

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

Product name: Mandatum AM Private Debt VIII

Legal entity identifier: N/A

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<p><input checked="" type="radio"/> <input type="radio"/> Yes</p> <p><input type="checkbox"/> It will make a minimum of sustainable investments within an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="radio"/> <input checked="" type="radio"/> No</p> <p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its investment objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> With an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> With an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics but will not make any sustainable investments</p>

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

The Mandatum AM Private Debt VIII investment basket promotes, among other characteristics, environmental and social characteristics, and the fund managers managing the investments follow good governance practices.

This product promotes environmental and social characteristics in the following ways:

- During the fund selection phase, an ESG analysis is conducted, paying special attention to aspects such as the integration of ESG matters in the target fund, the fund manager's ESG policy, the fund's exclusion criteria, UNPRI membership or adherence to similar principles, ESG resourcing, and ESG reporting (including PAI indicators and carbon footprint). Additionally, funds are scored, and they are compared to other peer target funds, especially those operating under the same sub-segment. Based on the ESG

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

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



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

analysis, specific sustainability priorities are determined for each target fund, which are discussed with the fund manager during the pre-investment phase. For an investment to be eligible for inclusion in the investment basket, it must meet the defined internal criteria during the due-diligence phase.

- The development of ESG matters in the funds is monitored through an annual ESG questionnaire and the subsequent analysis and scoring. Efforts are made to address identified areas for improvement through feedback and active engagement.
- Investments are not made in funds whose managers have not committed to responsible investment practices (fund managers are required to have their own ESG policy or to have signed the UN PRI).

Furthermore, the reporting of principal adverse impact indicators by fund managers is promoted.

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

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

The ESG characteristics promoted by the product are measured by monitoring the following indicators:

- The share of investments in funds that report PAI indicators
- The share of fund managers who have committed to the UN PRI principles
- The share of fund managers with an ESG policy
- Additionally, it is reported how funds have improved their ESG performance based on the annual ESG analysis

An ESG survey is carried out for fund managers during the pre-investment phase and annually thereafter to monitor how sustainability matters have been promoted on the company- and fund-specific levels during the year. All managers are informed of how they rank compared to other underlying funds and what the managers can do to improve their ESG performance. An anonymized summary of the survey results is also disclosed to our customers.



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



Yes

This product monitors the following principal adverse impacts through an ESG questionnaire sent to fund managers during the pre-investment phase and annually: fund’s target companies’ operations in the fossil fuels sector, breaches of the UN Global Compact principles and OECD guidelines and involvement in the controversial weapons sector. The information is available in the periodic reports to be published annually as required by the SFDR.



No

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



What investment strategy does this financial product follow?

The investment basket's assets are primarily invested in unlisted debt that may be secured or unsecured. The investment basket invests its assets indirectly in other funds that invest in European and North American private debt arrangements or other debts of mainly unlisted companies.

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

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

In selecting and monitoring investment strategies managed by external funds, asset managers and co-operation partners, Mandatum requires the implementation of a due diligence process that takes sustainability factors into account. Fund managers are required to have their own ESG policy or to have signed the UN PRI.

During the due diligence phase, an ESG analysis is conducted for fund managers to evaluate the consideration of sustainability factors in the fund, and any potential areas for improvement identified are discussed with the fund manager. Investments are monitored from an ESG perspective annually through an ESG questionnaire administered to fund managers, which also tracks the development of any potential areas for improvement identified during the DD phase, and feedback is provided to managers. Additionally, active engagement is pursued with managers who are considered to be most in need of improvement relative to their sub-segment, aiming to influence the development of ESG matters. For an investment to be eligible for inclusion in the investment basket, it must meet the defined internal criteria during the due-diligence phase.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The investment basket is committed to implementing the binding elements described above. To what extent these binding elements reduce the investment universe is not defined.

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

When selecting the investment basket's fund managers, good governance is ascertained in the due diligence phase. In addition, the governance practices of the managers are surveyed through a sustainability analysis carried out before making the investment and annually thereafter, with the aim of monitoring the implementation of good governance also during the investment's life cycle.

Investor-specific agreements are made to ensure that the managers follow the UN Global Compact principles or other comparable principles in their investment operations. If misconduct or breaches of norms are detected in a company that the fund has invested in, the usual portfolio management measures include engaging in dialogue with the fund manager, depending on the severity, nature and scope of the breach. Divesting the investment is the last resort, if this is deemed necessary due to the severity, nature and scope of the misconduct or breaches and the fund has not taken action to prevent the misconduct or breaches within a reasonable timeframe. A case-by-case assessment is applied to the situations.

