency ratio 221% (12/2022: 266%)
- In 2023, Mandatum paid a total of EUR 64.0 million in corporate taxes.

#### Collaborative projects

- The partnership with the Tukikummit foundation is a concrete example of the impact of collaborative projects. More than 4,000 children had benefited from a donated accident insurance policy by the end of 2023.

#### Data protection

- ISAE 3000 type 1 report, ISO 27001:2013.
- Data protection online training completion rate: 99.7%.
- Information security online training completion rate: 99.2%.
- Other significant information security incidents: 0 cases.

#### Responsible procurement

- Compliance with the procurement policy.

#### Minimisation of own environmental impact

- The greenhouse gas (GHG) emissions from Mandatum's own operations amounted to 1,175.8 tonnes in 2023 (2022: 848.6). Emissions increased by 38.6 per cent. The figures are not comparable, as emissions in 2023 increased due to expanding the calculation to include all of Mandatum business locations. In addition, emissions caused by waste were included as part of the calculation.

#### LINK TO THE UN SDGS:



Mandatum supports the health and well-being of its personnel. The well-being of employees is one of Mandatum's strategic goals.



Mandatum is a significant employer and taxpayer that takes responsibility for its personnel and rewards and treats employees fairly.

The company invests in the professional development of its personnel, increasing its intellectual capital and responsible leadership practices.

# RESPONSIBILITY FOR PERSONNEL

## Responsible HR practices

### APPROACH

Healthy employees are one of Mandatum's most important success factors and listed among the company's strategic goals. Mandatum's HR practices are based on the understanding that employee satisfaction is reflected in customer satisfaction, thereby improving the company's conditions for success.

HR practices are based on Mandatum's strategy and values as well as responsible operating and leadership principles. The goal is to ensure that competent and committed personnel lay the foundation for achieving profitable and sustainable financial results.

The key areas of HR practices include leadership, recruitment, rewards and compensation, competence and organisational development, well-being and safety, sustainability, Mandatum's Code of Conduct, equality and non-discrimination.

### GOVERNANCE

HR is responsible for HR practices together with the company's management, and supervisors implement the practices in day-to-day operations.

Mandatum's Code of Conduct lays the foundation for responsible HR practices. The workplace culture guide Mandatum Way is an internal guide for all employees about Mandatum's common ways of working, as well as illustrating the company's culture and providing a first impression of the company to new employees. Mandatum Way contains instructions related to sustainability, branding, communications, risk management and encountering other employees, among other themes. The goal of Mandatum Way is to build a functional and safe shared workplace to which all employees can commit effortlessly.

### MANAGEMENT AND SUPERVISORY WORK

Management is developed systematically as part of the company's strategy. Caring, responsibility and planning ahead are at the

core of Mandatum's management concept. In day-to-day operations, these are visible as competent and dedicated supervisory work, enabling success and building trust and mutual respect.

At Mandatum, each supervisor is a key person: the direct supervisor has a major impact on everyone's job satisfaction. Supervisors are responsible for leading, coaching and motivating their unit or team to perform in accordance with the company's business objectives, as well as for supporting, guiding and overseeing the development and well-being of personnel. Supervisors are responsible for the communication and information flow of their unit or team and the functioning of the work community.

Mandatum favours small teams that allow supervisors enough time to support the success of team members. Supervisors are committed to leadership principles and supported in their work by offering access to coaching, training, employment counselling and HR support for day-to-day leadership,

among other means. Supervisors are encouraged to network and share best practices with each other.

The realisation of Mandatum's strategy and achievement of business objectives is based on strong employee performance. This is best achieved by setting personal goals that support business objectives. By monitoring these goals and through regular feedback and performance evaluation, the aim is for Mandatum to foster a motivating atmosphere, commit employees and give direction to their work. More information about performance and target discussions can be found in the section **Competence development**.

Mandatum regularly assesses the attainment of its leadership targets with a 360-degree evaluation carried out every three years. The assessment provides perspective on employees' expectations for management, supervisors and project managers and provides an opportunity to receive individual feedback. The previous 360-degree evaluation conducted in 2022 measured six key areas of

leadership: self-management, co-operation skills, strategic leadership, renewal management and development of operations, performance management and people leadership. The results for 2022 were at an excellent level throughout the company. Long-term focus in supervisory work is reflected in the desire to build and continuously reinforce the positive aspects of leadership. The results showed that supervisors and project managers care about, listen to and show an interest in their team members. They are enthusiastic about their work and take responsibility for their team.

#### **VIBRANT WORK COMMUNITY AND HYBRID WORK**

Mandatum's goal is to foster a work environment with a positive energy and atmosphere as well as respect and support for others. Each employee creates the employee experience through their actions and contributes to job satisfaction, and in this way also influences customer experience. A sense of community and doing things together create significant added value for the company.

Mandatum applies a hybrid or multi-location model, where work is carried out both at the office and remotely. Hybrid work ensures that personnel members encounter one another sufficiently often in the same space in the course of normal day-to-day routines. The purpose of working at the office is to develop the company and work performance, share information, innovate, engage in

one-on-one discussions, maintain a sense of community and work on tasks that require active presence. Face-to-face encounters reduce the risk of interruptions in the flow of information and improve the efficiency of risk management. Working at the office also provides good ergonomics.

Under the hybrid model, employees work at the office at least 50 per cent of their hours on average. There is no upper limit on the number of hours worked at the office. Each unit or team independently schedules their in-office days. A clean desk policy is observed at the office.

Mandatum's various communities and clubs build a sense of community and offer enjoyable shared activities. The Mandatum United personnel club consists of volunteer members who, supported by HR, organise sports and recreational events at work and during free time. Mandatum United's goal is to increase well-being at work and job satisfaction and to make it easier to get to know coworkers. Personnel can also participate in other club activities and various sports teams at Mandatum.

#### **ACTIONS AND RESULTS**

##### **PERSONNEL COMPOSITION**

The number of Mandatum Group employees (full-time equivalent, FTE) increased slightly in 2023 compared to the previous year. Most

of the company's employees were working full-time and on permanent contracts as of the end of the year.

Mandatum reports the number of employees working as consultants, which remained stable compared with the previous year. Persons working as consultants are not Mandatum employees but work in the company temporarily or on a project-specific basis (including as consultants, freelancers, other self-employed persons and employees working under a staffing agency).

Mandatum does not have employees on zero-hour contracts.

##### **EMPLOYEE SATISFACTION**

Mandatum has a long history of measuring employee satisfaction through various surveys. The long-term work to improve employee satisfaction has yielded excellent results.

For 13 years, Mandatum measured employee satisfaction and commitment with the Great Place to Work® survey. Mandatum was selected as one of Finland's best workplaces 11 times in a row and in 2020 and 2021, was named as Finland's best workplace in the category of large companies. Mandatum was also ranked among the best large companies in Europe (10th place in 2020 and 17th place in 2021).

Since 2022, Mandatum has monitored employee satisfaction with the Siqni employee survey. The aim of the survey is to make the development of the company's employee experience more employee-oriented and to help understand which issues are relevant to employees. Mandatum received a score of 83 in the 2023 Siqni index (on a scale of 1-100), entitling it to the Future Workplaces certificate. The certificate is earned when the workplace's company culture has been managed with exceptionally good employee insight. The Siqni index consists of the employee net promoter score (eNPS) and the Flame index, which indicates how employees perceive the realisation of issues they find meaningful in day-to-day work. Mandatum was awarded the Future Workplaces certificate also in 2022.

The quarterly Mandatum Pulse employee survey provides important information on how employees are doing at that moment and what inspires or strains them. The survey also provides an opportunity to give anonymous feedback and share positive feedback with colleagues. For supervisors, the survey is a useful tool to engage the team in discussions about the team's situation and mood and identify needs for changes at an early stage.

Onboarding questionnaires are sent to new employees one, four and twelve months after the start of employment to support

the success of the onboarding process and to allow the company to gauge the satisfaction of new employees. At the four-month mark, a more comprehensive survey is conducted, which also reviews factors related to the well-being at work of new employees and provides an opportunity for conversational support.

Supervisors play a significant role in ensuring employee satisfaction. Each supervisor has a personal leadership goal. In 2023, the main KPI used to measure performance towards the goal was the Sigqi index of each team or unit, with a target score of 81-86. The weight of the goal was at least five per cent of the team's goals and personal goals.

#### EMPLOYEE TURNOVER

Employee turnover at Mandatum decreased from 10.6 per cent to 9.2 per cent in 2023, and Mandatum's goal is to maintain total employee turnover at a similar healthy level also in the future.

#### GRC PROJECT

In 2022, a Group-wide Governance, Risk & Compliance (GRC) project was launched to strengthen Mandatum's risk management culture. The second phase of the project started in 2023. The aim of the GRC project is to ensure that each employee recognises their role in ensuring the quality of operations and risk management and acts in accordance with risk management objectives.

#### Employees (FTE) by country\*

Country	31 Dec 2023	% of total	31 Dec 2022	% of total	31 Dec 2021	% of total	Change 2023/2022, %
Finland	654	98.9%	623	99.0%	558	87.4%	5.0%
Luxembourg	4	0.6%	4	0.6%	3	0.5%	0.0%
Sweden	3	0.5%	2	0.3%	0	0.0%	50.0%
Lithuania	0	0.0%	0	0.0%	34	5.3%	0.0%
Estonia	0	0.0%	0	0.0%	29	4.5%	0.0%
Latvia	0	0.0%	0	0.0%	15	2.3%	0.0%
<b>Total</b>	<b>661</b>	<b>100.0%</b>	<b>629</b>	<b>100.0%</b>	<b>639</b>	<b>100.0%</b>	<b>5.1%</b>

\*The employee figures for 2021 include Mandatum Life's Baltic branches (Lithuania, Estonia, Latvia). In July 2022, Mandatum completed the sale of its Baltic life insurance operations to the Lithuanian investment management and insurance Group Invalda INVL.

#### Full-time and part-time employees (FTE) by country and binary gender

31 Dec 2023 Country	Women		Men		Total	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Finland	278	22.2	347	6.8	625	29
Luxembourg	1	0	3	0	4	0
Sweden	0	0	3	0	3	0
<b>Total</b>	<b>279</b>	<b>22.2</b>	<b>353</b>	<b>6.8</b>	<b>632</b>	<b>29</b>

#### Permanent and fixed-term employees (FTE) by country and binary gender

31 Dec 2023 Country	Women		Men		Total	
	Permanent	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term
Finland	284.8	15.4	340.8	13	625.6	28.4
Luxembourg	1	0	3	0	4	0
Sweden	0	0	3	0	3	0
<b>Total</b>	<b>285.8</b>	<b>15.4</b>	<b>346.8</b>	<b>13</b>	<b>632.6</b>	<b>28.4</b>

### Employees on zero-hour contracts by country and binary gender

31 Dec 2023			
Country	Women	Men	Total
Finland	0	0	0
Luxembourg	0	0	0
Sweden	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Employees working as consultants

	31 Dec 2023	31 Dec 2022
Employees working as consultants	81	81

### Employee turnover\*

	2023	2022	2021
Employee turnover (%)	9.2%	10.6%	10.6%

\*Figures do not include Luxembourg and Sweden.

### Employee engagement

Siqni survey	Target for supervisors		2023	2022
		Scale		
Siqni index*	2023: 81-86 2022: 81-86	0-100	83	83
eNPS	-	-100-100	56	55
Flame index	-	0-100	80	80

\*The company is awarded the Future Workplaces certificate when the Siqni index exceeds 80. The Siqni index consists of the employee net promoter score (eNPS) and the Flame index, which indicates how employees perceive the realisation of issues they find meaningful in day-to-day work.

## Diversity, equity and inclusion

### APPROACH

Diversity, equity and inclusion are part of Mandatum's value-based culture. Mandatum appreciates and wants to actively promote diversity among all its personnel groups. By employing people with diverse backgrounds, skills and abilities, Mandatum seeks to increase its overall value and create an even more innovative, fair and caring work environment where diversity is seen as a strength.

### GOVERNANCE

Mandatum's principles on equality are defined in the Code of Conduct. In accordance with the company's values, Mandatum is committed to working as one team and treating each member of the team with respect. Respectful treatment also involves the equal and fair treatment of each employee regardless of their personal attributes or background. Mandatum condemns discrimination in all of its forms. Mandatum is also committed to the principles of the UN Global Compact and to adopt, support and implement fundamental values related to, among other things, human rights and the principles of working life within its sphere of influence.

Discriminatory practices are avoided in recruitment, duties, training and development, promotions, rewards and other benefits. Mandatum is committed to equal pay and has prepared an equality plan as required by law. In addition, Mandatum plc has prepared the Board Diversity Principles, the purpose of which is to promote the diversity of the Board and gender equality in the Board's work.

To ensure purely performance-based and open-minded decision-making, the company uses clear and objective criteria in its recruitment, training and promotions. All Mandatum employees are encouraged to develop and use their strengths so that everyone can reach their full potential.

Issues related to diversity and inclusion are discussed in the Mandatum Way workplace culture guide, which every employee is expected to follow. Diversity, equity and inclusion are also considered in supervisor training. An important part of ensuring inclusion is the Mandatum Experience orientation event held twice a year. In the two-day event, new employees meet with



Mandatum's other employees and management. One of the most important goals of the event is to provide opportunities for networking and facilitate integration into the company.

Mandatum currently measures diversity and inclusion based on the age and gender distributions of its personnel, among other metrics.

### ACTIONS AND RESULTS

Developing a diverse, equal and inclusive organisational culture is a continuous and complex process. Mandatum's Diversity, Equity and Inclusion (DEI) strategy combines a cultural and an operational approach.

Mandatum is actively committed to fostering a culture and values that promote diversity, equity and inclusion. An open and accepting culture gives each individual space to be themselves, develop and harness their strengths for both their own work and to the work community. In a safe and confidential atmosphere, everyone has the ability and confidence to express their views, be heard and influence the day-to-day activities of the workplace through their own conduct. The operational aspect of promoting diversity, equity and inclusion, on the other hand, involves setting concrete goals, implementing a plan and measuring results.

In 2023, Mandatum prepared internal DEI guidelines approved by the Management Team. HR is responsible for implementing the principles outlined in the guidelines. The DEI guidelines comply with Mandatum's sustainability strategy, equality and non-discrimination plan and Code of Conduct. The DEI guidelines apply to all Mandatum Group companies, employees and management and require everyone to respect others and act accordingly. The DEI guidelines describe both the general principles to which Mandatum is committed and the focus areas for 2024-2025 that actively promote a more diverse, equal and inclusive organisational culture.

The focus areas of the DEI guidelines were selected mainly based on an employee survey conducted in November 2022, the purpose of which was to engage employees in the discussion on diversity and assess which diversity themes are most important to Mandatum's employees. The most important identified themes were ethnicity, age, gender, skills and education.

In 2023, Mandatum organised a diversity workshop for all employees interested in participating. The workshop presented the results of a diversity survey commissioned for the personnel at the end of 2022 and discussed the most important aspects of diversity and possible measures to increase diversity. The next diversity workshop will be held in early 2024.

### MANDATUM'S FOCUS POINTS IN PROMOTING DIVERSITY, EQUITY AND INCLUSION IN 2024-2025

In its DEI guidelines, Mandatum has set targets to increase diversity, equity and inclusion in the organisation. The objectives for 2024-2025 focus on fair rewarding and compensation, promotion of gender equality, age management and equal consideration and support for people at different stages of life, recruitment and career advancement, and increasing awareness and understanding of diversity, equity and inclusion in the organisation through more active communication and training.

An action and communication plan has been prepared for 2024-2025 that includes measures to achieve the objectives outlined in the DEI guidelines. Active communication on the content of the guidelines and training on the themes will start in early 2024.

### Binary gender distribution of employees (FTE)

31 Dec 2023				31 Dec 2022				31 Dec 2021			
Women		Men		Women		Men		Women		Men	
301.2	45.6%	359.8	54.4%	286	45.4%	343	54.6%	309	48.5%	329	51.5%

**Binary gender distribution of supervisors (FTE) (all organisational levels)\***

31 Dec 2023				31 Dec 2022				31 Dec 2021			
Women		Men		Women		Men		Women		Men	
<b>43</b>	<b>42.2%</b>	<b>58.8</b>	<b>57.8%</b>	34	35.8%	61	64.2%	29	32.2%	61	67.8%

\*Figures do not include Luxembourg and Sweden.

**Share of women at different management levels**

%	31 Dec 2023	31 Dec 2022	31 Dec 2021
Board of Directors	<b>33%</b>	22%	22%
Tier 1: Group Management Team	<b>29%</b>	22%	29%
Tier 2: Group Extended Management Team	<b>57%</b>	31%	31%

**Age distribution of employees (FTE)**

31 Dec 2023						31 Dec 2022						31 Dec 2021					
<30 years		30-50 years		>50 years		<30 years		30-50 years		>50 years		<30 years		30-50 years		>50 years	
<b>136.6</b>	<b>20.7%</b>	<b>373.1</b>	<b>56.4%</b>	<b>151.3</b>	<b>22.9%</b>	127	20.1%	353	56.0%	150	23.9%	118	18.5%	359	56.2%	161	25.3%

**New employees by binary gender**

31 Dec 2023				31 Dec 2022				31 Dec 2021			
Women		Men		Women		Men		Women		Men	
<b>51</b>	<b>50.0%</b>	<b>51</b>	<b>50.0%</b>	42	36.5%	73	63.5%	38	35.5%	69	64.5%

**New employees by age group**

2023						2022						2021					
<30 years		30-50 years		>50 years		<30 years		30-50 years		>50 years		<30 years		30-50 years		>50 years	
<b>52</b>	<b>51.0%</b>	<b>38</b>	<b>37.3%</b>	<b>12</b>	<b>11.8%</b>	58	50.4%	50	43.5%	7	6.1%	53	49.5%	44	41.1%	10	9.3%

# Health and well-being

## APPROACH

The well-being of employees is one of the cornerstones of Mandatum's strategy. All employees share responsibility in ensuring a safe and healthy work community and working environment. Mandatum's goal is to maintain the well-being, safety and work ability of employees at a high level throughout their careers and to ensure access to support in different life situations. Healthy employees are motivated and achieve good results. By taking care of the well-being of its personnel, Mandatum develops the company's operational capacity and profitability. Having a positive employer image as a company that values and takes care of its employees also supports Mandatum's goals of attracting and committing the experts the company needs.

