MANDATUM
ASSET MANAGEMENT

Mandatum AM Stamina Equity

PRE-CONTRACTUAL DISCLOSURE OF A PRODUCT THAT PROMOTES E/S CHARACTERISTICS
PURSUANT TO ARTICLE 8 OF THE SFDR

Environmental or social characteristics promoted by this product

Mandatum AM Stamina Equity investment basket promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and the companies in which the investments are made follow good governance practices pursuant to article 8 of the Regulation 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR). In accordance with the EU Taxonomy, 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.

Stamina Equity investment basket aims to achieve an annual return on the investment basket’s assets that exceeds the equity market return in the long run. The investment basket invests its assets in the Mandatum Life Stamina Equity Fund managed by Mandatum Life Fund Management S.A.

Mandatum Life Insurance Company Ltd and its portfolio manager Mandatum Asset Management Ltd (combined “Mandatum”) invest its customers’ funds responsibly, and responsibility forms a key part of Mandatum’s risk management process. Mandatum believes that, in the long run, the securities of companies and issuers who operate responsibly will yield better results as investment objects, thanks to their more favourable growth prospects and more predictable cost development.

For these reasons, Mandatum has incorporated responsibility into its investment operations, and its investment decisions take into account not only financial aspects, but also factors related to the environment, society, employees, respect for human rights, and anti-corruption and anti-bribery (hereinafter sustainability factors), as well as the related risks.

When analysing the risks of an investment object, Mandatum considers environmental, social and governance factors as part of the whole. In decision-making, Mandatum employs both negative and positive screening, taking the special characteristics of different asset classes into account.

Mandatum’s approach is to impact companies’ operating methods in terms of responsibility also as an active owner by meeting with the management of the companies and through engagement together with other investors. When selecting direct equity investments, Mandatum takes sustainability matters into account as part of the investment object analysis. Investments are continuously monitored from a sustainability perspective. Portfolio managers and analysts monitor the news flow on their investment objects daily, in addition to which an external service provider specialising in sustainability matters reviews the investments quarterly.

The Adverse Sustainability Impacts Statement is published on the Website.

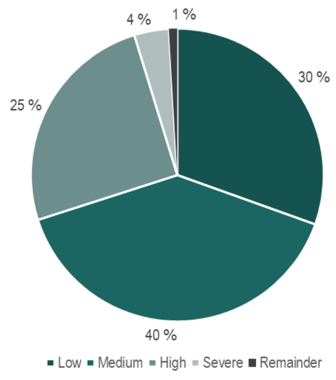
The investments are divided into four ESG risk categories based on Sustainalytic’s ESG Risk Rating. Mandatum’s Responsible Investment Policy requires portfolio managers to prepare a report on the reasons of ESG risk in High and Severe risk categories. The Severe risk category also requires the approval of the Chief Investment Officer responsible for client assets.

The investments are monitored on the basis of the UN Global Compact principles. The principles are based on international standards concerning human rights, labour rights, the environment and corruption. Additionally, Mandatum has set limits on investments in companies whose business involves controversial weapons, defence materials, coal mining, coal- or fossil oil-based energy, tobacco, adult entertainment, or gambling.

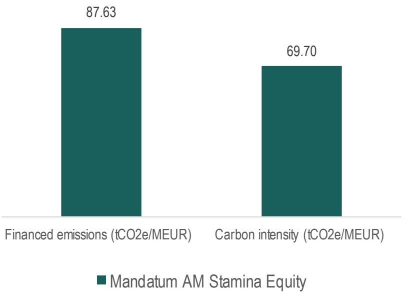
The carbon footprint of investments is measured and disclosed annually.

The ESG characteristics promoted by this investment basket are measured and monitored through ESG Risk Rating, Norm Based Screening and Carbon Footprint. Investments are monitored on a quarterly basis and 99% of the investments are covered by the ESG Risk Rating. The Remainder of 1% consists of one non-rated company. The investment basket also has cash positions that are excluded from the measures. ESG Risk Rating, Norm Based Screening and Carbon Footprint are presented as latest available information.