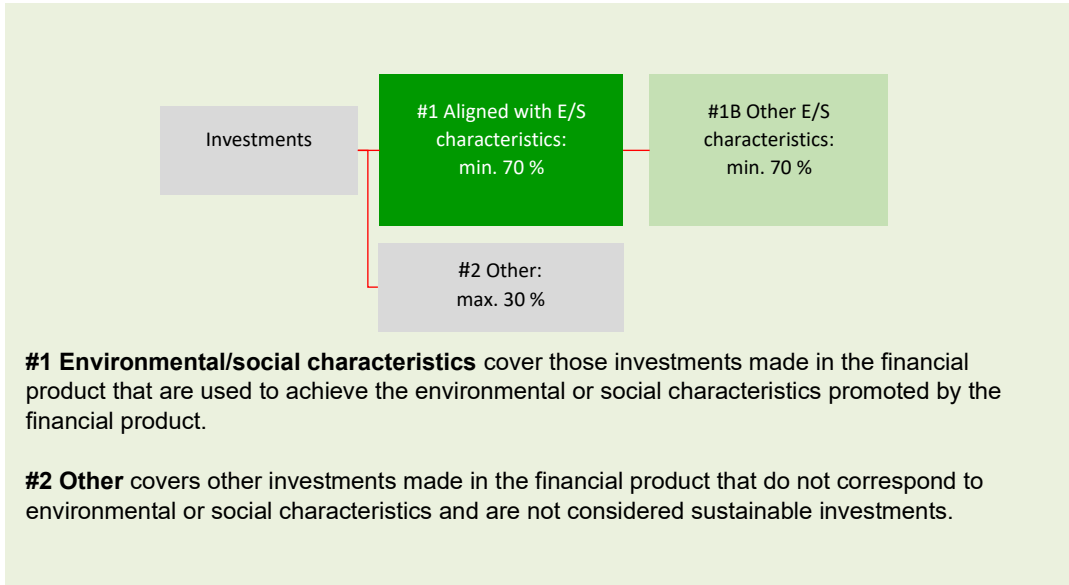
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

70 % of the investments in the investment basket are aligned with E/S characteristics. The investment category 2# Other may include cash and hedging instruments, and investments made for diversification purposes or investments for which there is insufficient data available to determine that they promote the E/S characteristics defined for the product.

Asset allocation describes the share of investments made in specific assets.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The investment basket may enter into financial derivatives contracts for the purpose of hedging, efficient portfolio management and/or implementing its investment strategy. No financial derivatives linked to individual companies are used and as such the use of derivatives does not have an effect on the E/S factors promoted by the product.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



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

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

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

- Yes:
 - Fossil gas
 - Nuclear energy
- No

¹ The EU classification system (the so-called taxonomy) defines which economic activities are considered environmentally sustainable and is linked to the EU's climate goals. In the case of fossil gas and nuclear energy, the criteria are defined such that their use is only acceptable if it contributes to mitigating climate change and does not cause significant harm to other environmental objectives. For example, if the use of fossil gas or nuclear energy can contribute to the transition to carbon neutrality and help limit climate change, it may be in line with the EU classification system, but only if it does not entail significant negative environmental impacts. The Commission Delegated Regulation (EU) 2022/1214 further clarifies these criteria and rules, specifying when the use of fossil gas and nuclear energy is economically and environmentally sustainable. The regulation aims to ensure that economic activities support the EU's broader climate and environmental goals.

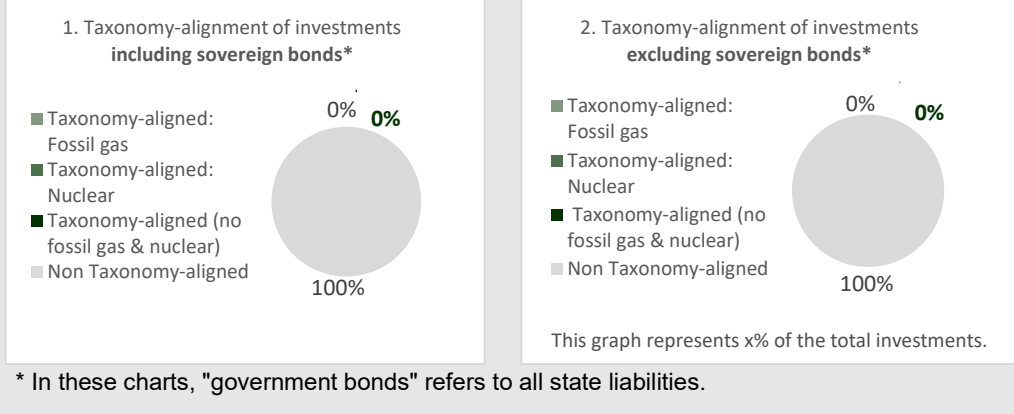
To comply with the EU classification system, the criteria for fossil gas include emission limits and a transition to renewable energy or low-carbon fuels by the end of 2035.

For nuclear energy, the criteria include comprehensive rules on safety and nuclear waste management.

Enabling activities directly allow other activities to significantly contribute to an environmental objective.

Transitional activities are those for which low-carbon alternatives are not yet available, and their greenhouse gas emission levels correspond to the best performance.

The following two charts show the minimum percentage of investments that are in line with the EU classification system, highlighted in green. Since there is no proper method to determine whether government bonds* are in line with the classification system, the first chart shows the alignment with the classification system for all investments in the financial product, including government bonds, while the second chart shows the alignment with the classification system for investments in the financial product excluding government bonds.



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

0%.



What investments are included under "#2 Other," what is their purpose, and are there any minimum environmental or social safeguards?

"#2 Other" includes the cash and cash equivalents and derivatives held by the investment basket ensuring its smooth operation when fulfilling its investment strategy. The investment basket employs the minimum safeguards by screening for compliance with the international norms and standards including the UN Global Compact and the OECD Guidelines for Multinational Enterprises.



Where can I find more product-specific information online?

More detailed product-specific information is available at:
<https://www.mandatumam.com/responsible-investing/>