Mandatum pays special attention to personnel benefits that relate to the management of work ability and employee well-being. The purpose of benefits offered to individuals is to support the employee's work-life balance and coping at work, thereby promoting motivation, innovation and the company's competitiveness.

At Mandatum, the main focus of mental and physical occupational health is on preventive measures. The company invests in a moti-

vating work environment and preventive occupational health care. With the help of the early intervention model, employees and especially supervisors can be guided to observe and identify situations where preventive measures are needed. When risks are identified upfront, costs are also easier to manage.

Mandatum's long-term and close cooperation with occupational health care, pension institutions and insurance companies has yielded results: absences due to illness have been kept low for years by regularly investing in preventive occupational health as well as in improving work atmosphere and supervisory work.

## GOVERNANCE

Mandatum's principles on health and well-being are defined in the Code of Conduct. Mandatum is committed to promoting the health and well-being of its employees. This includes providing a physically and psychologically healthy and safe working environment, including ensuring mental well-being and good ergonomics. Any problems with work well-being are prevented in advance by focusing on high-quality supervisory work and the job satisfaction and appropriate treatment of personnel.

Several parties are involved in promoting health and well-being:

- As a representative of Mandatum's HR function, the Health, Safety & Well-being Partner has a strong role in promoting and coordinating health, safety and well-being at work.
- HR regularly assesses the work ability of Mandatum's employees and reports its findings to the Group Management Team. Sickness absences are monitored quarterly, and HR is in contact with the supervisors of teams when necessary. When the absences involve mental health issues, HR immediately contacts the employee's supervisor. In accordance with the early intervention model, any deterioration of work ability is addressed as early as possible when the issue is detected. In this way, it is possible to support and promote the employee's work ability and prevent it from worsening further.
- The Corporate Security Committee consists of the Group CISO (Chief Information Security Officer), Facility Manager, Health, Safety & Well-being Partner and Head of Events. The committee is responsible for risk assessments of functions of various areas, as well as evaluating descriptions and models and updating them if necessary. The committee reports to the Risk Management Committee annually.
- The Occupational Health Steering Group consists of representatives of Mandatum's HR as well as representatives of the employment pension insurance company, occupational health care provider and insurance company. The steering group meets twice a year to review the situation together with HR. The steering group provides valuable information on the work ability of Mandatum's personnel through various statistics and observations.
- The aim of the Occupational Safety and Health Committee is to promote occupational safety and health at the workplace. Occupational safety and health are implemented at workplaces in cooperation with the employer and personnel. At Mandatum, occupational safety and health also covers matters related to the organisation of work and workplace satisfaction. Occupational safety and health activities include representatives of both personnel and the employer. The appointment of occupational safety and health personnel is based on the Finnish Act on Occupational Safety and Health Enforcement and Cooperation on

Occupational Safety and Health at Workplaces. Employees' occupational safety and health representatives are selected through a nomination process. The term of the nomination board is two years, and it convenes around four times a year.

- The Committee on Co-operation at the Workplace, which consists of the VP for HR, the person responsible for well-being at work and employee representatives, regularly discusses the following issues, among others: the financial situation of the company, the rules and practices of the workplace, the structure and competence needs of personnel, and employee well-being. Co-operation is mainly related to issues that are within the employer's decision-making power. The Act on Co-operation in Undertakings does not grant the authority to deviate from other legislation by local agreement, even as the aim is to reach an agreement between the employer and employees on the issues being negotiated. While the employer is required to negotiate with employees to reach an agreement, ultimately the employer decides the matter if no agreement can be reached. The Committee on Co-operation at the Workplace convenes at least quarterly and as needed.

Mandatum cooperates closely with occupational health care, pension insurance institutions and insurance companies to identify risks arising from work or the

working environment. The aim is to identify factors that threaten employees' work ability and to eliminate or reduce them through measures taken at the workplace.

Mandatum measures the health and well-being of its personnel based on the number of absences due to illness and work-related accidents. Employee satisfaction is also measured with the help of the Siqni index and employee pulse surveys, among other means. More information on employee engagement can be found in the section on Responsible HR Practices (page 45).

#### **ROLE OF OCCUPATIONAL HEALTH CARE IN PROMOTING EMPLOYEE WELL-BEING**

Occupational health care prevents work-related illnesses and accidents and promotes the health and safety of work and the working environment, the functioning of the work community, and the health and work ability of employees. Mandatum is obligated to provide occupational health services for its employees under the Finnish Occupational Health Care Act, Health Insurance Act and Occupational Safety and Health Act. Mandatum provides statutory preventive occupational health care for all its employees. In addition, Mandatum voluntarily provides primary medical care through an agreement with an occupational health care provider and specialist care through health insurance to all employees, excluding employees on long unpaid leave and external employees, such as consultants.

Occupational health care services are purchased from an external partner that appoints its own occupational health care team for Mandatum. The team consists of an occupational health nurse and physician, occupational physiotherapist and occupational psychologist. In 2021, occupational health care services were coordinated with the insurance company's health insurance. As part of the change, all specialist services (treatment, examinations and control visits) were transferred to be reimbursed by insurance. A referral from the occupational health physician is always a prerequisite for reimbursement.

For new employees in a fixed-term employment relationship of at least 12 months, the first contact with occupational health care is the entry inspection before the employment relationship begins. At the inspection, the new employee's medical suitability for their duties is assessed and a personal health plan is drawn up. If supervisors notice work ability problems during the employment relationship, the company's early intervention model is followed. If necessary, the employee can be referred to a discussion with occupational health care. At the discussion, the parties can agree to a work ability assessment. Occupational health care plays a significant role in preventing unnecessarily prolonged sickness absences and in helping plan an employee's return to work.

In addition to occupational health care, medical care services and preventive measures are offered through the occupational health care provider, including annual ob-gyn check-ups, five physical therapy sessions per year and five visits to an occupational psychologist with a referral from the occupational health physician.

The occupational health care provider's telephone service and digital clinic serve employees quickly and flexibly. The aim of these is to ensure fast access to services, refer employees to the right occupational health care professional and provide assistance around the clock regardless of location. Prescriptions can be renewed in the digital clinic. The designated occupational health nurse also holds regular in-office appointments at Mandatum's office.

Employees are also insured with health insurance that complements the already extensive occupational health care. Health insurance is valid during and outside work around the clock. The insurance also covers accidents or illnesses for which the insured has had clear symptoms or has consulted a doctor before joining the insurance. All employees of the company are covered by accident insurance. In addition, a significant part of the personnel has insurance against disability and life insurance.

Good ergonomics are an important part of well-being. Ergonomics inspections of workstations are carried out by the occupational physiotherapist or HR. If necessary, occupational health care recommends the purchase of ergonomic tools for the employee. Each employee can also order tools for remote work at Mandatum's expense for a predefined value, such as an office chair, an electrically adjustable table, computer display and keyboard.

#### **ADDITIONAL SECURITY FOR EVERYONE**

Responsibility for staff also means protecting employees and their families against financial risks. Mandatum offers its personnel extensive insurance coverage and the opportunity to direct their performance bonuses into the personnel fund. All employees covered by the bonus system (sales or performance bonus) are covered by the personnel fund, that is, the entire permanent personnel, excluding persons working in internal control functions. The bonus fund encourages long-term saving by paying 20 per cent more in bonuses to employees for the portion put into the fund. The pension cover of employees is supplemented with group pension insurance covering the entire personnel.

#### **WORKPLACE SURVEYS BY OCCUPATIONAL HEALTH CARE**

Workplace surveys are a key method for determining the content of statutory and

preventive occupational health care based on employees' needs. The workplace survey is used to form an understanding of the workplace, load factors of work and health hazards and harms caused by work, the working environment and work community. It is also used to draw conclusions on the health significance of working conditions at the workplace and to propose measures for developing the conditions and promoting work ability. The workplace survey considers exposures at the workplace, work arrangements and the risks of accidents and violence.

Various measurements, evaluations and surveys are used as methods of the workplace survey. These include work hygienic, physical and psychosocial stress factors, and assessments of the working atmosphere and first aid preparedness.

A workplace survey is carried out at Mandatum only if there is a clear need for one or if the premises are changed entirely. Statutory workplace surveys are carried out in co-operation with occupational health care. The senior occupational safety and health representative is responsible for coordinating workplace surveys at Mandatum.

#### **PROMOTING SECURITY CULTURE AND IDENTIFYING THREATS**

Maintaining security culture is a shared concern for the entire organisation. At Mandatum, there is no separate security function

at the core of corporate security. Instead, the task of ensuring business continuity, security and compliance in all situations is part of risk management and day-to-day operations. In the line organisation, supervisors have the primary responsibility for overseeing security matters. The owners of areas are responsible for the development of corporate security.

Effective day-to-day operations require an atmosphere at the workplace where everyone has the opportunity and courage to bring up grievances without fear of repercussions. Addressing problems is everyone's responsibility and must be a natural part of the working environment. Discussions about possible grievances are strictly confidential, and the employee has a say on how the matter should be taken forward. Guidelines for threatening and dangerous situations have been compiled at Mandatum, and the related document is available on the company's intranet.

One of the purposes of the early intervention model is to encourage employees to discuss problems detected in the workplace as early as possible, especially when they are related to their own work performance or that of a coworker or employee. The aim is to support the coping at work of employees while ensuring smooth work performance and the functioning of the work community.

Incidents or accidents at Mandatum's premises are reported to the company's Risk Management. Both actual incidents and near-misses are reported to Risk Management using separate report forms. A key goal of risk management is lowering the threshold for reporting. In order to improve the quality of processes and operations, it is essential that even minor errors that are detected are reported forward.

Mandatum has guidelines for preventing, identifying and addressing inappropriate treatment. The guide on the company's intranet contains instructions for situations where an employee feels they have been treated inappropriately. More information about reporting harassment can be found in the section on Human rights and labour practices (page **68**).

Mandatum has prepared a substance abuse prevention programme that describes the general objectives of the workplace and practices to be followed to prevent substance use and refer persons with substance abuse problems to treatment. The aim of the programme is to create a safe and substance-free workplace for the entire personnel by improving and clarifying the handling and treatment of substance abuse problems at the workplace. The main focus of the programme is on preventive measures to



ensure that substance use is addressed as early as possible in cooperation with occupational health care.

Evacuation drills are an important method for identifying risks and eliminating hazards in the office spaces. The purpose of evacuation drills is to test the effectiveness of the workplace's evacuation plan and safety organisation in a situation where it is necessary to evacuate the personnel and clients to a safer location due to a fire or other hazard or accident. In the drill, the property's emergency exits are tested in practice, employees learn awareness of safety risks at the workplace and the safety organisation's preparedness in managing emergencies is improved. Feedback on evacuation drills is also collected after the drill.

Mandatum has also prepared communication guidelines for disturbances. The guidelines cover the communication process and channels and responsible persons at different stages of the process.

Threats and risks to occupational health and safety are also identified and prevented through employee surveys. These include the annual Siqni survey, quarterly employee pulse survey and the Onboarding and well-being survey for new employees four months after the start of the employment relationship. These surveys also

provide employees with the opportunity to contact HR as early as possible and at a low threshold if the employee needs support with a challenging situation.

#### **ACCIDENT MONITORING AND PREVENTION**

In the event of an accident, the employee submits an electronic accident report directly to the insurance company. Employees are instructed to always submit an accident report even if it is not immediately necessary to see a doctor. Accident reports indicate whether the accident occurred at work, during the commute or outside work. An evaluation of the necessary measures is carried out. If the accident occurred at work, the Facility Manager and property maintenance take care of the necessary corrective measures. Accidents outside work are monitored through reports by the insurance company.

#### **EMPLOYEE ENGAGEMENT**

Mandatum communicates actively on themes related to occupational health and safety. The main communication channel is the company's intranet. The consultation of personnel is ensured by engaging employees in various trainings, surveys and other events. Employees are also offered the opportunity to participate in occupational safety and health activities.

Information about facilities is regularly provided through the intranet and with more extensive facility-specific news posts. Employees are regularly surveyed for feedback on the facilities.

#### **ACTIONS AND RESULTS**

##### **ABSENCES DUE TO ILLNESS**

Absences due to illness remained at a low level in 2023 and decreased to 1.9 per cent from 2.0 per cent in 2022. Mandatum's goal is to maintain the illness absence rate of employees at a low level also in the future.

##### **EMPLOYEE BENEFITS**

In 2023, Mandatum's comprehensive employee benefit package was supplemented with new benefits, and existing benefits were updated. As a new addition, Mandatum has offered a commuting benefit as of the start of 2023. Three times a year, employees can choose between a commuter ticket or a parking option as a commuting benefit. The purpose of the benefit is to support efficient and convenient commuting to the workplace.

Each employee can also choose whether to use their lunch benefit in the form of Epassi Lunch or in cash on top of their salary. The lunch benefit was raised to the maximum permitted by the tax authorities, and the value of the mobile phone benefit also increased.

The company bike benefit launched in 2022 was supplemented with the possibility to store bikes indoors. In spring 2023, Mandatum's personnel club organised a bicycle repair shop on a total of five days, during which employees could bring in their bike for maintenance.

Yoga classes are held 2–3 times a week in the yoga room at Mandatum's head office, also with the option of remote participation. In addition, the head office has a gym and massage chair for employees.

Mandatum also supports employees with families. To improve work-life balance, the number of partners in the service to provide care for a sick child was increased from two to three. As a result of the change, employees living outside the Helsinki metropolitan area can make better use of the service. Mandatum pays for the care of an employee's sick child under the age of 10 for the first three days of illness, which is the period that employees can stay at home to care for a sick child in accordance with the collective agreement for the insurance sector.

##### **WORKPLACE SURVEYS**

In 2023, workplace surveys were conducted for Mandatum's new offices in Pori, Seinäjoki, Lappeenranta and Kuopio. The workplace surveys were carried out in cooperation with occupational health care. On Mandatum's

side, coordination was handled by the chief occupational safety and health representative, who also participated in all of the surveys. The surveys followed the model used by occupational health care and assessed the following themes: physical factors, physical and ergonomic factors, furniture, equipment, tools and workspaces, lighting, mental and social factors, hazards and first aid preparedness. Based on the occupational health care risk assessment, the health impacts related to the above themes at Mandatum are mostly insignificant or minor.

### ACCIDENTS

Mandatum has published figures on work-related accidents since 2022. The number of accidents in 2023 was 12, of which five occurred at work and seven during commutes. In 2022, there were seven accidents in total. Injuries from occupational accidents have mainly been minor, including wounds and superficial injuries as well as dislocations, sprains and strains. There have been no deaths caused by occupational accidents at Mandatum.

### EMPLOYEE ENGAGEMENT

In 2023, Mandatum launched mandatory online physical safety training for its entire personnel. The need for training arose based on a risk assessment carried out in autumn 2022. The assessment investigated potential hazards at the workplace and how Mandatum's offices have prepared for

emergencies. HR, Information Management and the Facility Manager collaborated to describe hazardous and threatening situations and prepare operating instructions.

Mandatum continued the Safety Week concept launched in 2022, during which various safety-related themes are discussed to raise and improve the awareness and preparedness of personnel. The aim is also to enhance occupational safety and strengthen occupational safety culture. Safety Weeks were organised twice in 2023 and included information on Mandatum's corporate security model, facility security, a safety round video on physical security at the office, current issues in access management, and distribution of wearable reflectors. In the future, the safety round video will be part of existing risk training materials.

Since 2022, Mandatum has organised the Mental Health First Aid 1 course for employees twice a year. The course provides researched information on mental health and factors affecting it. During the course, participants learn exercises to strengthen mental well-being. The course is voluntary and free of charge for participants and can be attended during working hours.

Well-being training was organised for employees on the themes of sleep and insomnia and cognitive ergonomics in 2023. The purpose was to remind employees of the

### Absences due to illness\*

%	2023	2022	2021
Absences due to illness (%)	1.9%	2.0%	1.1%

\*Figures do not include Luxembourg and Sweden.

### Coverage of occupational health care services

	2023		2022		2021
Employees covered by occupational health care, %	Employees covered by supplementary occupational health care, %	Employees covered by occupational health care, %	Employees covered by supplementary occupational health care, %	Employees covered by occupational health care, %	Employees covered by supplementary occupational health care, %
99.0%*	99.0%	99.0%	99.0%	99.5%	94.0%

\*Employees on long, unpaid leave are not covered by occupational health care.

### Work-related accidents

	2023	2022
Number of accidents	12	7

importance of sleep and recovery and how everyone can contribute to better cognitive ergonomics for both themselves and the entire work community.

In 2023, Mandatum invested in improving community spirit by serving breakfast at the office twice a week and by organising staff parties and various events as well as regular information sessions virtually and at the office.

A survey related to work ability and its management was carried out for management and supervisors in 2023. Based on the survey's results, Mandatum will develop models for the management of work ability during 2024 and set KPIs and targets for identifying, mitigating and preventing risks to work ability.

# Competence development

## APPROACH

The management of employees' intellectual capital is a key factor in the success and implementation of Mandatum's business strategy. Regulations and the fast pace of changes in the corporate world and investment markets place increasing requirements on employees' competence and operating environment. Competence is maintained by both ensuring a sufficient level of competence among current employees and by recruiting new talent.

Mandatum's culture emphasises learning by doing. Employees are encouraged to learn on the job from colleagues and by offering opportunities to participate in development projects and cross-unit working groups. Mandatum strives to offer fixed-term vacancies, such as parental leave substitutions, as job rotation opportunities within the organisation. Internal recruitment is also an effective way to allow competence to be shared between teams and units.