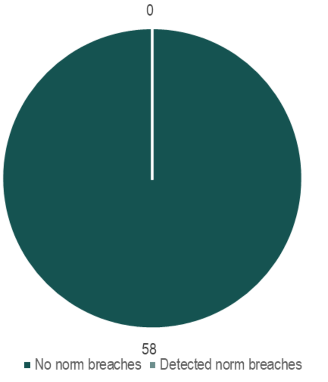
ESG Risk Rating



Carbon Footprint



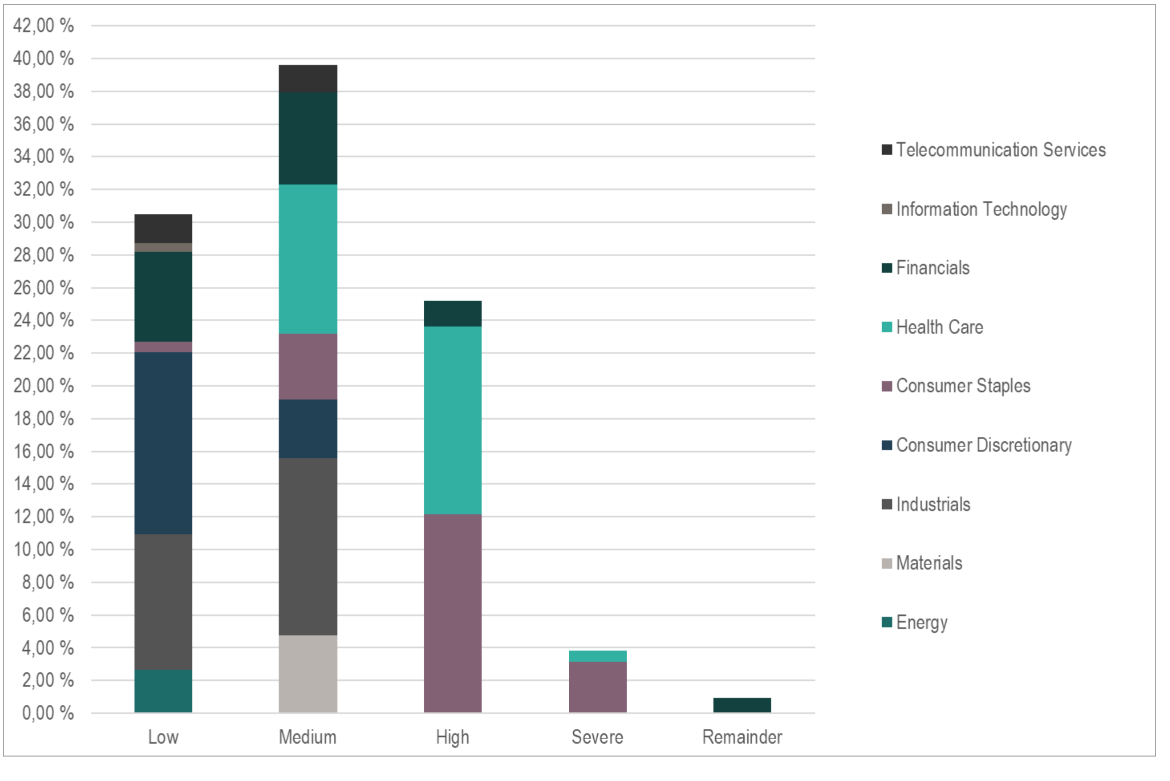
Norm Based Screening



The investment basket aims to achieve an annual return on the investment basket's assets that exceeds the equity market return in the long run. The investment basket invests its assets in the Mandatum Life Stamina Equity Fund managed by Mandatum Life Fund Management S.A.

The Sector Allocation presents the exposure to ESG risks in different sectors. The Severe risk category mainly consists of consumer staples sector.

Sector Allocation



No sustainable investment objective

This product does not have as its objective sustainable investment.

Investment strategy

Mandatum AM Stamina Equity investment basket aims to achieve an annual return on the investment basket's assets that exceeds the equity market return in the long run. The investment basket invests its assets in the Mandatum Life Stamina Equity Fund managed by Mandatum Life Fund Management S.A.

Good governance assessment

The investments are monitored on the basis of the UN Global Compact principles. The principles are based on international standards concerning human rights, labour rights, the environment and corruption. If abuses or breaches related to these standards are observed in the investee company, the incident is investigated and measures are taken on a case-by-case basis. Depending on the severity, nature and extent of the breach, the portfolio management measures may consist of direct dialogue with the company's executive management, an engagement action or, as a last resort, selling the investment if the engagee company does not respond to the engagement efforts and does not take measures to prevent the abuse or breach within a reasonable time frame.

When analysing investment objects and making investment decisions, the ESG risk rating of an external service provider including also governance risks and factors is used. The aim is to quantify the extent to which a risk related to ESG criteria may affect the company's value. The risk rating is a two-dimensional framework that measures the company's exposure to ESG risks and how well the company is managing those risks in relation to the manageable risks.

Binding elements of investment strategy

Different industries/product groups have been divided into tolerance categories based on how much of the company's net sales is generated, either directly or indirectly, by the business in question:

a) Zero tolerance: the investment object must have no direct or indirect net sales from the business in question.

b) Low tolerance: the investment object must have no direct net sales from the business in question. The limit for indirect net sales is 50%.

c) Partial tolerance: the business in question must not be the investee's main business (more than 50% of net sales).

In addition to standard- and business-based monitoring, the carbon footprint of investments is determined annually and monitored separately for each fund.