Competence is also developed through various types of training and the use of feedback. Mandatum offers internal training courses and programmes for different employee groups to enable success and development at work. Effective training and competence development programmes also increase Mandatum's

attractiveness as an employer and employee engagement. In addition, employees have the option to participate in useful external training courses and programmes.

## GOVERNANCE

The principles of competence development at Mandatum are defined in the Code of Conduct. Mandatum is committed to promoting the professional development of its employees and strives to arrange its operations so that the personnel have clear job descriptions and areas of responsibilities, which are supported through good leadership.

The HR function provides the framework for managing intellectual capital. The practical implementation of competence development is the responsibility of HR, supervisors and employees themselves. HR helps identify the need for team-specific training packages, for example, considering the experience of the team's members, and strives to maintain an overall picture of provided training.

The development of an employee's competence at Mandatum begins with a personal onboarding programme at the start of the employment relationship and continues according to the employee's duties and personal development needs. All new Mandatum

employees, including fixed-term employees, participate in the Mandatum Experience onboarding programme during their first months at work. The programme consists of a two-day onboarding event and the Mandatum Mandatories training videos, in which heads of different business units present the work of their unit. The aim is to provide a comprehensive overview of Mandatum's operations and culture, as well as opportunities for building networks throughout the organisation.

In the online training environment, employees complete statutory and voluntary unit-specific and organisation-wide training. Training is provided both at the start of the employment relationship and regularly according to the training calendar and the unit's study path. Sales personnel are supported by training related to client work, products and services and industry regulations, among other themes.

Development measures and participation in other training are agreed with the supervisor. HR assists with planning development and identifying development measures and coordinates training courses and events so that as many members of personnel as possible can benefit from them. Employees who attend training can share the best lessons learned with coworkers.

Employees are supported equally in their development and career advancement by observing equality in the distribution of duties, participation in training, job rotations, substitute appointments and encouragement to apply for more demanding duties or supervisor and management positions.

An important forum for sharing knowledge is Mandatum's annual mentoring programme, which connects the company's employees and encourages them to engage in discussions that benefit professional development.

## LEADERSHIP DEVELOPMENT

At Mandatum, each person considered for a supervisor role undergoes an assessment of the person's ability and suitability to act in a supervisory role. The assessment also provides important information useful for further personal competence development. The study path for new supervisors begins with a supervisor orientation held by HR. Every new supervisor participates in the orientation, regardless of previous managerial experience. The supervisor orientation covers various situations and issues in the life cycle of supervisory work and employment relationships, as well as systems that support supervisory work.

Mandatum Management School is a coaching programme for supervisors that explores the role and tools of leaders as well as interaction in situations involving managerial work. The coaching is provided by an external party. The coaching provides a foundation for analysing and developing personal leadership skills and managing the team's work. The aim of the programme is to maintain a consistent leadership culture at Mandatum. All supervisors at Mandatum participate in the programme during their first year of work as a supervisor. The second part of the training, Management School II, is organised for supervisors who have already gained experience in managerial work at Mandatum. The programme covers various themes related to leadership and supervisory work, which are combined with current issues and situations at Mandatum, such as change management or hybrid work.

HR also organises training for supervisors on themes related to the annual calendar, including target setting, rewards, management of performance and work ability, recruitment and internal policies.

Mandatum supports supervisors' learning with the 360-degree feedback-based evaluation, which is carried out every three years to support leadership development. In the assessment, supervisors receive feedback from employees, coworkers and their own supervisor. The assessment was last carried out in 2022. The employee satisfaction

survey Siqni is also an important feedback channel and KPI of supervisor success.

## PERFORMANCE AND TARGET

### DISCUSSIONS

The performance and target discussion is a confidential and open meeting between the supervisor and employee. It involves setting targets for the employee's work and development for the coming year and assessing the results, successes and challenges of the previous year's targets. In the performance and target discussion, the supervisor and employee agree on development to enable the achievement of targets set for the year and the long term. Mandatum's business objectives serve as the starting point for the conversations. The goals of the employee's unit and team and individual targets are formed based on the company's objectives. It is the duty of each employee to promote the achievement of Mandatum's business objectives through their own work.

The primary task of supervisors is to ensure that each team member has access to the right framework for success and opportunities for personal development, growth and well-being. This requires continuous and goal-oriented dialogue. Mandatum favours regular one-to-one conversations between supervisors and employees for discussing work performance and well-being at work. The conversation is an opportunity for supervisors and employees to give and receive positive

## Average training costs per employee\*

	2023	2022	2021
EUR	334.5	1,074	669

\*Figures include costs of external training.

and constructive feedback and openly discuss themes they consider important.

One-to-one conversations allow supervisors and employees to get to know each other better, improving the efficiency of operations and information flow. Employees have the opportunity to be heard, while supervisors gain a better understanding of the employee's day-to-day work and development. This makes it easier for the supervisor to support the employee and increases the employee's understanding of the business, their personal goals and the company's goals.

## ACTIONS AND RESULTS

Mandatum organised the company's mentoring programme for the twelfth time in 2023. The programme started in October 2023 and is scheduled to end in June 2024. A total of six pairs, or 12 employees, are participating in the ongoing programme.

The thirteenth Mandatum Management School was also organised in 2023. Mandatum Management School II, the second phase of the programme consisting of four modules, was organised twice. More

than 95 per cent of the company's supervisors have completed the programme.

Mandatum Space is a virtual learning workspace for Mandatum employees that offers guides and tips for using applications, tools and work methods. A total of 18 briefings on Mandatum Space were organised between November 2022 and March 2023. The briefings covered topics such as how to use various applications efficiently and ways to streamline work tasks. The briefings were made available in Mandatum Space and in the Mandatum Academy section of the online training environment. At Mandatum Academy, employees give lectures and briefings on topics related to their area of expertise.

Other training organised during the year included facilitation training, training related to Mandatum's public listing, project management training, various trainings related to health and well-being, and the GRC (Governance, Risk and Compliance) training package for members of management. Depending on the theme, all employees or personnel groups whose work is affected by the theme participated in the training.

# Remuneration

## APPROACH

Professional and qualified personnel have a significant role in daily business operations and in the implementation of the company's strategy. The aim of remuneration is to attract and retain skilled and motivated employees and to continuously encourage employees to perform at their best and exceed set targets.

Mandatum's remuneration is designed to promote the company's long-term financial success and create added value for shareholders and other stakeholders. Remuneration policies are aligned with the company's business strategy and objectives and promote sustainable business practices. Mandatum's remuneration packages are designed to reward successful performance in accordance with the company's practices in a way that promotes the company's long-term success.

Remuneration complies with ethical principles and the requirements of legislation and other regulations applicable to Mandatum. Remuneration schemes are designed in accordance with risk management principles and practices. The schemes shall not create conflicts of interest or induce or encourage excessive or unwanted

risk-taking. No kind of discrimination is tolerated in remuneration, and it must be based on objective criteria, such as the employee's competence, performance, responsibilities and position in the company.

## GOVERNANCE

The Board of Directors of Mandatum plc decides on the principles of remuneration for the Group's personnel. The same principles also apply to the remuneration of the Group CEO, where applicable. In addition, Group companies have supplementary company-specific remuneration guidelines that take into account the regulations applicable to the company and any special characteristics of their business. In 2023, Mandatum Group's remuneration was based on Sampo Group's remuneration principles and the remuneration policies specific to Mandatum Group companies.

The principles of fixed compensation are described in Mandatum Group's separate pay policy. In addition, some of the Group's personnel are covered by the collective agreement for the insurance sector, which defines the framework for fixed compensation, such as minimum wages and pay increases for employees covered by the agreement.

Separate rules are always defined for variable compensation schemes. The rules define the key terms and conditions of the scheme, including who is covered, how the remuneration is determined and practices in the event of changes in employment. The rules apply to all persons covered by the scheme. The boards of directors of each Mandatum Group company decide on the Group's short-term incentive schemes, and the VP for HR is responsible for defining the rules of the schemes under the Boards' mandate. The Group's long-term incentive schemes and their terms and conditions are decided by Mandatum plc's Board of Directors. The members of Mandatum plc's Board of Directors are not covered by the company's short or long-term incentive schemes.

The principles of remuneration of the Group CEO and the Board of Directors of Mandatum plc are defined in the Remuneration Policy for Governing Bodies, and the actual remuneration is reported annually in the Remuneration Report for Governing Bodies. The remuneration of the Board of Directors of Mandatum plc during the first term of office of the Board started on 1 October 2023 is based on the demerger plan approved by Sampo plc's Board of Directors

and the decision of Sampo plc's Annual General Meeting in 2023. The remuneration of the Group CEO is subject to the principles corresponding to Sampo plc's Remuneration Policy for Governing Bodies until the first Annual General Meeting of Mandatum plc. Mandatum plc's initial Remuneration Policy and Remuneration Report for Governing Bodies will be presented to the Annual General Meeting in May 2024. In the future, the Remuneration Policy for Governing Bodies will be presented to the Annual General Meeting at least every four years, and the Remuneration Report for Governing Bodies annually.

## DECISION-MAKING ON REMUNERATION

In Mandatum Group, the Boards of Directors of Mandatum plc and the other Group companies participate in decision-making on remuneration. In addition, the Annual General Meeting participates in decision-making on the remuneration of the Board of Directors of Mandatum plc and the Shareholders' Nomination Board, and supervisors participate in decision-making concerning the individual remuneration of employees reporting to them within the provided framework and instructions.



The Board of Directors of Mandatum plc decides on Group-level remuneration matters, such as the remuneration principles of Mandatum Group, the long-term incentive schemes of Mandatum Group and remunerations paid as part of short and long-term incentive schemes based on the proposal of the Remuneration Committee. In addition, the Board of Directors decides on the remuneration of the full-time Chair of the Board of Directors, the Group CEO and Group Management Team based on the proposal by the Remuneration Committee. The boards of directors of subsidiaries decide on remuneration-related matters for the company in question within the framework of the Group-level remuneration principles and in accordance with the decisions of Mandatum plc's Board of Directors.

The Remuneration Committee of Mandatum plc's Board of Directors also prepares and presents proposals to the Annual General Meeting on Mandatum plc's Remuneration Policy for Governing Bodies and the Remuneration Report for Governing Bodies, evaluates the remuneration of the Group Management Team and monitors the overall effectiveness of Mandatum Group's remuneration schemes.

The Annual General Meeting decides on the remuneration of Mandatum plc's Board of Directors and the Shareholders' Nomination Board based on the proposal by the Nomination Board. The Nomination Board consists of four members, three of whom

represent the three largest shareholders of Mandatum Group. The fourth member is the Chair of the Board of Directors of Mandatum plc serving in an expert role.

Decisions concerning the individual remuneration of employees, such as pay increases, are approved by the direct supervisor and their supervisor on a "one-over" basis, within the framework of remuneration guidelines of the Group and the company in question. The purpose of the model is to improve the objectivity of remuneration.

#### **USE OF REMUNERATION CONSULTING**

Mandatum offers its client companies services related to rewards and compensation, such as remuneration consulting. Mandatum may use the expertise of its own business operations in planning and developing the company's incentive schemes, executive remuneration and remuneration reporting, while taking into account the Group's guidelines and policies on conflicts of interest. In addition, Mandatum may use external remuneration consultants, particularly in the preparation of variable compensation schemes and rules to ensure objective assessment and advice independent of the Group's companies.

#### **MANDATUM'S REMUNERATION STRUCTURE**

Remuneration methods used by Mandatum include fixed compensation, employee benefits and bonuses in accordance with variable compensation schemes. In

addition, the remuneration structure is complemented by a defined contribution supplementary pension insurance and other benefits, such as a personnel fund and insurance benefits. Correspondingly, the total remuneration of members of the Group Management Team consists of the remuneration components listed above. Management Team members (excluding the Group CEO) and other personnel are not entitled to severance pay based on employment contracts when the employment relationship ends. In accordance with the Group's remuneration principles, signing bonuses are not permitted unless otherwise decided by the Board of Directors.

Fixed compensation must be fair and competitive and based on the employee's general level of responsibility, position in the company, work performance and quality of work, as well as other factors, such as market salary data. Mandatum's aim is to pay equal compensation for equal work or tasks and work performances and results of equal value.

Variable compensation is used at Mandatum to supplement fixed compensation and ensure the competitiveness of remuneration packages, support the implementation of the company's business strategy and reinforce the connection between remuneration and performance. Short-term incentive schemes are based on the company's business strategy and profit targets, while long-term incentive

schemes are based on aligning the interests of participants and shareholders and on the development of the company's value. Performance-based remuneration is targeted especially at tasks which can have a significant impact on Mandatum's results and the company's development.

The Group Management Team, including the Group CEO, and other personnel may transfer part of their short-term incentive bonus to the Group's personnel fund, where the bonus is invested for potential returns. The personnel fund invests a part of its assets in Mandatum plc's shares.

Employees can also be rewarded with a one-time bonus for exceptionally good performance. Good performance can be related to a project or a development programme, for example. The amount of one-time bonus that an employee can receive during a calendar year is equal to the person's monthly salary. The Group CEO is not entitled to a one-time remuneration.

In addition, Mandatum's employees are covered by group pension insurance. The purpose of group pension insurance is to reward employees for the company's success and reinforce employees' commitment to the company in the long term. The group pension is a unit-linked pension insurance, in which the final pension of the insured person is determined according to paid insurance contributions and the performance of the investments. The pay-

ment and amount of the group pension insurance contribution are based on the achievement of the common targets set by the company once a year (Group key targets). If an employee is not covered by variable compensation due to the nature of their position, the group pension contribution is determined based on the employee's fixed salary.

In addition to monetary rewards, Mandatum's remuneration package also includes comprehensive employee benefits, development and training opportunities, appreciation and feedback on work, as well as a work environment and culture that support the meaningfulness of work and employee satisfaction.

#### INTEGRATION OF ESG CONSIDERATIONS IN REMUNERATION

When defining remuneration criteria, Mandatum takes into account how the selected performance criteria and their achievement support the Group's values, value creation and objectives, including ESG targets. ESG performance metrics relevant to Mandatum's business operations may be included in the Group's incentive schemes. In the short-term incentive scheme for 2023, customer satisfaction was a part of the remuneration indicators for every employee and senior member of management. The CEO's performance indicators also included targets related to ESG initiatives and ratings, while the performance indicators of managers in the short-term incentive

plan for 2023 included targets related to employee experience.

In addition, Mandatum's remuneration structure includes measures that help ensure that sustainability risks and adverse sustainability impacts are taken into account in remuneration. For example, the short-term incentive schemes of employees working in investment operations may include ESG performance targets related to the Responsible Investment Policy or investment portfolio to promote responsible investment. Possible ESG performance metrics included in incentive schemes are decided annually in connection with the planning and implementation of the scheme.

The payment of variable compensation is conditional on employees complying with the company's internal rules and policies. Remuneration schemes shall not create conflicts of interest or induce or encourage excessive or unwanted risk-taking. Before the payment of variable compensation, risk-taking is assessed to ensure that the payment does not endanger the company's solvency.

#### SURVEY ON EQUAL PAY

Mandatum is committed to equal pay and prepares an annual report on gender equality, including average earnings by gender and employee pay grade or role. The report is available to all personnel on the company's intranet.

#### Average employee remuneration

EUR	2023
Fixed compensation	69,030
Fixed and variable compensation	85,660

#### Average employee remuneration vs. Group CEO remuneration

	2023
Average employee remuneration, EUR	85,660
Remuneration of the Group CEO, EUR	1,232,040
Remuneration ratio	14:1

#### Average remuneration by binary gender\*

EUR	2023		Pay gap (ratio)	Pay gap (%)
	Women	Men		
Fixed compensation	61,240	75,630	0.81	19.0%
Fixed and variable compensation	68,240	100,430	0.68	32.1%

\*The figures do not include the remuneration of the Group CEO.

#### ACTIONS AND RESULTS

Mandatum continued to update its work requirement classification system and launched a company-wide work requirement assessment project at the end of 2023. The purpose of the project is to ensure that the work requirement categories of all roles are defined and correspond to the current content and level of respon-

sibility of the roles. In addition, the project aims to form an up-to-date understanding of the Group's employee role structure that can be used for career path planning, determining salaries and various salary comparisons and analyses, including equal pay surveys.

# ANTI-CORRUPTION AND BRIBERY

## APPROACH

For Mandatum Group, the possibility of exposure to corruption and bribery risks has been identified through clients, investments and other business partners. Group companies may face reputational, legal and business consequences in the event of failures in anti-corruption and bribery measures.

Mandatum is committed to combatting corruption and bribery and does not approve of any activities that give the impression of inappropriate influence or are likely to inappropriately endanger Mandatum's independence or professionalism.

## GOVERNANCE

Mandatum's anti-corruption and bribery framework is based on the Code of Conduct and Conflict of Interest Policy approved by Mandatum plc's Board of Directors. The policies are complemented by the Guidelines on Gifts and Hospitality and the Mandatum Way guidelines. Together, these policies and guidelines

define Mandatum's principles for preventing corruption and bribery, the aim of which is to promote ethical and responsible business and safeguard Mandatum's reputation by preventing inappropriate influence and conflicts of interest. Mandatum has also signed the UN Global Compact principles and is committed to anti-corruption activities in accordance with the principles.

Each employee must be familiar with the Code of Conduct and declare their conflicts of interest at the start of the employment relationship and in the event of changes in order to prevent and manage conflicts of interest. In addition, anti-corruption and bribery work is an essential part of Mandatum's framework for anti-money laundering and counter terrorist financing. Mandatum has procedures for the identification and enhanced client due diligence of politically exposed persons and their close associates, as well as for intensified screening of international sanctions lists.

## Reported cases of corruption and bribery

	2023	2022	2021
Reported cases of corruption and bribery	0	0	0

Suspicious of corruption or bribery can be reported through Mandatum's whistleblowing channel or otherwise directly to the Compliance function. All reports are investigated without delay and reported to the management and board of directors of the affected company, and corrective measures are taken whenever necessary.

## PERSONNEL TRAINING

Anti-corruption and bribery is included in the mandatory training for all Mandatum employees. All employees must annually participate in compliance training, which reviews Mandatum's internal operating models and the principles of the Code of Conduct. If necessary, the Compliance function advises employees on matters related to anti-corruption and bribery.

## ACTIONS AND RESULTS

The Compliance function was not informed of any cases of corruption or bribery during 2023.

In 2023, Mandatum continued to raise employees' awareness of anti-corruption and bribery with an updated online compliance training mandatory for all personnel. The completion rate of the training was 99.9 per cent by the end of the year. The completion of the training is supervised using reports from the company's training system.

Mandatum's whistleblowing channel was made available to external stakeholders on Mandatum's website.

# ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING

## APPROACH

As a financial sector operator, Mandatum has a statutory duty to identify and know its clients. In addition to up-to-date basic client information, Mandatum must have sufficient and up-to-date information on the client's operations, financial position, purpose of using the services and source of funds. In addition, Mandatum must know the country or countries in which the client has tax residency. These obligations derive from legislation aimed at preventing money laundering and combatting terrorist financing and financial crime and treaties on the international exchange of tax information, among other regulations. For its part, Mandatum bears its responsibility to society by committing to shared goals in anti-money laundering and countering terrorist financing. By identifying and knowing its clients, Mandatum can serve as a reliable partner for its clients.

## GOVERNANCE

The principles of anti-money laundering and counter terrorist financing are defined

in the Code of Conduct and Mandatum Group's Anti-Money Laundering and Counter Terrorist Financing Principles. In addition, Mandatum Group has an Anti-Money Laundering and Counter Terrorist Financing Policy, which defines the principles for complying with the requirements of legislation and regulations on anti-money laundering and countering terrorist financing.

Each Group company subject to disclosure obligations assesses its anti-money laundering and counter terrorist financing risks as part of an annual risk assessment. The assessment takes into account risk factors related to clients, countries, products, services, technologies and distribution channels. In addition, Mandatum carries out a Group-wide sanctions risk assessment to identify and assess risks related to sanctions, non-compliance with sanctions regulations and national freeze orders, risks related to sanctions evasion and their likelihood, and risk management measures.

The Boards of Directors of Mandatum Group companies review and approve the policy and risk assessments annually. The companies' Boards are also responsible for overseeing and organising internal governance and control. Business units are responsible for implementing the policies and carrying out necessary procedures with the support of anti-money laundering and counter terrorist financing specialists.

In organising anti-money laundering and counter terrorist financing activities, Mandatum follows the three lines of defence model, in which tasks are divided between business units (first line of defence), risk management and compliance functions (second line of defence) and internal audit (third line of defence). Key issues are communicated to senior management without delay.

Anti-money laundering and counter terrorist financing activities are based on the risks posed by operations. The purpose of

Mandatum Group companies' anti-money laundering and counter terrorist financing activities is to create and maintain procedures and controls to manage risks specifically related to operations, taking into account the companies' business, size, nature and identified risk factors, and to proportion and allocate control methods and resources on a risk basis.

The risk-based approach is derived from money laundering and terrorist financing risks identified by Mandatum Group companies in their risk assessments and is reflected in all anti-money laundering and counter terrorist financing activities, starting from client due diligence. Group companies are obligated to comply with client due diligence measures on a risk basis both upon accepting a new client and throughout the client relationship. Internal procedures on client due diligence and the collection and processing of due diligence data are defined in the companies' policies and instructions.

Mandatum carries out system-based monitoring to detect abnormal client behaviour, including both outgoing and incoming transfers of funds. In addition, Mandatum screens its clients against international sanctions lists and national freeze order lists. Monitoring is also carried out manually. Each employee of the Group also has a duty to report any deviations they observe to the parties responsible for anti-money laundering and countering terrorist financing.

#### PERSONNEL TRAINING

Mandatum's employees are required to participate in annual training on anti-money laundering and counter terrorist financing in accordance with their role to ensure that all employees understand their responsibilities and obligations in combatting financial crime. The company provides additional training in connection with changes in legislation or operating methods and whenever necessary. New employees are trained on Mandatum's anti-money laundering and counter terrorist financing procedures and internal guidelines as part of the onboarding programme. Mandatum also ensures that senior management has sufficient competence and understanding of anti-money laundering and counter terrorist financing measures.

#### ACTIONS AND RESULTS

Mandatum reports suspected cases of money laundering and terrorist financing to the authorities.

In 2023, Mandatum invested significant development resources on anti-money laundering and counter terrorist financing. A particular focus was on updating client and transaction monitoring and intensified client due diligence methods. Mandatum carried out several phone and mail campaigns to collect client due diligence data. Instructions, documentation and descriptions of processes were also specified during the year. In addition, increased personnel resources were allocated to client due diligence.

In terms of regulations, the year 2023 saw several changes and proposals of changes to anti-money laundering legislation and official guidelines. To implement these, Mandatum initiated and carried out development measures related to processes and documentation on anti-money laundering and counter terrorist financing.

The completion rate of the mandatory training on anti-money laundering and counter terrorist financing for personnel was 99.7 per cent at the end of the year.



# DATA PROTECTION

## APPROACH

The processing of personal data plays a key role in business operations related to insurance and investment services. Clients expect absolute confidentiality from Mandatum in the processing of personal data throughout the client relationship. In addition, Mandatum's statutory obligations require the company to have procedures and policies to guarantee a high level of confidentiality, security and protection of personal data throughout the life cycle of processing. Maintaining client trust in the processing of personal data is of essential importance to Mandatum. In processing personal data, Mandatum is bound by the EU General Data Protection Regulation (GDPR) and national legislation regulating the processing of personal data in countries where Mandatum operates or provides services.

## GOVERNANCE

Mandatum's data protection approach is described in the Code of Conduct. The key principles of data protection are also presented and published separately in Mandatum's Data Protection Principles. In addition to the Data Protection Principles,

Mandatum's processing of personal data is based on the Group's Data Protection Policy, which is reviewed and approved by the Boards of Directors of Group companies. Mandatum supplements its Data Protection Policy with instructions for employees and, if necessary, key partners. Detailed principles and guidelines have been prepared to address areas such as Mandatum's client and marketing communications, storage of personal data and the erasure of data.

The Data Protection Policy is also closely linked to Mandatum's other internal policies, such as the Information Management Policy and Information Security Policy. The purpose of the Information Management Policy is to identify and categorise information and determine its ownership. The policy is supplemented by Mandatum's Information Management Principles, which contain detailed information about the roles, tasks and processes involved in categorising information.

The Boards of Directors and CEOs of Mandatum Group companies are responsible for ensuring that Mandatum's data protection is maintained at an adequate level and

that sufficient resources are allocated to ensuring data protection. Data protection management follows the three lines of defence model. In this model, business operations are the first line of defence and responsible for implementing data protection requirements and principles and managing related risks. The second line of defence consists of risk management and compliance functions, which instruct, ensure and oversee that business operations are conducted in accordance with regulations, policies and guidelines. The third line of defence is the Group's internal audit, which independently monitors the effectiveness of data protection management, risk management and control processes and reports on development needs directly to the Group CEO and Board of Directors.

The Group Data Protection Officer (DPO) is part of the compliance function and reports regularly and whenever necessary to the Management Teams of the Group and subsidiaries, boards of directors and the Audit Committee of Mandatum plc's Board of Directors. The DPO operates independently and provides information

and advice to Group companies and employees on their data protection obligations and carries out independent assessments. The DPO also issues recommendations in matters related to data protection and oversees compliance with data protection regulations and guidelines. The DPO acts as a point of contact for the supervisory authority and data subjects in matters related to data protection. Employees and clients of Group companies can contact the DPO directly in all matters related to data protection.

Mandatum has also established a Data Protection Committee, which consists of representatives of the Group's business operations and key support functions as well as the DPO. The committee serves as a forum for Group companies to handle matters related to data protection, share information and harmonise data protection practices.

## IMPLEMENTING DATA PROTECTION

In its operations, Mandatum complies with the principles of data protection by design and by default. Management of data protection risks is part of the company's



operational risk management process. Business units assess data protection risks regularly, and the risk assessments are reviewed on a quarterly basis. The probability and severity of a risk to the rights and freedoms of data subjects is assessed based on the nature, scope, context and purpose of the processing. The most significant risks are reported quarterly to the Risk Management Committee and the Boards of Directors of Group companies.

Mandatum classifies and protects the company's information systems according to the risks associated with them. During the planning phase of procuring services or introducing new procedures or technologies, a Data Protection Impact Assessment (DPIA) is carried out to determine whether the planned data processing operations pose a high risk to the rights and freedoms of data subjects. The results of the DPIA are used to mitigate and manage risks and to ensure that the requirements of the GDPR are taken into account.

Suspected personal data breaches are reported as operational risk events, for which Mandatum has a separate management process. The process is used to ensure that personal data breaches are detected and handled appropriately, including communicating the incident to authorities and informing data subjects

affected by the breach when the relevant criteria are met. Mandatum also has a process for exercising the rights of data subjects to ensure that the conditions and requirements for the exercise of rights are met.

At Mandatum, access to personal data is restricted through user access rights management. Processing personal data without a work-based reason is strictly prohibited in the Data Protection Policy, and all processing is logged and monitored. Login to the online and mobile services of Group companies requires multi-factor authentication from the client, and online services offered to clients operate over an encrypted connection.

#### **PERSONNEL TRAINING**

Mandatum's employees are required to complete annual data protection training. The training is provided in the form of an online course, and the completion rate is monitored regularly. New employees complete the online course as part of onboarding. In addition to online training, customised training is provided to teams and units throughout the year if necessary. Data protection awareness and training is also supported by an application that helps detect phishing attacks. If necessary, data protection training is also provided to external service providers.

#### **ACTIONS AND RESULTS**

In 2023, Mandatum Group's responsibilities, roles and governance related to data protection were defined and reorganised to correspond to the three lines of defence model. Key development measures included establishing the Data Protection Committee and clarifying the tasks and responsibilities of the first and second lines of defence. The role of the DPO was transferred from Risk Management to the Compliance function. Mandatum's data protection expertise was reinforced with new hirings in units in the first line of defence.

In 2023, data subjects of Mandatum Group companies exercised their rights concerning the processing of their personal data on five occasions in total. Of these, four were requests to access personal data and one a request to erase data. The requests were answered within the response time defined in the GDPR, and none of the requests were refused. Mandatum is not aware of any complaints made by data subjects to data protection authorities concerning Mandatum Group companies in 2023. The supervisory authorities did not issue reprimands or orders related to personal data processing by Mandatum Group companies or exercise other corrective powers on Mandatum Group companies.

A total of ten reports of personal data breaches were submitted to the Office of the Finnish Data Protection Ombudsman. The number can be considered low, taking into account the scope and nature of Mandatum's business. In terms of impact on data subjects, the reports mainly concerned breaches assessed to have a low or at most moderate impact, typically involving one data subject and resulting from human error.

The implementation of Mandatum Group's data protection management system acquired in 2022 continued in 2023 and will continue in 2024. Key requirements in the selection and procurement of the system included support for the production of reports of personal data processing activities in accordance with Article 30 of the GDPR as well as Data Protection Impact Assessments (DPIA), balancing tests and third-party evaluations. The system was used to produce these reports and assessments in 2023.

At the end of the year, the completion rate of the mandatory online course on data protection for employees was 99.7 per cent.

### Requests from data subjects

	2023	2022	2021
Right of access to personal data	4	6	0
Right to rectification	0	0	0
Right to erasure	1	8	5
Right to restrict processing	0	0	0
Right to data portability	0	0	0
Right to object to processing	0	0	0
Right not to be subject to a decision based solely on automated processing	0	0	0
<b>Total requests from data subjects</b>	<b>5</b>	<b>14</b>	<b>5</b>

### Complaints by data subjects and reprimands by data protection authorities

	2023	2022	2021
Complaints by data subjects	0	0	0
Reprimands by the data protection authorities	0	0	0

### Data breaches reported to local data protection authorities

	2023	2022	2021
Data breaches reported to local data protection authorities	10	3	6

# INFORMATION SECURITY AND CYBER SECURITY

## APPROACH

As a reliable financial sector company, Mandatum strives to ensure the security of all services provided to clients. It is of essential importance to Mandatum that the levels of information security and cyber security are adequate and proportionate to the nature of the business and the data processed and correspond to the level generally expected of a financial sector company by different stakeholders. At Mandatum, information and cyber security are an integral part of the development of high-quality services, the digitalisation of services and a positive customer experience. Mandatum's information security management system is certified in accordance with the ISO/IEC 27001:2013 standard. The certification authority audits the system annually. Mandatum plans to transfer to the standard version ISO/IEC 27001:2022 during 2024.

## GOVERNANCE

Mandatum's information and cyber security operations are based on the Code of Conduct, Information Security Policy and Information Management Policy approved by Mandatum plc's Board of Directors.

The Information Security Policy defines the roles, responsibilities, objectives and practices for implementing information security. The Information Security Policy is complemented by information security principles and guidelines, including the principles of the use of cloud services, encryption, access rights and logins. The Information Management Policy defines the roles, responsibilities and classification of information. The Information Management Policy is supplemented by the information management principles, which define in more detail the processing rules based on the category of the information. In addition to Mandatum's own personnel, the requirements in the policies apply to service providers and other external stakeholders and are included in the relevant agreements. The frameworks and other key documentation are reviewed by document owners on a regular basis and in connection with significant changes.

## IMPLEMENTING INFORMATION SECURITY AND CYBER SECURITY

Mandatum's first and second lines of defence have their own information security organisations. The Business Technology unit

is responsible for operational information security work, including designing and implementing technical and administrative measures related to information and cyber security based on the policies and principles. The strategic development of information security and risk monitoring are handled centrally by the Risk Management function under the direction of the Group CISO (Chief Information Security Officer).

Mandatum's information security is continuously developed in accordance with the strategy approved by the Group Management Team to ensure that information security meets the expectations of clients and authorities and responds to the changing threat environment. The level of information and cyber security is actively assessed, and processes and systems are tested regularly. Information security and cyber risks are also actively monitored using various metrics and reported quarterly to the Information Security and Cyber Risks Committee. In addition, the Group CISO reports regularly on the state and risks of information and cyber security to the Risk Management Committee and the Audit Committee.

Information security incidents and vulnerabilities related to information and cyber security can be reported to Mandatum through the reporting channel on the company's public website.

## PERSONNEL TRAINING

Every Mandatum employee and person acting on behalf of the company is required to comply with the company's Information Security Policy, principles and guidelines and relevant legislation. The information security awareness and competence of employees is ensured through regular and, if necessary, targeted training and instructions. Employees are required to complete an online course on information security annually, and the completion rate is monitored regularly. In addition to online training, teams and units are offered customised training if necessary. For example, application developers are offered a separate application development model (Secure Development Lifecycle) and regular support through meetings of the information security forum for application developers. In addition, employees are trained to identify various fraud attempts with the help of simulations.

**Information security and cyber security incidents reported to authorities**

	2023	2022	2021
Information security and cyber security incidents reported to authorities	0	0	0

Adequate information security awareness and competence of external partners is ensured with agreements, instructions and, if necessary, training.

**ACTIONS AND RESULTS**

No information or cyber security incidents were referred to the company’s Crisis Management Team, and no significant information security incidents were reported to the authorities during 2023.

Mandatum continued the project launched in 2022 to develop the resilience of digital security based on the EU Digital Operational Resilience Act (DORA), which entered into force in January 2023. The regulation must be complied with from 17 January 2025 onwards. The project includes several sub-projects, the most important of which in terms of information and cyber security concern security testing and risk management related to third parties.

Business continuity was developed by updating the Group’s continuity plan to correspond to Mandatum’s new corporate structure as a listed company. Procedures were tested by carrying out an internal cyber exercise and by participating in a drill for life and non-life insurance companies organised by the insurance pool of the Finnish National Emergency Supply Agency.

At the end of the year, the completion rate of the mandatory online course on information security for employees was 99.2 per cent.



# HUMAN RIGHTS AND LABOUR PRACTICES

## APPROACH

Mandatum respects internationally recognised human rights and is committed to ensuring that human rights are not infringed in its operations. Human rights are taken into account throughout Mandatum's operations and value chain, from investment decisions to labour issues.

## GOVERNANCE

The principles related to Mandatum's human rights and labour practices are outlined in the Code of Conduct approved by Mandatum plc's Board of Directors. Mandatum complies with all applicable human rights and labour legislation. In addition to national laws and regulations, Mandatum is committed to respecting the UN Universal Declaration of Human Rights, the ILO Conventions on Labour Standards, the OECD Guidelines for Multinational Enterprises and the UN Global Compact initiative. Mandatum ensures that human rights and the rights of employees are also achieved in Mandatum's co-operation, value and contract chains by

identifying the situations and operators that involve a risk of non-compliance with the above-mentioned obligations.

Mandatum is committed to responsible investment, and ESG considerations are a key part of investment risk management. Mandatum regularly reviews its investment portfolio for human rights violations as part of norms-based screening. If violations are detected, Mandatum strives to cooperate with the parties concerned to rectify the situation.

The human rights of Mandatum's employees are safeguarded by the company's HR practices and policies. All policy commitments are approved at the highest level of the company. Mandatum emphasises equality in all its operations and policies and monitors gender distribution in the company's management positions. Equality issues are also addressed in the Mandatum Way culture guide, which is provided to all new employees at the start of employment.

Mandatum expects its subcontractors to conduct their business in accordance with the law and in an ethical manner. To this end, Mandatum may, as part of the subcontractor assessment, investigate subcontractors' operations for compliance with Mandatum Group's Code of Conduct. The assessment reviews commitment to human rights and equal treatment, among other factors.

## PERSONNEL TRAINING

Mandatum's Code of Conduct and its human rights principles are covered annually as part of mandatory compliance training for all personnel. Compliance training is also part of the onboarding programme for new employees.

## ACTIONS AND RESULTS

No human rights violations were reported at Mandatum in 2023. These refer to serious violations of human rights and labour legislation.