The responsible portfolio manager for each fund or responsibility area is responsible for effectively managing the climate risk of the investment object he/she manages, in line with the commitments made by Mandatum.

When selecting direct equity investments, Mandatum takes sustainability matters into account as part of the investment object analysis.

Investments are continuously monitored from a sustainability perspective. Portfolio managers and analysts monitor the news flow on their investment objects daily, in addition to which an external service provider specialising in sustainability matters reviews the investments quarterly. The investments are monitored on the basis of the UN Global Compact principles. The principles are based on international standards concerning human rights, labour rights, the environment and corruption. Additionally, Mandatum has set limits on investments in companies whose business involves controversial weapons, defence materials, coal mining, coal- or fossil oil-based energy, tobacco, adult entertainment, or gambling.

Industry/Product group	Percentage of net sales		Description
Zero tolerance	Direct business	Indirect business	
Controversial weapons	0 %	0 %	Investments are not made in companies whose business is manufacturing, subcontracting or distribution of controversial weapons. Controversial weapons are, for example, biological, chemical, nuclear and cluster weapons.
Low tolerance	Direct business	Indirect business	
Tobacco	0 %	50 %	Investments are not made in companies whose business involves the manufacture of tobacco products or whose core business is tobacco production subcontracting or the distribution of tobacco products.
Coal mining	0 %	50 %	Investments are not made in companies whose business is mining of carbon or coal or whose core business is coal mining subcontracting.
Adult entertainment	0 %	50 %	Investments are not made in companies whose business is production of adult entertainment or whose core business is adult entertainment industry subcontracting or distribution.
Partial tolerance	Direct business	Indirect business	
Fossil oil-based energy	50 %	50 %	Investments are not made in companies whose core business is extraction, production or refining and processing of fossil oil or the production or distribution of fossil oil-based energy, if the company does not have a clear strategy to transition to a more sustainable business model.
Coal-based energy	50 %	50 %	Investments are not made in companies whose core business is the production or distribution of coal-based energy, if the company does not have a clear strategy to transition to a more sustainable business model.
Gambling	50 %	50 %	Investments are not made in companies whose core business involves gambling or gambling subcontracting.
Defence materials	50 %	50 %	Investments are not made in companies whose core business is manufacturing, subcontracting or distribution of defence material.

Sustainability indicators

The sustainability analysis of an investment is based on information collected from public sources. Sustainability is analysed in both quantitative and qualitative terms. Direct dialogue is a key component of the sustainability analysis of an investment object. To back their analysis, portfolio managers and analysts also use the sustainability analysis of an external service provider.

The ESG risk rating of an external service provider is also used to quantify the extent to which a risk related to ESG criteria may affect the company's value.

Companies are divided into four risk categories based on the ESG risk rating. Depending on the risk category, further measures are required from the portfolio manager before making the investment, as indicated in table below. If the risk category of an investment included in the portfolio changes, the investment will be reassessed.

Companies for which an external service provider's ESG risk rating is not available are thoroughly analysed on the part of all factors influencing the return/risk ratio. This also includes an analysis of risks arising from ESG factors. The analysis is based on the available material.

The investments are also monitored on the basis of the UN Global Compact principles. The principles are based on international standards concerning human rights, labour rights, the environment and corruption. If abuses or breaches related to these standards are observed in the investee company, the incident is investigated and measures are taken on a case-by-case basis.

Depending on the severity, nature and extent of the breach, the portfolio management measures

may consist of direct dialogue with the company's executive management, an engagement action or, as a last resort, selling the investment if the engagee company does not respond to the engagement efforts and does not take measures to prevent the abuse or breach within a reasonable time frame.

The carbon footprint of investments is determined annually and monitored separately for each investment basket.

Risk category	Measures required by the risk category
Low risk	Making an investment decision does not require separate actions from a responsible investment perspective.
Moderate risk	The risk related to ESG factors is considered to be moderate. The portfolio manager/analyst must be sure to have taken into account in his/her analysis the ESG risks that have led to a raised risk level, as well as the consequences of the potential realisation of such risks.
High risk	The risk related to ESG factors is considered to be high. Due to a high risk level, the portfolio manager/analyst must prepare a report on the reasons for and potential consequences of the ESG risks in the context of the entire portfolio.
Severe risk	The risk related to ESG factors is considered to be severe. Due to a severe risk level, the portfolio manager/analyst must prepare a report on the reasons for and potential consequences of the ESG risks in the context of the entire portfolio. Making the investment requires the approval of the Chief Investment Officer responsible for client assets.

Use of derivatives

The investment basket may enter into financial derivatives contracts for the purpose of hedging, efficient portfolio management and/or implementing its investment strategy.

Does this financial product take into account principal adverse impacts on sustainability factors?

Yes.

Website reference

More product-specific information can be found on the Website.

Reference benchmark

The investment basket is actively managed, but does not have a benchmark index.