Harassment experienced at work can be reported to the employer using a form designed for this purpose. One harassment report was filed in 2023. The report was processed by the Ethical Advisory Board, and the senior occupational safety representative and occupational safety manager were also involved in handling the case. The incident is no longer subject to action.

Of Mandatum's employees, 48.8 per cent were covered by collective agreements as of 31 December 2023. The working conditions and terms of employment of employees who are not covered by a collective agreement are determined on the basis of collective agreements that apply to Mandatum's other employees.

In 2024, Mandatum intends to develop its own control framework for monitoring subcontractor cooperation during the partnership's life cycle.

**Internally reported human rights violations**

	2023	2022	2021
Internally reported human rights violations	0	0	0

**Internally reported cases of discrimination and harassment**

	2023	2022	2021
Internally reported cases of discrimination and harassment	1	0	0

**Employees covered by a collective agreement\***

	31 Dec 2023	31 Dec 2022	31 Dec 2021
Employees covered by a collective agreement (%)	48.8%	48.7%	48.9%

\*Figures do not include Luxembourg and Sweden.





# SUPPLY CHAIN MANAGEMENT

## APPROACH

Most of Mandatum's suppliers provide services as Tier 1 suppliers. Some of these suppliers use indirect, globally operating (Tier 2) subcontractors. Approximately 50 per cent of all of Mandatum's procurements consist of ICT-related services and licences. Other procurements by Mandatum include marketing, legal and other consulting services as well as services related to facilities. About 30 per cent of the contracts are fixed-term contracts. Mandatum also has long-term partnership agreements, in particular with providers of critical ICT services and financial services.

## GOVERNANCE

The Code of Conduct sets Group-wide requirements for responsible supply chain management. According to the Code of Conduct, Mandatum also requires stakeholders and partners to uphold the values of the Code of Conduct, where applicable. In addition, Mandatum strives to take ESG considerations, including climate change, into account in supply chain management.

Mandatum has issued Group-level outsourcing and procurement policies that all

employees participating in outsourcing and procurement must follow in their work. In its operations, Mandatum complies with regulatory requirements on supply chain management, outsourcing and procurement and monitors changes in legislation and official guidelines. Mandatum updates its policies, operating principles and procedures and, if necessary, its outsourcing and procurement agreements according to the regulatory requirements on supply chains in force at any given time.

## SUBCONTRACTOR RISK ASSESSMENTS AND AUDITS

Before committing to an outsourcing or procurement agreement, Mandatum conducts a preliminary risk assessment for all subcontractors. In addition, business-critical partners undergo a more thorough evaluation process before the cooperation begins. The assessment looks at factors such as the subcontractor's financing and solvency, operational resilience and business continuity, legal risks (including sanctions screening), compliance issues, data protection, reputational risks and conflicts of interest. Mandatum may, at its discretion, also require subcontractors to

undergo an audit in the manner and to the extent deemed necessary based on the risks involved.

The terms and conditions of the outsourcing or procurement relationship in accordance with Mandatum Group's Code of Conduct are carefully agreed with all subcontractors. Subcontractors involved in personal data processing are additionally required to commit to Mandatum's privacy and data protection requirements.

Mandatum may, as part of the subcontractor assessment, investigate subcontractors' operations for compliance with Mandatum Group's Code of Conduct. The assessment may cover issues such as commitment to human rights and equal treatment, environmental targets, data protection and security, as well as governance issues such as conflicts of interest and anti-corruption and bribery.

If a subcontractor does not meet the requirements, Mandatum will not enter into a partnership with the subcontractor. If a subcontractor is found to be in violation of these requirements during the partnership, the subcontractor is given the opportunity

to rectify the issue, provided that this is not clearly unwarranted considering the nature and scope of the violation. If the subcontractor does not rectify the violation, Mandatum will discontinue the partnership.

## ACTIONS AND RESULTS

During 2023, Mandatum developed its procurement and outsourcing processes and reviewed the related internal roles, responsibilities and short and long-term resource needs in order to implement the necessary operating principles, procedures and controls related to the processes as efficiently as possible. In 2023, Mandatum also carried out projects related to the development of risk management and the implementation of legislative changes, which have had and will, as the projects progress, continue to have new impacts on supply chain management also in 2024, for example regarding ICT service providers and procurement.

# ENVIRONMENTAL IMPACTS OF OPERATIONS

## APPROACH

Mandatum is committed to protecting the environment and combatting climate change. In terms of Mandatum's carbon footprint, investment activities represent the most significant impact, but the company also seeks to reduce GHG emissions from its operations and identify more sustainable ways of operating.

## GOVERNANCE

Mandatum's climate and environmental principles are outlined in the Code of Conduct. Mandatum's goal is to monitor and improve its activities impacting the environment and climate, by, among other things, reducing the consumption of natural resources and the emissions caused by its activities, by increasing the personnel's understanding of environmental and climate issues and by collaborating with stakeholders.

All Mandatum offices follow the Have a Green Day environmental policy, which encourages personnel to recycle, reduce electricity and paper consumption and waste and eat more plant-based food, among other things. Mandatum favours healthy and locally sourced food at client

and stakeholder events. One of the aims is to reduce food waste at Mandatum's events.

Activities are also guided by various commitments, such as the UN Global Compact and the UN Sustainable Development Goals.

## ACTIONS AND RESULTS

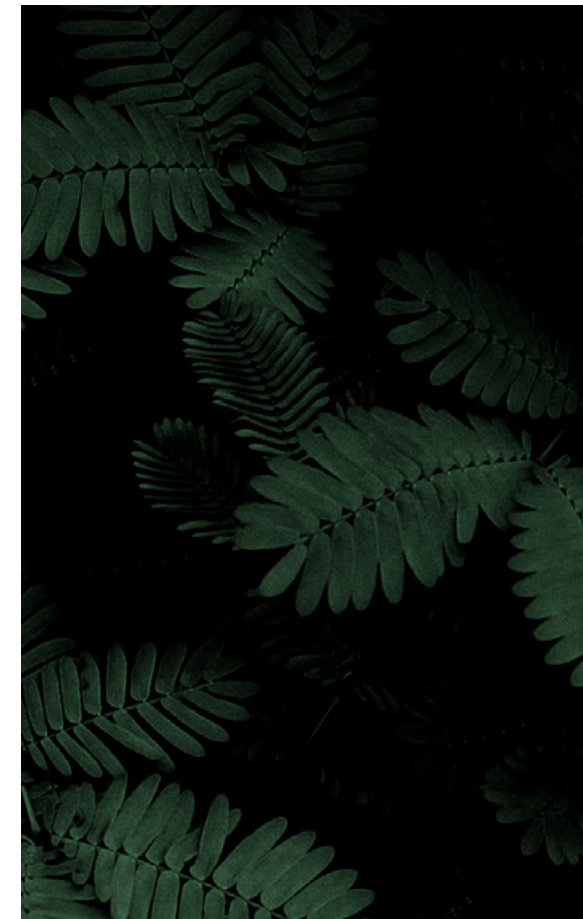
The greenhouse gas (GHG) emissions from Mandatum's own operations amounted to 1,175.8 tonnes in 2023, or 1.78 tonnes per employee. Scope 1 emissions accounted for 2.0 per cent (5.0%), Scope 2 emissions for 10.3 per cent (12.9%) and Scope 3 emissions for 87.7 per cent (82.1%) of total emissions. Most of the emissions in 2023 were caused by business travel, purchased goods and services, and employee commuting and remote work. These sources accounted for 31.8 per cent (30.1%), 20.7 per cent (9.8%) and 20.6 per cent (21.9%) of total emissions, respectively.

Mandatum has calculated the GHG emissions of its own operations since 2019. The data collected on emissions has been expanded year by year to obtain an even more comprehensive picture. In 2023, Mandatum's emissions calculation included

the offices in Sweden and Luxembourg for the first time. During the year, Mandatum opened new offices in Seinäjoki, Pori, Lappeenranta and Kuopio, which were also included in the emissions calculations. The offices in Lappeenranta and Kuopio were separated from If's premises. As a completely new source, emissions from waste at business locations were taken into account in the calculations.

During the year, Mandatum took various measures to reduce GHG emissions from its operations. These included increasing the number of hybrid and electric cars of the company car fleet. In particular, the number of electric cars was increased considerably. A heated parking facility for bicycles was constructed for the use of the personnel, which the company hopes will encourage year-round commuting by bicycle.

Mandatum's head office in Helsinki was awarded the BREEAM® certificate (Good) for environmental performance. In 2023, measures were prepared to raise the certificate to the next level in cooperation with the property owner. The planned measures for 2024 include enabling CO<sub>2</sub>



## Greenhouse gas emissions

tCO <sub>2</sub> e	2023	2022	2021	Change 2023/2022, %*
Scope 1: Direct greenhouse gas emissions	23.9	42.5	70.4	-43.7%
Scope 2: Indirect greenhouse gas emissions	121.2	109.8	124.8	10.3%
Scope 3: Other indirect greenhouse gas emissions	1,030.7	696.3	313.6	48.0%
<b>Scope 1-3 GHG emissions in total</b>	<b>1,175.8</b>	<b>848.6</b>	<b>508.7</b>	<b>38.6%</b>
<b>GHG emissions per employee</b>	<b>1.78</b>	<b>1.35**</b>	<b>0.99</b>	<b>31.8%</b>

\*The figures for 2022 and 2023 are not comparable, as emissions in 2023 increased due to expanding the calculation to include all of Mandatum business locations. In addition, emissions caused by waste were included in the calculation.

\*\*Figure has been corrected in this report.

measurements at the premises, improving accessibility, improving workstation lighting, and identifying possible ways to conserve water.

In its internal events, Mandatum actively strives to reduce waste and favours local suppliers and producers. In 2023, Mandatum participated in the Earth Hour climate event by WWF. During the day, the lights at each office were switched off and employees were offered a plant-based breakfast.

Mandatum offers its personnel the opportunity to purchase office furniture to use in remote work at home. In 2023, the company launched the option to choose recycled furniture instead of new. From various recycling projects and cleaning efforts in the premises, Mandatum delivered as much tableware and clothing in recyclable condition as possible to the Hope charity. The interior design of new offices also made use of furniture left over from the changes to the Helsinki office.

## CASE

### EARTH HOUR TURNED OFF THE LIGHTS AT MANDATUM'S HEAD OFFICE AS EMPLOYEES MADE 312 PLEDGES FOR NATURE

In 2023, Mandatum participated in the Earth Hour climate event organised by WWF. The event was organised on 25 March 2023, when Mandatum participated to shine a spotlight on nature and the climate by turning off the lights at the company's head office from 8.30 to 9.30 p.m.

On Friday, 24 March 2023, an Earth Hour-themed breakfast of plant-based products was arranged for employees at the Bulevardi head office. The lights in the office breakfast area were turned off, and breakfast was enjoyed under the light of LED candles.

*"Earth Hour is about much more than just conserving electricity or energy. By organising an Earth Hour week, we wanted to do our part to increase climate and environmental awareness among our personnel and other stakeholders,"* says **Jatta Gerdt**, VP for HR.

During Earth Hour, employees were allowed to give their own pledges for nature. In total, as many as 312 pledges were made. Among other things, employees pledged to invest in a climate-responsible manner, donate money to environmental organisations' climate work, conserve electricity and fuel, and favour sustainable renewable energy.

*"My pledge for nature was to eat vegetarian food for lunch on five workdays in a row. Right now, we are facing a turning point in nature and the climate that calls for everyone to strive to make climate actions in their lives, no matter how big or small. Inspired by Earth Hour, I strive to live in a way that is more sustainable and respectful of nature. I believe that we humans are here on Earth as guests of nature, and we should try to live with respect for nature and its diversity also outside the Earth Hour event,"* says Webmaster **Juha-Ensio Halonen** from the Marketing and Communications Department.

The Earth Hour event and Mandatum's climate acts were communicated extensively both on Mandatum's external social media channels and internally through events and internal news.

# COMPLIANCE WITH LAWS AND REGULATIONS

## APPROACH

The financial sector is closely regulated and supervised, which is why compliance with legislation, regulations and other provisions is critical for Mandatum's operations. In all of its operations, Mandatum always follows the applicable legislation and applicable regulatory guidelines and provisions. As a listed company, Mandatum also complies with the Finnish Corporate Governance Code maintained by the Finnish Securities Market Association, the rules of Nasdaq Helsinki Ltd and the applicable securities market legislation and the regulatory provisions laid down in accordance with it.

## ACTIONS AND RESULTS

Mandatum reports the number of cases of non-compliance detected during the Group's reporting period and the total amount of fines. The total amount takes into account fines imposed during the current and previous reporting periods separately. No fines were imposed on Mandatum Group in 2023. There were also no payments related to fines from previous reporting periods.

## Number of cases of non-compliance

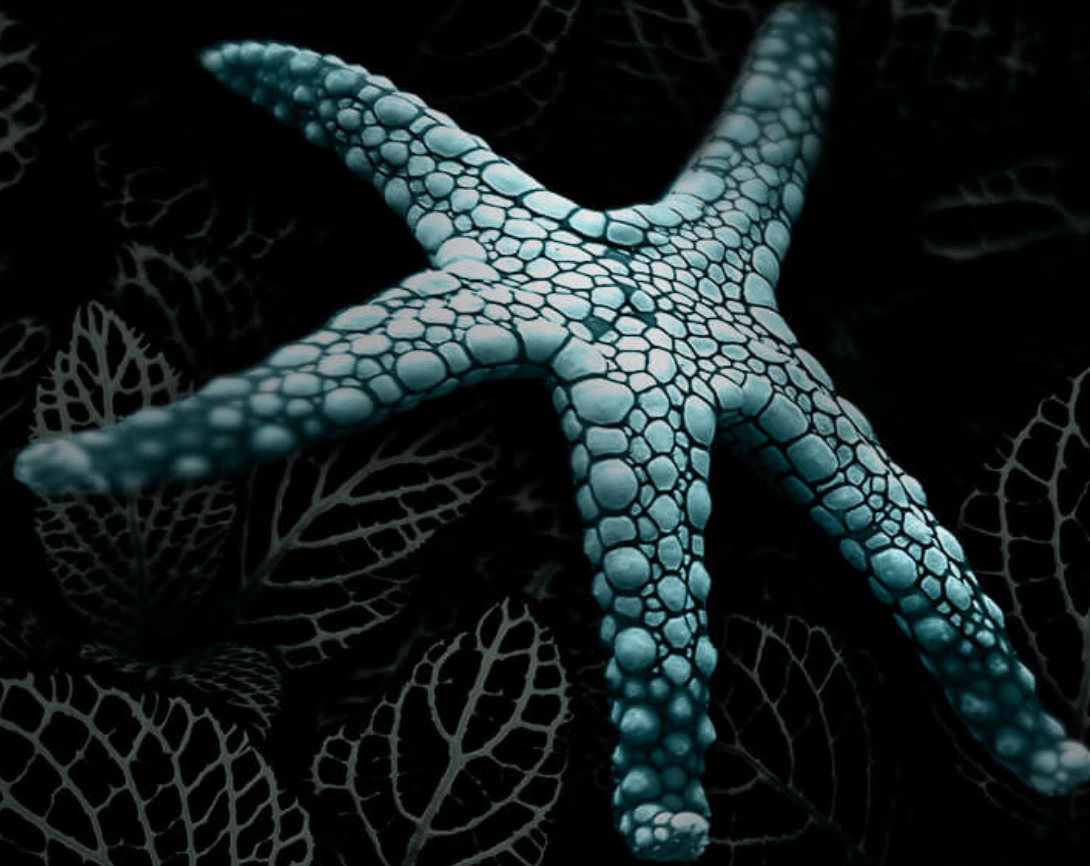
	2023	2022
Number of cases resulting in fines	0	0
Number of significant cases resulting in non-financial consequences	0	0

## Fines paid

EUR	2023	2022
Fines imposed during the reporting year	0	0
Fines imposed in previous reporting periods	0	0

# 6

# SUSTAINABILITY IN COMMUNITIES





# STAKEHOLDER COOPERATION AND DIALOGUE

Mandatum’s way of cooperating with stakeholders is based on working together and listening to and informing relevant stakeholders. At Mandatum, responsibility for stakeholder cooperation is decentralised, which means that each business function or unit has responsibilities related to the theme. Continuous dialogue with stakeholders provides information on what stakeholders consider important and what is expected of Mandatum as a company. By investing in stakeholder cooperation, the company is able to proactively take into account the needs and wishes of stakeholders and prevent and mitigate potential risks, such as feelings of uncertainty or dissatisfaction among key stakeholders.

In connection with the strategy work carried out in 2023, Mandatum’s Group Management Team identified personnel, clients, partners, owners, authorities, media, societal decision-makers, influencers and communities as key stakeholders of the Group. In addition, each category of stakeholders has numerous sub-groups.

Stakeholders are experts in their respective fields who provide information and exper-

tise to Mandatum. Conversely, Mandatum supports its stakeholders when necessary by providing its specialists’ time and expertise. Engagement is carried out on various themes, and the aim is to engage in dialogue on topics that support the goals of both Mandatum and its stakeholders.

## MEMBERSHIPS, INITIATIVES AND COMMITMENTS

Mandatum is committed to promoting sustainability matters in the development of the company’s business operations. Commitments to various international principles and participation in networks are an integral part of this. The most significant memberships and commitments of Mandatum’s sustainability work are listed below.

**The UN Global Compact** is the world’s largest corporate sustainability initiative that encourages companies to develop their business to be more sustainable. Mandatum is committed to adopting, supporting and implementing the ten principles of the Global Compact related to human rights, labour standards, the environment and the prevention of corruption within its sphere of influence.

## STAKEHOLDER ENGAGEMENT IN 2023

Examples of Mandatum’s stakeholder engagement in 2023 are presented below.

### COOPERATION WITH WWF FINLAND

Mandatum has worked with WWF Finland since 2017. The aim of the cooperation is to steer the investment sector to adjust its operations to the 1.5–2.0°C temperature goal of the Paris Climate Agreement. In 2023, **Liisa Rohweder**, Secretary General of WWF Finland, was interviewed by Mandatum Magazine.

### COOPERATION WITH DIRECTORS’ INSTITUTE FINLAND

The goal of the cooperation between Mandatum and Directors’ Institute Finland is to increase awareness of responsible reward practices. Together, the organisations improve Finnish directors’ and board members’ awareness of how responsible management and rewards affect employee satisfaction and productivity, and how sustainability issues can be promoted by linking relevant targets to executive pay schemes. In 2023, Mandatum and Directors’ Institute Finland organised various collaborative events on themes such as responsible compensation.

### COOPERATION WITH SUOMEN YRITTÄJÄT

Mandatum cooperates with the business confederation Suomen Yrittäjät to improve entrepreneurs’ and their families’ security and preparedness for the future. One of the aims of the cooperation is to increase entrepreneurs’ awareness of pension cover and savings solutions with educational webinars and assist in the development of employee remuneration solutions.



**The UN Sustainable Development Goals (SDGs)** are part of the UN 2030 Agenda, which aims to eradicate extreme poverty and achieve sustainable development that takes the environment, economy and people into account on an equal basis. There are a total of 17 Sustainable Development Goals and 169 targets. Mandatum is committed to promoting three of the SDGs that are particularly relevant to the company's operations and impacts. These goals are: 3 Good health and well-being, 8 Decent work and economic growth, and 13 Climate action.

**PRI (Principles for Responsible Investment)** is an international non-profit owned by its members that annually assesses its members' investment activities. The assessment tells organisations how they have progressed in integrating responsible investment, as well as which areas of investment operations are in need of improvement. As a signatory to the PRI, Mandatum is committed to the six principles of responsible investment.

**PSI (Principles for Sustainable Insurance)** is the largest collaboration between the UN and the insurance sector. The PSI is a global sustainability framework for the insurance sector to address environmental, social and governance risks and opportunities.

Mandatum is committed to promoting PSI's four principles in its insurance operations.

**The Global Real Estate Sustainability Benchmark (GRESB)** is an assessment of real estate investment companies and funds. Real estate investors use the international GRESB assessment to develop their sustainability work. In the GRESB, the sustainability of properties is assessed at the level of the entire real estate portfolio. The assessment covers themes such as energy and water consumption, waste volume, greenhouse gas emissions, risk management, stakeholder engagement and overall corporate sustainability reporting, principles and management. In 2023, the property portfolio managed by MAM participated in the GRESB assessment for the fourth time.

**Finsif (Finland's Sustainable Investment Forum)** is an association that promotes responsible investment in Finland. Finsif offers member organisations a forum for networking and shares information among its members through regular training, current events and guides related to responsible investment in asset classes. By partnering with organisations and foundations, Finsif aims to promote sustainable development and the implementation of the PRI in the investment sector. MAM is a member of Finsif.

**The Finnish Venture Capital Association** is a public policy advocate for the private equity industry that promotes the operating conditions of the sector and offers its members services related to the development of practices. The association maintains the industry's Code of Conduct, issues recommendations and organises training to develop the industry. As an investor member of the association, Mandatum is committed to complying with the association's rules and recommendations on openness and transparency in the private equity industry. Mandatum also participates in the activities of the Finnish Venture

Capital Association through various working groups (including the legal, sustainable finance and ESG working groups) either as a full member or as a deputy member.

**FIBS (Finnish Business & Society)** is the largest corporate responsibility network in the Nordic countries. FIBS helps Finnish companies combine sustainability and business by sharing information on best practices and solutions among companies and their stakeholders. Mandatum is a member of FIBS.

## Donations and other humanitarian efforts

Mandatum supports many different projects and donates to charities. Decisions on donations are made by Mandatum plc's Board of Directors. Through donations and other humanitarian efforts, Mandatum seeks to create positive change in society and support communities in which the company and its employees are present.

### SOS CHILDREN'S VILLAGES

At Christmas 2023, together with Kaleva Mutual Insurance Company, Mandatum donated the funds reserved for Christmas gifts for employees and clients to SOS Children's Villages. The total amount donated was EUR 15,000.

The Christmas donation is intended to promote the rights and inclusion of children and young people in preventive work in Finland. The donation is especially used to support the Apuu chat service, which offers low-threshold counselling for children.

The donation has been a Christmas tradition for many years and is part of Mandatum's long-term sustainability work. For several years, Mandatum and Kaleva have made a donation to a noteworthy cause ahead of the holiday season. Previous years' recipients have included UNICEF, the Mannerheim League for Child Welfare, the Baltic Sea Action Group and the Hope charity, among others.

### TUKIKUMMIT

Mandatum works together with the Tukikummit foundation to prevent the marginalisation of children and young people in Finland. Through the foundation, Mandatum donates accident insurance to children of families in difficult situations.

### Donations

	2023	2022	2021
Donations, EUR	17,926	126,870	56,789*

\*Includes Kaleva for 2021, as Mandatum and Kaleva collaborate in a part of the donations (such as the Christmas donation).

By choosing Mandatum's insurance products, clients can help protect the life and health of disadvantaged children and young people in the event of injury. For each new personal risk insurance policy sold, Mandatum donates nearly 1 per cent of the premiums for the first year to pay for the accident insurance. The insurance is granted for two years at a time until the child turns 18.

The cooperation started in 2014 and to date, more than 4,000 children have received accident insurance. The total value of the safety net built over the years is equivalent to tens of millions of euros.

### VOLUNTEER WORK BY PERSONNEL

Since 2021, all Mandatum personnel have had the opportunity to volunteer in a charity of their choice. Up to eight working hours may be spent on volunteering during the year, during which employees support their chosen cause with their own efforts or in some other way. In 2023, the company's employees volunteered for causes such as the restoration of traditional biotopes in Nuuksio National Park, Granin Lähiapu's seniors' club and Hope charity.

## CASE

### VOLUNTEERING AT THE NEONATAL INTENSIVE CARE UNIT

Mandatum encourages all its personnel to give back to their communities in the form of volunteer work. In 2023, each employee had the opportunity to devote eight working hours to volunteer work.

*"Since 2021, employees have been offered the opportunity to volunteer during working hours. Volunteer work may consist of providing professional assistance to those in need or other kinds of help in matters that are valuable to the employee. The feedback from volunteers is invariably positive. The joy of helping others gives a sense of meaning, and volunteering provides both a change from normal work as well as memorable encounters and experiences. Many appreciate the opportunity to help during working hours, as finding the time for volunteering alongside work can otherwise be challenging,"* says **Heidi Jämsä**, Facility Manager.

Seven employees skilled in crafts from the Data and MF team of Mandatum's Business Technologies unit participated in volunteer work by crocheting, sewing and knitting donations to the Women's Clinic Neonatal Intensive Care Unit Saari. The ICU's patients are premature babies and babies requiring intensive care, who stay in the ward for extremely varied periods from just hours to even six months.

In November 2023, 58 crocheted octopuses, seven pairs of wool socks and two baby blankets were donated to the ICU. The octopus toys give babies something to grasp on to allow tubes and medical equipment to remain in place. Premature babies are given a safe and warm nest where they can be accompanied by the toy octopus.

*"It's a wonderful way to help and brings joy to both the volunteer and the recipient. It's great to see that Mandatum enables this kind of activity for its employees! It's also a good thing that the volunteering can be done alone or as a group,"* says **Heidi Villikka**, who came up with the idea for the volunteer campaign.

# FINANCIAL RESPONSIBILITY AND TAX FOOTPRINT

## APPROACH

Financial responsibility at Mandatum means ensuring the continuity of operations, profitability, earnings capacity and solvency in all market situations. In this way, Mandatum ensures the generation of economic value for society in the long term. Ensuring continuity also forms the foundation for the sustainable and responsible management of clients' insurance liabilities, investments and pensions over decades. Because of this, risk management is also an integral part of Mandatum's financial responsibility.

One of the most important aims in terms of risk management is to ensure sufficient capital in relation to business risks and to limit variation in financial performance in the long term. Financial responsibility also means taking proactive measures to various situations, such as changes both within and outside the organisation.

For years, Mandatum has been among Finland's largest taxpayers. Mandatum Life was the largest single corporate taxpayer among financial sector companies in 2017–2021 with a total of EUR 301.9

million in corporate taxes paid during this period. In 2022, Mandatum paid a total of EUR 18.9 million in corporate taxes. Compliance with tax obligations is an important part of the company's business and responsibility.

## GOVERNANCE

Mandatum Group companies are committed to complying with the spirit and letter of tax legislation and regulations in their countries of operation. Mandatum's Group-wide tax principles are outlined in the Code of Conduct. The Code of Conduct is reviewed annually and approved by Mandatum plc's Board of Directors.

Tax issues have been integrated into financial administration and are the responsibility of the Group CFO. If necessary, the Group CFO reports to the Board of Directors on strategically significant tax issues. Individual Group companies and their financial and tax specialists are responsible for day-to-day tax issues. In addition, internal governance models, statutory requirements and supervision by the authorities ensure that Mandatum Group companies comply with tax regulations.

## Taxes payable and collected

EUR million	2023	2022	2021
<b>Taxes paid</b>			
Corporate income tax	64.0	18.9	53.0
Employment taxes	1.0	0.7	1.1
Other taxes	1.3	1.5	1.4
<b>Total</b>	<b>66.3</b>	<b>21.2</b>	<b>55.5</b>
<b>Taxes collected</b>			
VAT	4.5	3.7	1.4
Withholding tax	143.5	134.0	136.3
<b>Total</b>	<b>148.0</b>	<b>137.7</b>	<b>137.8</b>
<b>Total tax contributions</b>	<b>214.3</b>	<b>158.9</b>	<b>193.2</b>

## Effective tax rate

	2023	2022	2021
Effective tax rate (%)	23.7%	21.3%	20.6%

Mandatum's way of managing tax risks is consistent and a part of general risk management. Mandatum actively identifies, assesses, monitors and manages tax risks to ensure that they remain in line with business operations and strategic objectives, taking

into account Group companies' appetite to take on tax risks.

## ACTIONS AND RESULTS

In 2023, taxes payable and collected by Mandatum Group totalled EUR 214.3 million (158.9).

# 7

# APPENDICES



# APPENDIX 1: CALCULATION PRINCIPLES

This sustainability report covers the period from 1 January to 31 December 2023, unless otherwise stated. The report has been published on Mandatum’s website on 5 April 2024 and is available at [mandatum.fi/en/year2023](https://mandatum.fi/en/year2023).

## SCOPE AND STRUCTURE OF THE REPORT

The reporting scope covers Mandatum plc and its subsidiaries Mandatum Life Insurance Company Limited (Mandatum Life) and Mandatum Asset Management Limited (MAM), as well as their subgroup companies. The report mainly discusses Group-level information, with information specific to subsidiaries provided as necessary to provide a more complete picture.

Mandatum was incorporated in the partial demerger of Sampo plc, which took effect on 1 October 2023. Trading in the shares of Mandatum plc on Nasdaq Helsinki Ltd’s stock exchange list commenced on 2 October 2023. This report covers the periods both before and after public listing, unless otherwise stated. The infor-

mation on corporate governance mainly represents Mandatum plc’s governance structure after public listing.

The report is divided into sections based on Mandatum’s strategic sustainability themes, which are responsible investment, Mandatum’s products and services, and Mandatum’s own personnel and operations. In addition, the report discusses sustainability governance in the section Sustainability at Mandatum and the company’s stakeholder cooperation and societal impact in the section Sustainability in communities. Under each theme, the most material sustainability topics are discussed.

## APPROACH USED FOR CONSOLIDATION

This report is Mandatum’s first sustainability report published as a listed company. Until

2022, Mandatum reported on sustainability as part of Sampo Group’s annual sustainability reporting. The Sustainability Reports for 2020–2022 published by Mandatum have supplemented Sampo Group’s reporting. The figures for previous years have been presented in this report for comparison purposes insofar as they are available or deemed relevant.

The report discusses the sustainability information of Mandatum plc and its subsidiaries. The definition of a subsidiary is based on the Group’s financial reporting.

## REPORTING FRAMEWORKS

This report is a disclosure of non-financial information in accordance with Chapter 3a, Section 5 of the Finnish Accounting Act. The Sustainability Report for 2023 is published concurrently with the Report of the

Board of Directors and Financial Statements. The report also meets the reporting requirements of the EU Taxonomy.

The report has been prepared in accordance with Global Reporting Initiative (GRI) standards. The GRI content index is presented in Appendix 4. The reported material topics in line with the GRI are based on information collected through Sampo Group’s sustainability reporting and materiality assessment. In 2023, Mandatum launched a double materiality assessment in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), the results of which will be available in early 2024. In the future, Mandatum will report on its material topics based on the results of the assessment. Mandatum will publish its first sustainability statement in accordance with CSRD as part of the Report of the Board of Directors for 2024.

In addition, the report describes Mandatum's activities in promoting the UN Sustainable Development Goals. In its sustainability strategy, Mandatum has identified three SDGs that are particularly relevant to its operations and impacts:

- 3 Good health and well-being
- 8 Decent work and economic growth
- 13 Climate action.

### ASSURANCE

This report has been assured (limited assurance) by a third-party assurance provider as specified in the GRI index and at the request of Mandatum plc's management.

### RESPONSIBLE INVESTMENT

The calculations of the carbon footprint of investments in the section Assessing the climate impact of investments are based on Mandatum Life's principal adverse impact statement for 2023 in accordance with the SFDR. The statement covers data from 2022. The statement includes the latest available calculations on the carbon footprint of Mandatum Life's investments.

### MANDATUM'S PRODUCTS AND SERVICES

The Finnish Financial Ombudsman Bureau FINE's recommendations for dispute resolutions for Mandatum Life are based on statistics obtained from FINE. The

data is based on preliminary statistics, and FINE will publish the final statistics in spring 2024.

### PERSONNEL AND OPERATIONS

#### RESPONSIBILITY FOR PERSONNEL

Personnel figures are reported as full-time equivalent employees (FTE), excluding employees working as consultants or on zero-hour contracts, employee turnover, new employees and employees covered by collective agreements, which are calculated based on the number of employees. The figures cover all Mandatum business locations, excluding employee turnover, the binary gender distribution of supervisors, absences due to illness and employees covered by collective agreements, which do not include the offices in Sweden and Luxembourg. The majority of Mandatum Group's employees work in Finland.

The calculations mainly used figures as of the end of the year. However, training costs have been calculated using the yearly averages. The average remuneration of employees, including figures reported by gender, is calculated by dividing the sum of the remunerations paid to employees during the year by the average FTE for the same period. The Group CEO and their remuneration are not included in the remuneration figures for employees. Fixed compensation

includes fixed salaries, taxable employee benefits, holiday bonuses and holiday pay. Variable compensation includes short-term and long-term bonuses. In addition, the remuneration figures include amounts paid to the defined contribution supplementary pension fund. These are further divided into fixed or variable compensation, depending on the contribution basis. Remuneration figures do not include taxes or the employer's social security contributions.

Occupational health care refers to health services provided by the employer to employees. Occupational health care can be statutory or offered voluntarily. Supplementary occupational health care services refer exclusively to health services which the employer offers voluntarily without a statutory obligation.

#### ANTI-CORRUPTION AND BRIBERY

Reported cases of corruption and bribery include reports submitted to the Compliance function or received through the whistleblowing channel.

#### HUMAN RIGHTS AND LABOUR PRACTICES

The number of internally reported human rights cases covers all serious violations of human rights and labour practices. Reported cases of discrimination and harassment include reports received through Mandatum's internal reporting channel.

### ENVIRONMENTAL IMPACTS OF OPERATIONS

The section Environmental impacts of operations presents an overview of Mandatum Group's GHG emissions. The calculation includes all of Mandatum's offices in Finland as well as in Sweden and Luxembourg. GHG emissions are reported at Group-level. An external service provider, South Pole, performed the calculation using figures supplied by Mandatum.

GHG emissions have been calculated and reported in accordance with the Greenhouse Gas Protocol. According to the GHG Protocol, emissions are divided into direct and indirect emissions. Direct and indirect emissions are further divided into three categories: Scope 1 (direct emissions), Scope 2 (indirect emissions) and Scope 3 (other indirect emissions).

Mandatum reports Scope 1 emissions based on the fuel used in leased cars and Scope 2 emissions based on electricity consumption and heating. Scope 3 emissions have been calculated based on business travel (flights, kilometre allowances, taxis, train travel and hotel stays), IT equipment (IT equipment purchased during the year) and cloud services, water consumption, waste, paper consumption, food services, other purchased products and services, employee commuting and remote work, and fuel and



energy consumption. Data on electricity consumption was available for all locations with the exception of Vantaa, Lappeenranta, Vaasa, Sweden and Luxembourg. The electricity consumption of these sites is extrapolated from other data. With the exception of the Jyväskylä office, electricity in all locations was renewably sourced. Other causes of electricity consumption include the charging of electric cars. Data on heating was only available for the offices in Helsinki and Elektriikkatie in Oulu. The heating consumption of other sites was extrapolated from other data. Water consumption was extrapolated based on consumption in the Helsinki office in the previous year and the number of employees. Data on employees' business travel was collected with a survey. The response rate of the survey was 30 per cent, and the results were extrapolated to cover all personnel.

More information on consumption and emissions can be found in Appendix 3: Greenhouse gas emissions.

#### **COMPLIANCE WITH LAWS AND REGULATIONS**

Compliance violations reported as part of sustainability reporting are considered significant if they have resulted in administrative or legal sanctions or fines. Cases that have resulted in non-financial consequences may also include restrictions imposed by

governments, regulators or public entities on the Group's operations (such as withdrawal of trading or operating licences). They may also include measures taken by supervisory authorities to end or rectify unlawful activities.

#### **SUSTAINABILITY IN COMMUNITIES**

Taxes and donations are reported at the Group-level using consolidated accounting principles.



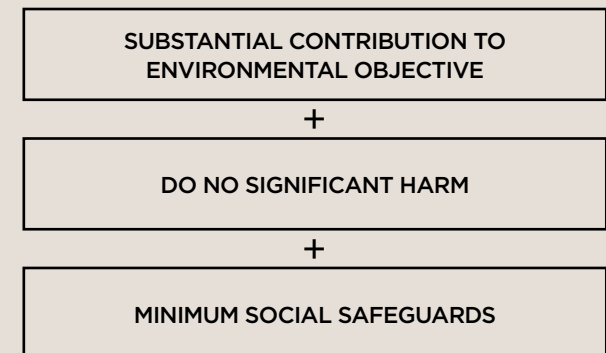
# APPENDIX 2: EU TAXONOMY

According to the basic principle of the EU taxonomy, an economic activity must substantially contribute to at least one of the six environmental objectives determined by the EU taxonomy in order to be classified as environmentally sustainable. At the same time, the economic activity must do no significant harm to other environmental objectives. The activity must also meet certain minimum social safeguards.

## EU TAXONOMY'S ENVIRONMENTAL OBJECTIVES



## CRITERIA FOR ENVIRONMENTALLY SUSTAINABLE ECONOMIC ACTIVITIES



The EU Taxonomy Regulation (EU 2020/852) for sustainable economic activities entered into force in July 2020. The taxonomy was supplemented with criteria for climate objectives (Climate Delegated Act) which became applicable in 2022. The delegated act on the criteria for four other environmental objectives became applicable from the beginning of 2023. In addition to reinforcing the criteria for other environmental objectives, the Climate Delegated Act was supplemented with regard to nuclear power and fossil gas.

Disclosure obligations related to the EU taxonomy have become effective gradually. For the first years, companies reported their taxonomy eligibility, followed by reporting on taxonomy alignment starting in 2023.

### **TAXONOMY REPORTING AT MANDATUM GROUP**

As of 2023, large financial undertakings and other companies or groups that fall within the scope of the Non-Financial Reporting Directive (NFRD, EU 2014/95) must disclose the scope of their economic activities that meet the technical screening criteria. As of 2024, taxonomy reporting obligations are determined by the Corporate Sustainability Reporting Directive (CSRD, EU 2022/2464), which extends the scope of taxonomy reporting to a larger group of companies than before.

The Disclosures Delegated Act (EU 2021/2178) supplementing the Taxonomy Regulation specifies companies' reporting obligations based on their economic activities. On the basis of the Disclosures Delegated Act, consolidated taxonomy reporting by Mandatum Group (Mandatum plc and its subsidiaries) for 2023 complies with the requirements for non-financial undertakings, taking into account the consolidated structure as of the closing date.

In addition, Mandatum voluntarily reports on the taxonomy alignment of investments by Mandatum Life Insurance Company Limited in accordance with the disclosure obligations for insurance and reinsurance companies, as applicable to life insurance companies. Voluntary reporting on the investment activities of Mandatum Life Insurance Company Limited is considered to contain relevant information about the taxonomy alignment of the economic activities and to increase the continuity of reporting in relation to the previous years, for which taxonomy eligibility has been reported for the life insurance company.

### **TAXONOMY REPORTING IN 2023**

Mandatum Group does not use turnover in its financial reporting. However, in accordance with regulatory guidelines, turnover reported as part of taxonomy reporting includes Mandatum Group's insurance

revenue and other income, which totalled EUR 372 million in 2023. Mandatum had no taxonomy-eligible or taxonomy-aligned turnover in 2023.

Capital expenditure, or investments in tangible and intangible assets, totalled EUR 6.3 million in 2023. Capital expenditure consisted of the financial statement items Property, plant and equipment and Goodwill and Intangible assets - additions. Operating expenditure consisted of facility costs, which totalled EUR 4.5 million in 2023. There were no taxonomy-aligned capital expenditure or operating expenditure.

The reference values for turnover, capital expenditure and operating expenditure are not reported, as Mandatum Group is reporting on its taxonomy data for the first time in its current form following the demerger from Sampo in 2023.









Mandatum Group is not engaged in nuclear or fossil gas related activities that would need to be reported in accordance with Annex XII. However, the investments of Mandatum Life Insurance Company Limited include companies engaged in activities related to nuclear power or fossil gas.

For this reason, Mandatum reports on its investments using the standard templates in Annex XII.

Due to the challenges related to the availability of reported data, the scope of Mandatum's reporting covers the most significant holdings in terms of euros invested, of which a significant proportion of activities was assessed to concern nuclear and fossil gas related activities covered by Annex XII. As the impact of companies that were excluded from the data on the reported figures is minimal, the report contains the relevant information for providing a true and fair view.

### Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

**Taxonomy-aligned economic activities (denominator) – turnover**

Row		Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
				CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
				Amount EUR million	%	Amount EUR million	%	Amount EUR million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.0	0.0%					
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI		0.2	0.0%					
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		8.7	0.1%					
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.0	0.0%					
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.0	0.0%					
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.0	0.0%					
7.	<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>		136.1	0.9%					
8.	<b>Total applicable KPI</b>		<b>15,013.3</b>	<b>100.0%</b>					

**Taxonomy-aligned economic activities (denominator) – capex**

Row		Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
				CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
				Amount EUR million	%	Amount EUR million	%	Amount EUR million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.0	0.0%					
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI		0.0	0.0%					
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		5.4	0.1%					
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.0	0.0%					
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.0	0.0%					
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0.0	0.0%					
7.	<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>		187.5	4.7%					
8.	<b>Total applicable KPI</b>		<b>3,974.0</b>	<b>100.0%</b>					

**Taxonomy-aligned economic activities (numerator) – turnover**

Row		Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
				CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
				Amount EUR million	%	Amount EUR million	%	Amount EUR million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		0.0	0.0%					
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI		0.2	0.0%					
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		8.7	0.1%					
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		0.0	0.0%					
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		0.0	0.0%					
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		0.0	0.0%					
7.	<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI</b>		136.1	93.9%					
8.	<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>		<b>144.9</b>	<b>100.0%</b>					

**Taxonomy-aligned economic activities (numerator) – capex**

Row		Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
				CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
				Amount EUR million	%	Amount EUR million	%	Amount EUR million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		0.0	0.0%					
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI		0.0	0.0%					
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		5.4	11.5%					
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		0.0	0.0%					
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		0.0	0.0%					
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI		0.0	0.0%					
7.	<b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI</b>		187.5	397.3%					
8.	<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>		<b>47.2</b>	<b>100.0%</b>					

**Taxonomy-eligible but not taxonomy-aligned economic activities – turnover**

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount EUR million	%	Amount EUR million	%	Amount EUR million	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%				
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%				
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%				
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.0	0.4%				
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9.6	0.8%				
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%				
7.	<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	1,118.6	98.8%				
8.	<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>	<b>1,132.2</b>	<b>100.0%</b>				



**Taxonomy-eligible but not taxonomy-aligned economic activities – capex**

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount EUR million	%	Amount EUR million	%	Amount EUR million	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%				
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%				
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%				
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6.3	0.9%				
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9.4	1.4%				
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%				
7.	<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	659.5	97.7%				
8.	<b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>	<b>675.2</b>	<b>100.0%</b>				

**Taxonomy non-eligible economic activities – turnover**

Row	Economic activities	Amount	
		EUR million	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
7.	<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	13,736.1	100.0%
8.	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>13,736.1</b>	<b>100.0%</b>

**Taxonomy non-eligible economic activities – capex**

Row	Economic activities	Amount	
		EUR million	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
7.	<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	14,104.7	100.0%
8.	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>14,104.7</b>	<b>100.0%</b>

### VOLUNTARY INFORMATION SUPPLEMENTING TAXONOMY REPORTING

In order to build on last year's reporting and to provide a more detailed understanding of the taxonomy alignment of Mandatum's business, Mandatum voluntarily discloses taxonomy information related to the investments of its subsidiary Mandatum Life Insurance Company Limited in accordance with the investments table in Annex X of the Disclosures Delegated Act. The reporting by Mandatum Life Insurance Company Limited covers the entire balance sheet of the company's investments in terms of with-profit and unit-linked insurance.

The taxonomy analysis of the investments of Mandatum Life Insurance Company Limited was carried out using data supplied by an external service provider. The service provider identified companies with economic activities that fall within the EU taxonomy, and produced data based on the most recent available disclosures. The taxonomy alignment KPIs used are based directly on taxonomy reporting by investee companies, and no estimates were used in the reporting.

The assets covered by the reporting include all investments, excluding exposures to governments, central banks and supranational issuers that must be excluded from the taxonomy analysis. The aforementioned

investments are included in figures reported for all investments. In the calculation of the numerator, only companies within the scope of the NFRD were included in accordance with the Taxonomy Regulation. The share of companies not covered by NFRD reporting is presented in the denominator distribution. Balance sheet items belonging to other counterparties and assets include real estate investments and fund investments that could not be reported at the level of individual investee companies.

Fund investments included in the reporting were reported at the level of individual investee companies, within the scope of available data. In the breakdown of climate change mitigation and adaptation, the figures for transitional and enabling activities were not reported, since due to the lack of available data, only estimates would have been available.

Both the denominator and numerator in the tables include a section that covers life insurance contracts other than those in which the policyholder bears an investment risk. In the case of Mandatum, these contracts include with-profit investments. The denominator indicates the share of with-profit investments of all investments that fall within the scope of taxonomy reporting. The numerator indicates the taxonomy alignment of with-profit investments in relation to all investments that fall within the scope of taxonomy reporting.

### The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments

	%	EUR million
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities <b>relative to the value of total assets covered by the KPI</b> , with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:
Turnover-based:	1.0%	Turnover-based:
Capital expenditures-based:	1.3%	Capital expenditures-based:

The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.	96.6%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.
Coverage ratio:		Coverage:
		15,013.3

#### Additional, complementary disclosures: breakdown of denominator of the KPI

The percentage of derivatives relative to total assets covered by the KPI.	0.2%	The value in monetary amounts of derivatives.
		34.3

The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:
For non-financial undertakings:	40.7%	For non-financial undertakings:
For financial undertakings:	10.7%	For financial undertakings:
		6,114.6
		1,613.1

	%	EUR million
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The proportion of <b>exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU</b> over total assets covered by the KPI:		Value of <b>exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU</b> :
For non-financial undertakings:	30.1%	For non-financial undertakings: 4,513.2
For financial undertakings:	7.4%	For financial undertakings: 1,108.0

The proportion of <b>exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU</b> over total assets covered by the KPI:		Value of <b>exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU</b> :
For non-financial undertakings:	18.0%	For non-financial undertakings: 2,705.2
For financial undertakings:	10.0%	For financial undertakings: 1,498.1

The proportion of <b>exposures to other counterparties and assets</b> over total assets covered by the KPI:		Value of exposures to other counterparties and assets:
	20.3%	3,047.9

The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts <b>where the investment risk is borne by the policy holders</b> , that are directed at funding, or are associated with, Taxonomy-aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts <b>where the investment risk is borne by the policy holders</b> , that are directed at funding, or are associated with, Taxonomy-aligned economic activities:
	26.5%	3,974.0

	%	EUR million
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The value of all the investments that are funding <b>economic activities that are not Taxonomy-eligible</b> relative to the value of total assets covered by the KPI:		Value of all the investments that are funding <b>economic activities that are not Taxonomy-eligible</b> :
	91.5%	13,736.1

The value of all the investments that are funding Taxonomy-eligible economic activities, <b>but not Taxonomy-aligned</b> relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, <b>but not Taxonomy-aligned</b> :
	7.5%	1,132.2

**Additional, complementary disclosures: breakdown of numerator of the KPI**

The proportion of <b>Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU</b> over total assets covered by the KPI:		Value of <b>Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU</b> :
<b>For non-financial undertakings:</b>		<b>For non-financial undertakings:</b>
Turnover-based:	0.9%	Turnover-based: 140.8
Capital expenditures-based:	1.2%	Capital expenditures-based: 185.2
<b>Rahoitusalan yrityk For financial undertakings:</b>		<b>For financial undertakings:</b>
Turnover-based:	0.0%	Turnover-based: 4.2
Capital expenditures-based:	0.1%	Capital expenditures-based: 7.7

		%	EUR million
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts <b>where the investment risk is borne by the policy holders</b> , that are directed at funding, or are associated with, Taxonomy-aligned:			Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts <b>where the investment risk is borne by the policy holders</b> , that are directed at funding, or are associated with, Taxonomy-aligned:
Turnover-based:	0.2%	Turnover-based:	27.7
Capital expenditures-based:	0.3%	Capital expenditures-based:	47.2
The proportion of <b>Taxonomy-aligned exposures to other counterparties and assets</b> over total assets covered by the KPI:			Value of <b>Taxonomy-aligned exposures to other counterparties and assets</b> over total assets covered by the KPI:
Turnover-based:	0.0%	Turnover-based:	0.0
Capital expenditures-based:	0.0%	Capital expenditures-based:	0.0

### Breakdown of the numerator of the KPI per environmental objective

<b>Taxonomy-aligned activities</b> – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:				
(1) Climate change mitigation	Turnover:	0.0%	Transitional activities (Turnover):	-
			Enabling activities (Turnover):	-
	CapEx:	0.0%		
(2) Climate change adaptation	Turnover:	0.0%	Enabling activities (Turnover):	-
	CapEx:	0.0%		

# APPENDIX 3: GREENHOUSE GAS EMISSIONS

## Greenhouse gas emissions, Mandatum Group

	2023		2022		Change 2022-2023	
	Consumption	Unit	Emissions (tCO <sub>2</sub> e)	Share of total emissions		Emissions (tCO <sub>2</sub> e)
<b>Scope 1: Direct GHG emissions</b>			<b>23.9</b>	<b>2.0%</b>	<b>42.5</b>	<b>-43.7%</b>
<b>Mobile combustion</b>	<b>193,750</b>	<b>km</b>	<b>23.9</b>	<b>2.0%</b>	<b>42.5</b>	<b>-43.7%</b>
Diesel (incl. hybrid)	138,750	km	15.2	1.3%	15.0	1.9%
Petrol	55,000	km	8.7	0.7%	27.5	-68.4%
<b>Scope 2: Indirect GHG emissions</b>			<b>121.2</b>	<b>10.3%</b>	<b>109.8</b>	<b>10.3%</b>
<b>Electricity</b>			<b>0.7</b>	<b>0.1%</b>	<b>9.8</b>	<b>-93.1%</b>
Renewable	364,750	km	0.0	0.0%		0.0%
Renewable	902,174	kWh	0.0	0.0%	0.0	0.0%
Grid	2,340	kWh	0.7	0.1%	9.8	-93.1%
<b>Heating and cooling</b>	<b>1,140,141</b>	<b>kWh</b>	<b>120.5</b>	<b>10.2%</b>	<b>100.0</b>	<b>20.5%</b>
District heating	1,140,141	kWh	120.5	10.2%	100.0	20.5%
<b>Scope 3: Other indirect emissions</b>			<b>1,030.7</b>	<b>87.7%</b>	<b>696.3</b>	<b>48.0%</b>
<b>Business travel</b>			<b>373.4</b>	<b>31.8%</b>	<b>255.3</b>	<b>46.3%</b>
Flights	1,303,484	pkm	291.4	24.8%	176.5	65.1%
Taxi/Staff car	233,687	EUR	73.6	6.3%	74.1	-0.8%
Train	97,336	pkm	0.7	0.1%	0.4	87.0%
Accommodation	487	Number of guest nights	7.8	0.7%	4.3	83.4%



	2023			2022		
	Consumption	Unit	Emissions (tCO <sub>2</sub> e)	Share of total emissions	Emissions (tCO <sub>2</sub> e)	Change 2022-2023
<b>Purchased goods and services</b>			<b>243.3</b>	<b>20.7%</b>	<b>83.4</b>	<b>191.6%</b>
Water supply and treatment	1,607	m <sup>3</sup>	0.7	0.1%	0.6	12.4%
Paper	1,797,450	units/kg	38.6	3.3%	6.4	499.0%
Other materials	367,525	EUR	71.7	6.1%	16.8	325.8%
Food and beverages	232,070	EUR	39.6	3.4%	57.5	-31.2%
Cloud services	1,186	users	0.4	0.0%	2.0	-80.0%
	92,397	kgCO <sub>2</sub> e	92.4	7.9%		4430.4%
<b>Capital goods</b>			<b>119.5</b>	<b>10.2%</b>	<b>124.5</b>	<b>-4.0%</b>
IT equipment	688	Number of devices	119.5	10.2%	80.8	48.0%
Furniture and other	-	-	-	-	43.7	-100.0%
<b>Employee commuting and teleworking</b>			<b>242.7</b>	<b>20.6%</b>	<b>185.4</b>	<b>30.9%</b>
Employee commuting	2,173,183	pkm	151.6	12.9%	112.0	35.4%
Walk	103,561	pkm	0.0	0.0%	0.0	0.0%
Bicycle	60,825	pkm	0.0	0.0%	0.0	0.0%
Bicycle (eBike)	30,418	pkm	0.0	0.0%	0.0	-77.6%
Bus	249,260	pkm	37.8	3.2%	13.7	175.9%
Train	695,972	pkm	8.0	0.7%	21.4	-62.5%
Subway/metro	84,657	pkm	0.3	0.0%	2.1	-87.6%
Car (petrol)	152,588	pkm	30.6	2.6%	10.6	188.4%
Car (diesel)	302,389	pkm	42.5	3.6%	49.7	-14.5%
Car (hybrid electric vehicle)	196,146	pkm	27.2	2.3%	10.6	155.6%
Car (battery electric vehicle)	297,367	pkm	5.3	0.4%	3.7	40.8%
Teleworking	54,215	Days WFH	91.1	7.7%	73.4	24.0%
<b>Fuel and energy related activities</b>			<b>50.6</b>	<b>4.3%</b>	<b>47.6</b>	<b>6.1%</b>
Diesel (incl. hybrid)	138,750	km	4.0	0.3%	2.9	36.1%
Petrol	55,000	km	2.3	0.2%	2.9	-21.2%
Renewable electricity	902,174	kWh	22.3	1.9%	19.7	13.1%
Grid electricity	2,340	kWh	0.2	0.0%	2.7	-93.1%
District heating	1,092,636	kWh	21.8	1.9%	19.3	12.8%

	2023			2022		Change 2022-2023
	Consumption	Unit	Emissions (tCO <sub>2</sub> e)	Share of total emissions	Emissions (tCO <sub>2</sub> e)	
<b>Waste</b>	<b>8,475</b>	<b>kg</b>	<b>1.1</b>	<b>0.1%</b>	<b>0.0</b>	<b>New</b>
Recycling	816	kg	0.0	0.0%		New
Incineration	6,245	kg	0.9	0.1%		New
Composting	1,414	kg	0.2	0.0%		New
<b>TOTAL</b>			<b>1,175.8</b>		<b>848.6</b>	<b>38.6%</b>

#### Offices included in the emissions calculations

Location	Country
Helsinki	Finland
Turku	Finland
Oulu, Pakkahuoneenkatu	Finland
Oulu, Elektroniikkatie	Finland
Jyväskylä	Finland
Tampere	Finland
Vantaa	Finland
Kuopio	Finland
Lappeenranta	Finland
Pori	Finland
Seinäjoki	Finland
Vaasa	Finland
Luxembourg	Luxembourg
Stockholm	Sweden

# APPENDIX 4: GRI CONTENT INDEX

Mandatum Group has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.

GRI standard	Disclosure	Location	Requirement(s) omitted	Omission		Independent assurance
				Reason	Explanation	
<b>General disclosures</b>						
<b>GRI 2: General disclosures 2021</b>	2-1 Organisational details	pp. <b>4-5</b>				x
	2-2 Entities included in the organisation's sustainability reporting	pp. <b>80-82</b>				x
	2-3 Reporting period, frequency and contact point	pp. <b>80-82</b> p. <b>113</b>				x
	2-4 Restatements of information	No significant restatements of information from previous reporting periods.				x
	2-5 External assurance	The report has undergone external assurance (limited assurance). pp. <b>111-112</b> pp. <b>80-82</b>				x
	2-6 Activities, value chain and other business relationships	pp. <b>4-5</b> pp. <b>20-28</b> pp. <b>34-37</b> p. <b>70</b>				x
	2-7 Employees	pp. <b>44-47</b>				x
	2-8 Workers who are not employees	pp. <b>44-47</b>				x
	2-9 Governance structure and composition	pp. <b>10-13</b> Corporate Governance Statement, pp. <b>6-12</b> : <a href="https://www.mandatum.fi/en/year2023">mandatum.fi/en/year2023</a>	Partially 2-9-c	Not applicable	Mandatum does not collect data on racial or ethnic identities.	x

GRI standard	Disclosure	Location	Requirement(s) omitted	Omission		Independent assurance
				Reason	Explanation	
	2-10 Nomination and selection of the highest governance body	Corporate Governance Statement, pp. <b>13-14</b> : <a href="https://www.mandatum.fi/en/year2023">mandatum.fi/en/year2023</a>				x
	2-11 Chair of the highest governance body	Corporate Governance Statement, p. <b>8</b> : <a href="https://www.mandatum.fi/en/year2023">mandatum.fi/en/year2023</a>				x
	2-12 Role of the highest governance body in overseeing the management of impacts	pp. <b>10-13</b> pp. <b>14-15</b>				x
	2-13 Delegation of responsibility for managing impacts	pp. <b>10-13</b>				x
	2-14 Role of the highest governance body in sustainability reporting	pp. <b>10-13</b>				x
	2-15 Conflicts of interest	Corporate Governance Statement, pp. <b>11-12, 19-23</b> : <a href="https://www.mandatum.fi/en/year2023">mandatum.fi/en/year2023</a>  Code of Conduct: <a href="https://www.mandatum.fi/en/group/governance/code-of-conduct/">https://www.mandatum.fi/en/group/governance/code-of-conduct/</a>  Management shareholding and transactions: <a href="https://www.mandatum.fi/en/group/investors/shareholders/management-shareholding-and-transactions/">https://www.mandatum.fi/en/group/investors/shareholders/management-shareholding-and-transactions/</a>				x
	2-16 Communication of critical concerns	pp. <b>10-13</b>				x
	2-17 Collective knowledge of the highest governance body	pp. <b>10-13</b>				x
	2-18 Evaluation of the performance of the highest governance body	pp. <b>10-13</b>	Partially 2-18 b-c	Information unavailable/incomplete	Mandatum plc's Board of Directors will evaluate its performance for the first time in 2024.	x
	2-19 Remuneration policies	Remuneration Report for Governing Bodies of Mandatum plc, pp. <b>7-8, 9-15</b> : <a href="https://www.mandatum.fi/en/year2023">mandatum.fi/en/year2023</a> Annual Report 2023, pp. <b>128-131</b> : <a href="https://www.mandatum.fi/en/year2023">mandatum.fi/en/year2023</a> pp. <b>57-59</b>				x
	2-20 Process to determine remuneration	pp. <b>57-59</b>				x

GRI standard	Disclosure	Location	Requirement(s) omitted	Omission		Independent assurance
				Reason	Explanation	
	2-21 Annual total compensation ratio	pp. <b>57-59</b>	Partially 2-21 a-b	Information unavailable/incomplete	The average employee remuneration has been calculated as a mean instead of a median. Mandatum does not report the ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees, as comparable figures from the previous reporting period are not available.	x
	2-22 Statement on sustainable development strategy	pp. <b>6-7</b>				x
	2-23 Policy commitments	pp. <b>10-13</b> pp. <b>68-69</b> Code of Conduct: <a href="https://www.mandatum.fi/en/group/governance/code-of-conduct/">https://www.mandatum.fi/en/group/governance/code-of-conduct/</a>				x
	2-24 Embedding policy commitments	pp. <b>20-28</b> pp. <b>34-37</b> p. <b>39</b> pp. <b>44-47</b> pp. <b>47-49</b> pp. <b>50-54</b> pp. <b>55-56</b> pp. <b>57-59</b> p. <b>60</b> pp. <b>61-62</b> pp. <b>63-65</b> pp. <b>66-67</b> pp. <b>68-69</b> p. <b>70</b> pp. <b>71-72</b> p. <b>78</b>				x
	2-25 Processes to remediate negative impacts	pp. <b>10-13</b>				x

GRI standard	Disclosure	Location	Requirement(s) omitted	Omission		Independent assurance
				Reason	Explanation	
	2-26 Mechanisms for seeking advice and raising concerns	p. <b>60</b> pp. <b>61-62</b> pp. <b>63-65</b>				x
	2-27 Compliance with laws and regulations	p. <b>73</b>				x
	2-28 Membership associations	pp. <b>75-77</b>				x
	2-29 Approach to stakeholder engagement	pp. <b>75-77</b>				x
	2-30 Collective bargaining agreements	pp. <b>68-69</b>				x
<b>Material topics</b>						
<b>GRI 3: Material topics 2021</b>	3-1 Process to determine material topics	pp. <b>14-15</b> pp. <b>80-82</b>	Partially 3-1 a-b	Information unavailable/incomplete	Mandatum plc was incorporated in the partial demerger of Sampo plc, which took effect on 1 October 2023. Following the partial demerger, Mandatum launched a double materiality assessment in 2023, the results of which will be available in early 2024.	x
	3-2 List of material topics	pp. <b>14-15</b> pp. <b>80-82</b>				x
<b>Economic performance</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> p. <b>78</b> Annual Report 2023, p. <b>53</b> : <b>mandatum.fi/en/year2023</b>				x
<b>GRI 201: Economic performance 2016</b>	201-1 Direct economic value generated and distributed	Annual Report 2023, pp. <b>55, 58, 88, 89</b> : <b>mandatum.fi/en/year2023</b> pp. <b>75-77</b>				x
	201-2 Financial implications and other risks and opportunities due to climate change	pp. <b>16-17</b> p. <b>29</b>	Partially 201-2-a	Information unavailable/incomplete	Mandatum does not currently report on costs related to climate risks and opportunities.	x

GRI standard	Disclosure	Location	Omission			Independent assurance
			Requirement(s) omitted	Reason	Explanation	
	201-4 Financial assistance received from government	Annual Report 2023, p. <b>44</b> : <b>mandatum.fi/en/year2023</b> Mandatum Group did not receive any financial assistance from any government in 2023.				x
<b>Anti-corruption</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> p. <b>60</b>				x
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	pp. <b>16-17</b> p. <b>60</b> Corruption risks have been assessed taking into account the operations of the entire Mandatum Group.				x
	205-2 Communication and training about anti-corruption policies and procedures	p. <b>60</b>	Partially 205-2 a-e	Information unavailable/incomplete	Mandatum reports the completion rate of the training related to anti-corruption and bribery for the entire personnel in 2023.	x
	205-3 Confirmed incidents of corruption and actions taken	p. <b>60</b>				x
<b>Anti-competitive behavior</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> Code of Conduct: <b><a href="https://www.mandatum.fi/en/group/governance/code-of-conduct/">https://www.mandatum.fi/en/group/governance/code-of-conduct/</a></b>				x
<b>GRI 206: Anti-competitive behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions during the reporting year.				x
<b>Emissions</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> pp. <b>20-28</b> p. <b>29</b> pp. <b>71-72</b>				x



GRI standard	Disclosure	Location	Requirement(s) omitted	Omission		Independent assurance
				Reason	Explanation	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	p. <b>29</b> pp. <b>71-72</b> pp. <b>80-82</b> pp. <b>99-101</b>				x
	305-2 Energy indirect (Scope 2) GHG emissions	p. <b>29</b> pp. <b>71-72</b> pp. <b>80-82</b> pp. <b>99-101</b>				x
	305-3 Other indirect (Scope 3) GHG emissions	p. <b>29</b> pp. <b>71-72</b> pp. <b>80-82</b> pp. <b>99-101</b>				x
	305-4 GHG emissions intensity	p. <b>29</b> pp. <b>71-72</b>				x
	305-5 Reduction of GHG emissions	pp. <b>71-72</b>				x
<b>Occupational health and safety</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> pp. <b>50-54</b>				x
<b>GRI 403: Occupational health and safety 2018</b>	403-1 Occupational health and safety management system	pp. <b>50-54</b>				x
	403-2 Hazard identification, risk assessment, and incident investigation	pp. <b>50-54</b>				x
	403-3 Occupational health services	pp. <b>50-54</b>				x
	403-4 Worker participation, consultation, and communication on occupational health and safety	pp. <b>50-54</b>				x
	403-5 Worker training on occupational health and safety	pp. <b>50-54</b>				x
	403-6 Promotion of worker health	pp. <b>50-54</b>				x
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. <b>50-54</b>				x
	403-8 Workers covered by an occupational health and safety management system	pp. <b>50-54</b>	Partially 403-8-a	Information unavailable/incomplete	Information on workers who are not employees is currently not available.	x

GRI standard	Disclosure	Location	Requirement(s) omitted	Omission		Independent assurance
				Reason	Explanation	
	403-9 Work-related injuries	pp. <b>50-54</b>	Partially 403-9 a-g	Information unavailable/incomplete	Information on workers who are not employees is currently not available.	x
<b>Training and education</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> pp. <b>55-56</b>				x
<b>GRI 404: Training and education 2016</b>	404-1 Average hours of training per year per employee	pp. <b>55-56</b>	404-1-a	Information unavailable/incomplete	Information is currently not collected. Training costs per year per employee are reported instead.	x
	404-2 Programs for upgrading employee skills and transition assistance programs	pp. <b>55-56</b> No transition assistance programs.				x
<b>Diversity and equal opportunity</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> pp. <b>47-49</b>				x
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Corporate Governance Statement, pp. <b>6-10</b> : <a href="https://www.mandatum.fi/en/year2023">mandatum.fi/en/year2023</a> pp. <b>47-49</b>				x
	405-2 Ratio of basic salary and remuneration of women to men	pp. <b>57-59</b>	Partially 405-2 a-b	Information unavailable/incomplete	Information is currently not reported based on employee category or location.	x
<b>Non-discrimination</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> pp. <b>68-69</b>				x
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	pp. <b>68-69</b>				x
<b>Freedom of association and collective bargaining</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> pp. <b>20-28</b> pp. <b>68-69</b>				x

GRI standard	Disclosure	Location	Requirement(s) omitted	Omission		Independent assurance
				Reason	Explanation	
<b>GRI 407: Freedom of association and collective bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	pp. <b>20-28</b> p. <b>70</b>				x
<b>Child labor</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> pp. <b>20-28</b> pp. <b>68-69</b>				x
<b>GRI 408: Child labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	pp. <b>20-28</b> p. <b>70</b>				x
<b>Forced or compulsory labor</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> pp. <b>20-28</b> pp. <b>68-69</b>				x
<b>GRI 409: Forced or compulsory labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	pp. <b>20-28</b> p. <b>70</b>				x
<b>Customer privacy</b>						
<b>GRI 3: Material topics 2021</b>	3-3 Management of material topics	pp. <b>10-13</b> pp. <b>63-65</b> pp. <b>66-67</b>				x
<b>GRI 418: Customer privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pp. <b>63-65</b> pp. <b>66-67</b> No leaks, thefts, or losses of customer data were identified.				x

# SIGNATURES TO THE SUSTAINABILITY REPORT

Helsinki, 19 March 2024  
Mandatum plc  
Board of Directors

**Patrick Lapveteläinen**  
Chairman of the Board of Directors

**Jannica Fagerholm**  
Vice Chairman of the Board

**Jukka Ruuska**

**Markus Aho**

**Kimmo Laaksonen**

**Johanna Lamminen**

**Petri Niemisvirta**  
CEO

# INDEPENDENT LIMITED ASSURANCE REPORT

## TO THE BOARD OF DIRECTORS OF MANDATUM OYJ

### SCOPE

We have been engaged to provide a limited assurance on the selected GRI disclosures presented on Mandatum Oyj's (business identity code 3355142-3) "Sustainability Report" for the reporting period of January 1, 2023 to December 31, 2023. The assured information is presented on the "Sustainability Report's" GRI Content Index pages. (Hereafter Sustainability Reporting).

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors of Mandatum Oyj is responsible for the preparation of the Sustainability Reporting in accordance with the Reporting criteria as set out in the Mandatum Oyj's reporting instructions and the GRI Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter also the Reporting criteria). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Sustainability Reporting that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate

criteria and making estimates that are reasonable in the circumstances.

### ASSURANCE PROVIDER'S RESPONSIBILITIES

Our responsibility is to perform a limited assurance engagement and to provide an independent conclusion on the Sustainability Reporting based on our engagement. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and its terms have been agreed with Mandatum Oyj. ISAE 3000 standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that cause us to believe that the Sustainability Reporting has not been prepared, in all material respects, in accordance with the Reporting criteria. The nature, timing and scope of the limited assurance procedures are based on professional judgement, including an assessment of material misstatement due to fraud or error. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

We have maintained our independence and confirm that we have complied with the ethical requirements set by the International Ethics Standards Board for Accountants, IESBA. We have applied International Standard on Quality Management, ISQM 1.

### DESCRIPTION OF THE MEASURES TAKEN

As the methods of obtaining evidence are more limited in a limited assurance than in a reasonable assurance, an assurance obtained is more limited than in a reasonable assurance. We have designed and performed procedures to obtain sufficient and appropriate evidence for limited assurance and to provide a basis for our conclusion, therefore we do not obtain all the evidence, which is required in reasonable assurance. While we consider the design of internal controls when determining the nature and scope of our assurance procedures, our limited assurance engagement is not included the testing of the operating effectiveness of internal controls. Our procedures did not include control testing or performing procedures related to combining and calculating data within IT systems.

The limited assurance engagement consists of inquiries of individuals who are responsible for preparing Sustainability Reporting and related information, as well as for carrying out analytical and other procedures.

### THE PROCEDURES INCLUDED:

Among other things, we have carried out the following procedures in the assignment:

- Interviewing senior management of the Company;
- Conducting interviews with employees responsible for the collection and reporting of the sustainability information and
- Reviewing of the processes and systems for data gathering, including the aggregation of the data for the Sustainability Reporting;
- Reviewing internal and external documentation to verify to what extent these documents and data support the information included in the Sustainability Reporting and evaluating whether the information presented in the Sustainability Reporting is in line with our overall knowledge of the objectives and management of corporate responsibility at Mandatum Oyj;

- Performing analytical review procedures, recalculating and testing data on a sample basis to assess the reasonability of the presented Sustainability Information;
- Assessing the consistency of the Sustainability Reporting with GRI Reporting criteria, reporting contents as well as the qualitative principles of reporting.

**CONCLUSION**

Based on procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Mandatum Oyj's Sustainability Reporting for the reporting period ended 31 December 2023 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

Helsinki, March 25, 2024

Deloitte Oy  
Audit firm

Reeta Virolainen  
Authorized Public  
Accountant

Anu Servo  
Authorized Public  
Accountant

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**IN QUESTIONS OR FEEDBACK****ON THE REPORT, PLEASE CONTACT:**

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Brand and Sustainability

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The fund Mandatum Global Investment Fund SCSp SICAV-RAIF - UI-Mandatum AM Senior Secured Loan Fund is intended for professional investors only. MAM is the fund's portfolio manager. The fund is managed by Univeral-Investment-Luxembourg S.A. The fund is a financial product disclosing in accordance with Article 9 of the SFDR. More information on the fund's sustainability aspects is available at

[www.universal-investment.com/-/media/Project/Universal-Investment-Reference-Page/Universal-Investment-Fondsmittellungen/Mandatum\\_Global\\_Investment\\_Fund\\_SCSp\\_SICAV-RAIF\\_UI-Mandatum\\_AM\\_Senior\\_Secured\\_Loan\\_Fund\\_Web-Dokument.pdf](http://www.universal-investment.com/-/media/Project/Universal-Investment-Reference-Page/Universal-Investment-Fondsmittellungen/Mandatum_Global_Investment_Fund_SCSp_SICAV-RAIF_UI-Mandatum_AM_Senior_Secured_Loan_Fund_Web-Dokument.pdf).

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Mandatum Group



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